

Council Agenda Report

Date: March 14, 2016

Submitted by: Sandra Tripp-Jones, City Manager

Prepared by: Ginger Heatwole, Finance Director

SUBJECT: Tax rate for Fiscal Yield 2017

RECOMMENDATION: That:

- A. Council schedule a hearing for May 9, 2016 to receive public input and consider maintaining the current property tax rate and
- B. Direct the City Manager to advertise the hearing as prescribed by the State of Maryland Department of Taxation and Assessment.

Discussion: The current property tax rate is 0.7989 per \$100 of assessed value. If the current rate is maintained, without change, the FY2017 property tax revenue is projected to increase by a modest \$32,511 (0.0056%). Were the City to desire to maintain a constant yield from property tax revenues, the City would lower the tax levy from 0.7989 to 0.7945. Given the City's goals to increase the tax base and therefore increase property tax revenues, staff recommends maintaining the current rate. To do so, Maryland law requires a noticed public hearing. Staff recommends the hearing noticed take place on May 9, 2016 during a regular Council meeting.

Fiscal Impact: By maintaining the current tax rate, we project a total potential revenue of \$5,864,808 or an increase from last year of \$32,511.