



FREDERICK COUNTY, MARYLAND

STAFF REPORT CONCURRENCE FORM

To: Office of the County Executive

Date: 03/20/2018

Through (Name of Div. Dir.): Lori Depies, Director of Finance

From (Name & Division): Diane Fox, Director of Treasury

Phone #: 301-600-1114

RECEIVED

Staff Report Topic:

Constant Yield Tax Rate

MAR 30 2018

Office of the
County Executive

Time Sensitive? Yes (if yes, deadline for approval: 04/06/2018) No

Action Requested by County Executive:

Signature Approval

OR

Information Only

Staff Report Review:

This staff report has been thoroughly reviewed first by the appropriate divisions/agencies noted on Page 2 followed by those outlined below:

- Budget Office
- Finance Division
- County Attorney's Office

Initials

RDF
WES/BD
AM

Date

3/23/18
3/23/18
3/29/18

Comments Y/N (Page 2)

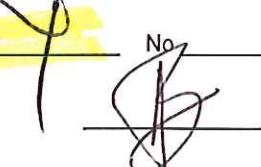
N
N
N

Refer to County Council?

Yes No

(To be completed by the Co. Attorney's office.)

- Chief Administrative Officer

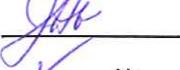


4.3.18

4

- County Executive

Approval to forward to Council? Yes No



4-9-18

Other Reviewing Divisions/Agencies:

(Click to place a check mark in the following appropriate spaces.)

	<u>Initials</u>	<u>Date</u>	<u>Comments Y/N (noted below)</u>
- - Animal Control			
- - Citizens Services			
- - Economic Development			
- - Emergency Management			
- - Fire & Rescue Services			
- - Health Services			
- - Human Resources			
- - Interagency Information Technologies			
- - Parks & Recreation			
- - Planning & Permitting			
- - Public Works			
- - Sustainability & Environmental Resources			
- - Transit Services			
- - Utilities & Solid Waste Management			
- - Volunteer Fire & Rescue Services			
- - Other: _____			
- - Other: _____			
- - Other: _____			

Elected Officials or Independent Agencies:

	<u>Initials</u>	<u>Date</u>	<u>Comments Y/N (noted below)</u>
- - Board of Education			
- - Board of Elections			
- - Board of License Commissioners			
- - Frederick Community College			
- - Frederick County Public Libraries			
- - Internal Audit			
- - Sheriff's Office			
- - Social Services			
- - State's Attorney's Office			

Comments:

1. From: Ray Barnes Date: 4.3.18
Request this be scheduled for 4/17 Council Agenda

2. From: _____ Date: _____

3. From: _____ Date: _____

4. From: _____ Date: _____



FREDERICK COUNTY GOVERNMENT

DIVISION OF FINANCE

Department of Treasury

Jan H. Gardner
County Executive

Lori L. Depies, CPA, Division Director

Diane E. Fox, CPA, Director

TO: County Council

THROUGH: Jan H. Gardner, County Executive

FROM: Lori L. Depies, Director of Finance *(cc:forw)*
Diane E. Fox, Director of Treasury *(cc:forw)*

DATE: March 20, 2018

SUBJECT: Constant Yield Tax Rates

ISSUE

Since the County Executive's proposed budget for FY 2019 includes revenue estimates based upon the current real property tax rate for FY 2018, the Council must hold a public hearing on the FY 2019 Constant Yield Tax Rate.

BACKGROUND

The State Department of Assessments and Taxation (SDAT) is charged with administering the Constant Yield Tax Rate law found in Tax-Property Article Sections 2-205 and 6-308. The Constant Yield Tax Rate is calculated by SDAT for each taxing authority in the State. It represents the real property tax rate for the coming tax year that will generate the same amount of revenue that was generated during the current tax year. As assessments increase, the Constant Yield Tax Rate decreases. A tax rate at or below the existing tax rate is considered a tax increase if it is higher than the Constant Yield Tax Rate. Since the County Executive's budget includes revenue estimates based on the FY 2018 tax rate, the Council must advertise the constant yield tax rate and hold a public hearing even if the proposed tax rate is the same as the current tax rate.

Section 6-308 contains the provisions that must be followed by taxing authorities. Failure to comply with the Constant Yield Tax Rate law could have serious consequences for a jurisdiction. The law establishes very strict procedures for the advertisement and public hearing as shown on pages 4 and 5 of this report.

The current FY 2018 real property tax rate is \$1.06 per \$100 of assessed value. The County tax rates within the municipalities of the City of Frederick and Myersville are driven by the tax equity program. The FY 2018 tax equity rates are \$0.9399 in Frederick City and \$0.9391 in Myersville.

The County Executive will be proposing a FY 2019 real property tax rate of \$1.06, unchanged from FY 2018. The FY 2019 tax equity rates as calculated by the Budget Office will be \$0.9413 in Frederick City and \$0.9333 in Myersville.

SDAT has calculated the FY 2019 Constant Yield Tax Rate as \$1.0351. In the City of Frederick, the Constant Yield Tax Rate is \$0.9196. In Myersville, the Constant Yield Tax Rate is \$0.9387.

Because the proposed FY 2019 real property tax rate is greater than the Constant Yield Tax Rate, the County must advertise the constant yield tax rate and hold a public hearing. The required advertisement for Frederick County is at page 12 of this report.

The real property tax rate must be set at the constant yield tax rate hearing or at a later time if the day, time, and location that the tax rate will be set are announced at the hearing. A draft resolution regarding the tax levy is attached at page 14.

RECOMMENDATION

Staff recommends that the County Council take the Constant Yield Tax Rates and proposed FY 2019 tax rates to public hearing.

Take the FY 2019 Constant Yield Tax Rates to public hearing on May 1, 2018.

Approval to go to public hearing:

Yes ✓ No _____



Jan H. Gardner, County Executive

4-9-18

Date

FUNDING N/A

Attachments:

SDAT Memo (page 3)
Constant Yield Tax Rate Certifications (pages 6 – 8)
Sample of Advertisement with calculations and notification memo (pages 9 – 11)
Frederick County Advertisement (pages 12 – 13)
Draft Tax Levy Resolution (pages 14 – 16)

LARRY HOGAN
GOVERNOR

BOYD RUTHERFORD
LT. GOVERNOR



MICHAEL HIGGS
DIRECTOR

DENISE HERNDON
DEPUTY DIRECTOR

Date: February 14, 2018
To: All County Taxing Authorities
From: Michael Higgs, Director
RE: 2018/19 Constant Yield Tax Rate – Instructions

The Department of Assessments and Taxation is charged with administering the Constant Yield Tax Rate law. The law is found in two separate sections of the Tax-Property Article, §§ 2-205 and 6-308. The latter section contains the provisions that must be followed by taxing authorities. We are here to answer your questions and assist you in complying with this law.

Although personal property is no longer a part of the Constant Yield Tax Rate calculations, the tax rate on personal property shall be no more than 2.5 times the rate for real property. Failure to comply with the Constant Yield Tax Rate law could have serious consequences for your jurisdiction. If the notice requirements are not fulfilled, the Department must notify the Attorney General who has required jurisdictions to lower their tax rates.

Concept

The Constant Yield Tax Rate is calculated by the Department for each taxing authority in the State. It represents the Real Property Tax Rate for the coming tax year that will generate the same amount of revenue that was generated during the current tax year. As assessments increase, the Constant Yield Tax Rate decreases. Implicit in this concept is the idea that *a tax rate at or below the existing tax rate is a tax increase if it is higher than the constant yield tax rate*. When a taxing authority plans to impose a Real Property Tax Rate that is higher than the Constant Yield Tax Rate, it must advertise the tax increase and hold a public hearing. If the taxing authority plans to maintain its Real Property Tax Rate at the current level, but above the Constant Yield Tax Rate, it must be advertised and a hearing must be held.

For the upcoming tax year, the assessable base of some taxing authorities has decreased. Therefore, the Constant Yield Tax Rate for those jurisdictions will actually be higher than the Real Property Tax Rate for the current year. However, the legal requirements for adopting a tax rate above the Constant Yield Tax Rate remain the same. Accordingly, any taxing authority that is proposing a tax rate above the Constant Yield Tax Rate must comply with the enclosed instructions.

If the taxing authority plans to set a Real Property Tax Rate that is *equal to or less than* the Constant Yield Tax Rate, then the Constant Yield Tax Rate statute **does not** require a notice or a hearing.

Procedures

The law establishes very strict procedures governing advertisement and public hearing for tax rate increases above the constant yield tax rate. Further, the law requires that the Department of Assessments and Taxation monitor the advertising and hearing process and report to the Attorney General any apparent violations. In the past, violations have resulted in jurisdictions being ordered to reduce the tax rate after tax bills had been issued. To avoid violating the law, you must comply with the following procedures:

LARRY HOGAN
GOVERNOR

BOYD RUTHERFORD
LT. GOVERNOR



MICHAEL HIGGS
DIRECTOR

DENISE HERNDON
DEPUTY DIRECTOR

1. Notice or Advertisement (2 options): (1) Mail the proper notice to each property taxpayer who resides in your jurisdiction; or (2) place an advertisement in a newspaper of general circulation in your jurisdiction. If you want to mail the notice to each resident, please contact the Department for prior approval and guidance.

2. Form of the Notice or Advertisement: The language is specified word-for-word in the statute. An ad that deviates from the statutory requirements does not meet the requirements of the law and will be referred to the Attorney General for action. A sample notice and instructions for the arithmetic (Form CYTR#3) are included in this package. The wording in the statute is required and may not be modified. No part of this notice may be omitted. Additional language consistent with the intent of the law will be permitted (e.g. information regarding access to the hearing for the disabled). *Additional language designed to recast a tax rate in excess of the Constant Yield Tax Rate as anything other than a tax increase is contrary to the intent of the Constant Yield Tax Rate law and is not acceptable. It does not matter whether the additional language is within or outside the border of the required notice.* In order to minimize your advertising costs and avoid needless litigation, please use only the language required by law. If you have any questions about the acceptability of additional language, contact Nruti Desai at the address on the following page.

If you are using the same tax rate as last year, please note that the percentage change in Section 1 and Section 2 of the advertisement will be the same but may be different than Section 4. Even though the calculations for the new real property tax revenues generated in Section 2 and Section 4 will vary due to rounding, please use the figure from Section 2 in both sections. Please use whole dollars in the advertisement and round to one decimal place in the percent changes.

We will gladly review any advertisement prior to publication. The advertisement will be checked for any errors in the text and calculations, and any additional language will be reviewed. If you wish, we will write your advertisement for you if you furnish us with your proposed tax rate(s). We will attempt to get the advertisement back to you by the next work day. Whenever possible, you will receive a response from us the same day we receive it. Please contact Nruti Desai for additional information.

3. Style and Placement of the Advertisement: The ad must be at least 1/4 of a page in size and use 18 point type. The notice must not be placed on pages with legal notices or classified advertisements. The headline must be in bold face with all capital letters. The text of the advertisement must be in regular face with mixed case letters. Be sure to emphasize these requirements with the newspaper. The sample notice enclosed shows the correct form for the advertisement.

4. Timing of the Advertisement and Hearing: The hearing must be held on or after the 7th day and on or before the 21st day after the notice is published. Do not count the day of the notice or advertisement, but count the day of the hearing and all intervening calendar days, including Saturdays, Sundays, and holidays. This means that the advertisement must appear between one and three weeks before the hearing. The hearing must be held on or before June 17th, which is the date

LARRY HOGAN
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LT. GOVERNOR



MICHAEL HIGGS
DIRECTOR

DENISE HERNDON
DEPUTY DIRECTOR

required by law for imposition of the property tax. This means that the absolute latest the advertisement can be published is June 10th for a June 17th hearing.

5. Reporting to the Department: The taxing authority must provide a copy of the *entire* newspaper page that carried the notice or evidence that the notice was mailed to each property taxpayer. Photocopies of the newspaper page or just the advertisement itself are not acceptable. Please return the enclosed memo (Form CYTR #2). This must be sent to the Department within 15 days of the date of the advertisement. We strongly recommend that you send the Department a copy of the notice as soon as it is published, especially if the Department has not reviewed the advertisement prior to publication. We review all advertisements as soon as they are received so that if the advertisement does not conform to the law you may have time to republish it and hold a new hearing before the June 17th deadline. Failure to properly report to the Department is noncompliance that must be referred to the Attorney General.

6. Setting the Rate: The Real Property Tax Rate must be set at the Constant Yield Tax Rate hearing or at a later time if the day, time, and location that the tax rate will be set are announced at the hearing. The property tax rate applicable to personal property shall be no more than 2.5 times the rate for real property. Enclosed is the Constant Yield Tax Rate Certification (Form CYTR #1) which shows the Constant Yield Tax Rate and the associated steps in its calculation for your jurisdiction. Personal property is not part of the Constant Yield Tax Rate calculation.

Please remember that the constant yield tax rate uses an estimate of assessable real property made in February, several months before tax rates are typically set. Every effort is made to provide reliable estimates of revenue for the upcoming year. However, these estimates may be affected by subsequent reductions in assessments by the local Property Tax Assessment Appeal Board or the Maryland Tax Court for certain properties. The Department issues revised estimates on a county basis in late March which may be obtained by contacting this office or from our web site at: www.dat.maryland.gov

Questions or problems:

Maryland State Department of Assessments and Taxation
Attn: Darrin Aycock, Office of the Director
Budget Director
301 West Preston Street, Room 605
Baltimore, Maryland 21201
Phone: (410) 767-1190
E-mail: darrin.aycock@maryland.gov

2018 Constant Yield Tax Rate Certification

Taxing authority: **Frederick**
EX Frederick City & Myersville

1	1-Jul-2017	Gross assessable real property base	\$	21,275,501,152
2	1-Jul-2017	Homestead Tax Credit	-	<u>61,223,964</u>
3	1-Jul-2017	Net assessable real property base		21,214,277,188
4	1-Jul-2017	Actual local tax rate (per \$100)	x	<u>1.0600</u>
5	1-Jul-2017	Potential revenue	\$	224,871,338
6	1-Jul-2018	Estimated assessable base	\$	22,234,506,251
7	1-Jan-2018	Half year new construction	-	293,738,060
8	1-Jul-2018	Estimated full year new construction*	-	117,000,000
9	1-Jul-2018	Estimated abatements and deletions**	-	<u>99,910,836</u>
10	1-Jul-2018	Net assessable real property base	\$	21,723,857,355
11	1-Jul-2017	Potential revenue	\$	224,871,338
12	1-Jul-2018	Net assessable real property base	÷	21,723,857,355
13	1-Jul-2018	Constant yield tax rate	\$	1.0351

Certified by



Director

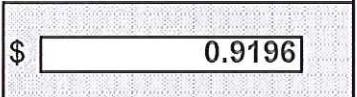
* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2018, including Homestead Tax Credit.

CYTR #1

2018 Constant Yield Tax Rate Certification

Taxing authority: **Frederick County
in Frederick City**

1	1-Jul-2017	Gross assessable real property base	\$	7,427,738,773
2	1-Jul-2017	Homestead Tax Credit	-	<u>15,300,570</u>
3	1-Jul-2017	Net assessable real property base		7,412,438,203
4	1-Jul-2017	Actual local tax rate (per \$100)	x	<u>0.9399</u>
5	1-Jul-2017	Potential revenue	\$	69,669,507
6	1-Jul-2018	Estimated assessable base	\$	7,846,794,101
7	1-Jan-2018	Half year new construction	-	137,641,930
8	1-Jul-2018	Estimated full year new construction*	-	83,000,000
9	1-Jul-2018	Estimated abatements and deletions**	-	<u>50,032,844</u>
10	1-Jul-2018	Net assessable real property base	\$	7,576,119,327
11	1-Jul-2017	Potential revenue	\$	69,669,507
12	1-Jul-2018	Net assessable real property base	÷	7,576,119,327
13	1-Jul-2018	Constant yield tax rate	\$	 0.9196

Certified by



Director

* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2018, including Homestead Tax Credit.

CYTR #1

2018 Constant Yield Tax Rate Certification

Taxing authority: **Frederick County
in Myersville**

1	1-Jul-2017	Gross assessable real property base	\$	173,295,200
2	1-Jul-2017	Homestead Tax Credit	-	<u>223,580</u>
3	1-Jul-2017	Net assessable real property base		173,071,620
4	1-Jul-2017	Actual local tax rate (per \$100)	x	<u>0.9391</u>
5	1-Jul-2017	Potential revenue	\$	1,625,316
6	1-Jul-2018	Estimated assessable base	\$	174,341,836
7	1-Jan-2018	Half year new construction	-	0
8	1-Jul-2018	Estimated full year new construction*	-	0
9	1-Jul-2018	Estimated abatements and deletions**	-	<u>1,195,892</u>
10	1-Jul-2018	Net assessable real property base	\$	173,145,944
11	1-Jul-2017	Potential revenue	\$	1,625,316
12	1-Jul-2018	Net assessable real property base	+	173,145,944
13	1-Jul-2018	Constant yield tax rate	\$	0.9387

Certified by



Director

* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2018, including Homestead Tax Credit.

CYTR #1

COUNTY NEWSPAPER NOTICE REQUIREMENTS

Headline must be all capital letters and bold type as shown.

Remainder must be in both upper and lower case characters as shown.

Notices must be in 18-point font. County advertisements must be a minimum of 1/4 page in size and must not be placed with legal notices or classified ads.

(NAME OF JURISDICTION) **NOTICE OF A PROPOSED REAL** **PROPERTY TAX INCREASE**

The (name of taxing authority) of (name of jurisdiction) proposes to increase real property taxes.

1. For the tax year beginning July 1, 2018, the estimated real property assessable base will increase by%, from \$..... to \$.....
2. If (name of jurisdiction) maintains the current tax rate of \$..... per \$100 of assessment, real property tax revenues will increase by% resulting in \$..... of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$....., the constant yield tax rate.
4. The (county, city, town, etc.) is considering not reducing its real property tax rate enough to fully offset increasing assessments. The (county, city, town, etc.) proposes to adopt a real property tax rate of \$..... per \$100 of assessment. This tax rate is% higher than the constant yield tax rate and will generate \$..... in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at (time) on (date) at (location).

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call (phone number) for further information.

SAMPLE NOTICE-DECREASING CYTR

Calculations for Decreasing Constant Yield Tax Rate Advertisement

Part 1: For the tax year beginning July 1, 2018, the estimated real property assessable base will increase by ①% from \$② to \$③.

$$\textcircled{1} = \frac{(\text{Line 10} - \text{Line 3})}{(\text{Line 3})}$$

$$\textcircled{2} = \text{Line 3}$$

$$\textcircled{3} = \text{Line 10}$$

Part 2: If county/city/town maintains the current real property tax rate of \$④ per \$100 of assessment, real property tax revenues will increase by ⑤% resulting in \$⑥ of new real property tax revenues.

$$\textcircled{4} = \text{Line 4}$$

$$\textcircled{6} = \frac{\text{Line 10} \times \text{Line 4} - \text{Line 3} \times \text{Line 4}}{100}$$

$$\textcircled{5} = \frac{\textcircled{6}}{\frac{\text{Line 3} \times \text{Line 4}}{100}}$$

Part 4: This tax rate is ⑦% higher than the constant yield tax rate and will generate \$⑧ in additional real property tax revenues.

$$\textcircled{7} = \frac{(\text{Proposed Rate} - \text{Line 13})}{\text{Line 13}}$$

⑧ = If your proposed rate is the same as your current rate, use ⑥. Otherwise use this:

$$= \frac{\text{Line 10} \times \text{Proposed Rate} - \text{Line 10} \times \text{Line 13}}{100}$$

NOTE: Line numbers correspond with the line numbers of form CYTR #1.

LARRY HOGAN
GOVERNOR

BOYD RUTHERFORD
LT. GOVERNOR



MICHAEL HIGGS
DIRECTOR

DENISE HERNDON
DEPUTY DIRECTOR

MEMORANDUM

Date: February 14, 2018

To: All Taxing Authorities

From: Michael Higgs, Director

Re: Department Notification - Constant Yield Tax Rate Notice

Please complete this form letter and return at the appropriate time as indicated to:

Department of Assessments and Taxation
Attention: Darrin Aycock, Office of the Director
301 West Preston Street, Room 808
Baltimore, Maryland 21201

Please check one of the following:

- 1. The taxing authority has established a tax rate not in excess of the Constant Yield Tax Rate.
Please Respond to the Department Within 15 Days When the Tax Rate, Not Exceeding the Constant Yield Tax Rate, Is Set.
- 2. The taxing authority plans to exceed the Constant Yield Tax Rate and attached is a copy of the entire page of the newspaper notice or a copy of the dated notice that was mailed to each property taxpayer.
Please Respond to the Department within 15 Days of the Date of the Newspaper Notice, or Date the Notice Was Mailed to Each Property Taxpayer.
- 3. The taxing authority plans to exceed the Constant Yield Tax Rate, however they are exempt from Section 6-308 of the Tax-Property Article.
Please Respond to the Department within 15 Days of the Date of the Constant Yield Certificate was generated.

Taxing Authority: _____
County or Municipality and the County

Name/Signature: _____

Tax Rate as of July 1, 2018 _____

Date: _____ Phone _____

E-Mail Address: _____

300 W. Preston St. Room 605 Baltimore, MD 21201

www.dat.maryland.gov

410.767.4481 (phone) 1.800.735.2258 (MD relay)

410.333.5873 (fax) 1.888.246.5941 (toll free)

FREDERICK COUNTY
NOTICE OF A PROPOSED REAL
PROPERTY TAX INCREASE

The County Council of Frederick County, Maryland, proposes to increase real property taxes.

1. For tax year beginning July 1, 2018, the estimated real property assessable base will increase by 2.4%, from \$21,214,277,188 to \$21,723,857,355.
2. If Frederick County maintains the current tax rate of \$1.06 per \$100 of assessment, real property tax revenues will increase by 2.4% resulting in \$5,401,550 of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$1.0351, the constant yield tax rate.
4. The County is considering not reducing its real property tax rate enough to fully offset increasing assessments. The County proposes to adopt a real property tax rate of \$1.06 per \$100 of assessment. This tax rate is 2.4% higher than the constant yield tax rate and will generate \$5,401,550 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:00 pm on May 1, 2018, at Winchester Hall, First Floor Hearing Room, 12 E. Church Street, Frederick, Maryland.

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call 301-600-1111 for further information.

Persons requiring special accommodations are requested to contact the Office of the County Council at 301-600-1135 (TTY: Use Maryland Relay), to make the necessary arrangements no later than three (3) working days prior to the public hearing.

There are certain municipalities within the County which have different county tax rates. The assessments, revenue, and tax rates above exclude these municipalities. The following chart provides the estimated assessable base and the differential County tax rates in these municipalities.

	Percentage Increase In Base	Previous Assessable Base	New Assessable Base	Current Tax Rate	Percent Increase in Revenue
Frederick City	2.2%	7,412,438,203	7,576,119,327	0.9399	2.2%
Myersville	0.04%	173,071,620	173,145,944	0.9391	0.04%
	Increased Revenue Current Rate	Constant Yield Tax Rate	Proposed County Tax Rate	Percentage Higher/(Lower) Than Constant Yield Rate	Increased/(Decreased) Revenue Proposed Rate
Frederick City	1,538,439	0.9196	0.9413	2.4%	1,644,018
Myersville	698	0.9387	0.9333	(0.58%)	(9,350)

THE EFFECTIVE DATE OF THIS RESOLUTION IS JULY 1, 2018

RESOLUTION NO. _____

RE: TAX LEVY FOR JULY 1, 2018 - JUNE 30, 2019

Pursuant to the authority vested in the County Council of Frederick County, Maryland (“Council”) by State law, including the Annotated Code of Maryland, Tax-Property Article, Section 6-302, and the public and general local laws for Frederick County, Maryland, such as Section 2-7-1 of the Frederick County Code, the Council is required to levy and impose property tax on the assessment of property subject to Frederick County’s property tax; and

The Council’s authority and responsibility in setting, levying and imposing property tax extends to real property within Frederick County, to operating property of public utilities located within Frederick County assessed under Section 8-109 of the Tax-Property Article of the Annotated Code of Maryland, and to personal property subject to Frederick County’s Limited Business Personal Property Tax imposed at Section 1-8-9 of the Frederick County Code; and

The Council has determined that its general real property tax levy for fiscal year 2019 (July 1, 2018 through June 30, 2019) should be established at \$1.060 on each \$100 worth of assessed taxable real property in Frederick County; and

As the Annotated Code of Maryland, Tax-Property Article, Section 6-305, provides for tax setoff by the Council to incorporated municipalities, either in the form of direct payments or through differing County general real property tax rates (“tax differential property tax rates”), to compensate municipalities for providing services that would otherwise have been provided by Frederick County Government; and

As the incorporated municipalities of The City of Frederick and Myersville requested that they receive their fiscal year 2019 tax setoff compensation through tax differential real property

tax rates rather than receiving direct payments from the County, the Frederick County general real property tax levies on assessed taxable real property within these municipalities are slightly lower than on real property located elsewhere within Frederick County; all other incorporated municipalities within Frederick County elected to receive tax setoff payments from the Council rather than receive tax differential real property tax rates and, thus, real property located within these municipalities is subject to the same general real property tax rate as is real property located in unincorporated areas of Frederick County; and

As the Annotated Code of Maryland, Tax-Property Article, Section 6-302(b)(ii) provides that the County's tax rate applicable to personal property and to a public utility's operating property shall be no more than 2.5 times the County's general real property tax rate.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that for the period of July 1, 2018, through June 30, 2019, ("tax year 2019"), the Frederick County general real property tax levy shall be the sum of \$1.060 on each one hundred dollars (\$100) worth of assessed taxable real property in Frederick County, Maryland, except that the general real property tax levy for assessed taxable property within the City of Frederick shall be the sum of \$.9413 and the general real property tax levy for assessed taxable real property within the incorporated municipality of Myersville shall be the sum of \$.9333; and

BE IT FURTHER RESOLVED that the tax year 2019 tax rate on the operating personal and real property owned by a public utility within Frederick County, assessed under Tax-Property Section 8-109 of the Annotated Code of Maryland, and on Tax-Property Section 8-101(c)(6) personal property, imposed at Section 1-8-9 of the Frederick County Code, shall be \$2.65 on each \$100 of assessed valuation of such property; and

BE IT FURTHER RESOLVED that the Council hereby authorizes and empowers the County Treasurer of Frederick County to collect from the taxpayers of Frederick County, for the said period, the above specified levied sums on assessed taxable property in Frederick County in accordance with the tax list duly compiled and placed in her hands for the use of Frederick County, and to pay all such money over to the respective persons entitled to receive the sum upon the order of the County.

The undersigned certifies that this Resolution was approved and adopted on the ____ day of May, 2018.

ATTEST:

COUNTY COUNCIL OF
FREDERICK COUNTY, MARYLAND

Ragen L. Cherney
Council Chief of Staff

By: _____
Bud Otis, President