

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1432

(Prince George's County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Prince George's County - Public Safety Surcharge
PG 421-13

This bill alters the amount of the public safety surcharge that the Prince George's County Council may impose on certain construction located in an area included in a basic plan or conceptual site plan that abuts an existing or planned mass transit rail station site operated by the Washington Metropolitan Area Transit Authority and complies with the requirements of any sector plan, master plan, or overlay zone approved by the Prince George's County District Council.

The bill takes effect October 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues from the public safety surcharge decrease beginning in FY 2014 depending on the amount of development occurring in an area included in a basic plan or conceptual site plan that abuts an existing or planned Metro station and the amount of the surcharge imposed. County expenditures are not directly affected.

Small Business Effect: Minimal.

Analysis

Current Law: The Prince George's County Council may impose a public safety surcharge on new residential construction for which a preliminary plan has been approved on or after July 1, 2005. The public safety surcharge rates were set at

\$6,000 per unit for construction outside the developed tier and \$2,000 per unit for construction inside the developed tier, effective in fiscal 2006. The rates are adjusted annually based on the Consumer Price Index (CPI). The public safety surcharge in fiscal 2013 is set at \$7,092 for development outside the developed tier, as defined in the 2002 Prince George's County Approved General Plan, and \$2,365 within the developed tier. The surcharges are collected at the time a building permit is issued.

Revenues collected from the public safety surcharge can only be directed toward police, fire, and emergency medical services and may only be used for construction or rehabilitation of facilities or the purchase of equipment or communications devices used in connection with public safety services.

Background: Prince George's County imposes a public safety and school facilities surcharge on new residential construction. The rates vary depending on whether the development is located inside or outside the Capital Beltway for the school facilities surcharge and inside or outside the developed tier, as defined in the county's 2002 General Plan, for the public safety surcharge. Only a small portion of the developed tier lies outside the Capital Beltway.

Prince George's County collected \$513,991 in public safety surcharges in fiscal 2011 and is projected to collect \$800,000 in fiscal 2012 and \$500,000 in fiscal 2013.

Local Fiscal Effect: Prince George's County revenues from the public safety surcharge will decrease beginning in fiscal 2014, depending on the amount of development occurring in an area included in a basic plan or conceptual site plan that abuts an existing or planned Metro station and the amount of the surcharge imposed. In order to be eligible for the lower public safety surcharge amount, the development must comply with the requirements of any sector plan, master plan, or overlay zone approved by the district council. The actual decrease cannot be reliably estimated. The bill reclassifies new construction projects in areas close to a Metro station from a developing tier to a developed tier which will reduce the current fiscal 2013 surcharge rate from \$7,092 per unit to \$2,365 per unit, which amounts to a revenue decrease of \$4,727 per new construction unit.

For illustrative purposes only, if a county approved construction plan for a multifamily development with 300 units near the Largo Metro Transit area is reclassified from its current developing tier status to developed tier status, it will reduce public safety surcharge revenues by approximately \$1.4 million.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 19, 2013
mc/hlb Revised - House Third Reader - March 26, 2013

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