

**Department of Fiscal Services**  
Maryland General Assembly**FISCAL NOTE**

House Bill 741 (Prince George's County Delegation)  
Commerce and Government Matters

---

**Prince George's County - School Facilities Surcharge**  
**PG 423-96**

---

This bill eliminates an exemption to the school facilities adequacy test that is required under Prince George's County's adequate public facility ordinance.

This bill takes effect July 1, 1996.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George's County revenues could decrease by an indeterminate amount beginning in FY 1999. Expenditures would not be affected since the county already conducts a school facilities adequacy test on proposed development projects.

---

**Fiscal Analysis**

**Local Revenues:** Pursuant to legislation enacted during the 1995 session (Chapter 66), Prince George's County is authorized to impose a school facilities surcharge on new residential development to defray the cost of additional school construction. As a condition of imposing the surcharge, developers were exempted from any test requirements concerning the development's impact on the public schools. Prior to the 1995 legislation, the county government could deny or delay development projects that it believes would result in overcrowded conditions at neighborhood schools. This proposed legislation repeals the exemption and enables the county government to continue to use the school facilities adequacy test when approving development projects.

Under current law it is estimated that the school facilities surcharge would increase county

revenues by a minimal amount in fiscal 1997 and 1998, with a \$5 million annual revenue increase beginning in fiscal 1999. However, if the exemption is removed, the county government would be able to deny certain building permits, even though the developer is willing to pay the surcharge. Accordingly, this could decrease the amount of revenues raised from the school facilities surcharge. The total extent of revenue loss cannot be determined at this time.

---

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

**Fiscal Note History:** First Reader - February 13, 1996

ncs

Analysis by: Hiram L. Burch Jr.  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710