

OVERVIEW OF MARYLAND LOCAL GOVERNMENTS

Finances and Demographic Information



DEPARTMENT OF LEGISLATIVE SERVICES 2009

Overview of Maryland Local Governments

Finances and Demographic Information

**Department of Legislative Services
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

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January 2009

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Honorable Members of the Maryland General Assembly

Ladies and Gentlemen:

The Department of Legislative Services has prepared this overview document to provide legislators and the public with a better understanding of the fiscal and social issues confronting local governments in Maryland. Topics discussed in this report include the following:

- Structure of Local Governments
- Demographic Indicators
- Local Government Finances
- Tax Rates for Local Governments
- Local Revenue Growth
- County Salary Actions
- Public School Funding
- Local General Fund Balances
- Local Debt Measures
- Balance of State Payments
- Tax Capacity and Effort

This report was prepared by Hiram Burch, Scott Gates, Michael Sanelli, and Erik Timme and reviewed by Hiram Burch and John Rohrer. The manuscript was prepared by Mindy McConville. The Department of Legislative Services trusts that this report will be useful to individuals interested in local government fiscal issues.

Sincerely,

Warren G. Deschenaux
Director

WGD/mlm

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Executive Summary

Whether it is considering public local laws or altering State aid formulas, the General Assembly deliberates numerous issues affecting local governments and their finances each legislative session. Understanding the existing political and financial structure of local governments enables thorough consideration of the impact of such legislation.

Structure of Local Governments

In terms of types and number of local governments, Maryland's structure is relatively simple. The U.S. Census Bureau identifies 256 local governments in Maryland, including 23 counties, Baltimore City, 156 municipalities, and 76 special taxing districts. Counties are the principal unit of local government in Maryland, responsible for most basic services. Municipalities typically provide a limited array of public services that in many instances complement county government services. Municipalities in rural counties on the Eastern Shore and in Western Maryland provide services that may not be offered by the respective county government.

Demographic Indicators

Maryland is among the most diverse states in the nation. Racial minorities comprise 41.9 percent of the State's population compared to 34.0 percent nationally. Racial minorities accounted for 100 percent of the State's population

growth since 2000. The Hispanic and Asian communities are the two fastest growing ethnic groups. During this period, the State's minority population increased by 18.0 percent; whereas, the white population decreased by 1.2 percent. The State's Hispanic population increased by 56.3 percent, with the Asian population increasing by 30.2 percent and African Americans by 10.1 percent.

Maryland is also one of the most affluent states in the nation with the highest median household income and the fourth lowest poverty rate. Marylanders are highly educated with a high concentration of college-educated residents. Maryland enjoys a below-average unemployment rate and a large concentration of high-tech jobs. An indicator that is consistently negative, however, is the State's high violent crime rate.

Local Government Finances

County and municipal governments in Maryland spend approximately \$21 billion annually on public services. Counties are the principal unit of local government responsible for most basic services such as police, fire, local corrections, sanitation, local highways, health, and parks and recreation. Counties also are responsible for funding public schools, libraries, local community colleges, and the circuit courts. In fiscal 2005, expenditures at the county government level totaled \$20.0 billion, which accounted for 95.3 percent of total local government expenditures.

Municipal governments spent \$995.1 million, which accounted for 4.7 percent of total local government expenditures in fiscal 2005. The services delivered by municipalities are less uniform than those provided by the counties. The most comprehensive array of services is provided by Annapolis, Cumberland, Frederick, Gaithersburg, and Rockville.

Tax Rates for Local Governments

Seven counties changed various local tax rates in fiscal 2009, with five decreasing rates and two increasing rates. Five counties reduced their property tax rate in fiscal 2009, primarily the result of the significant growth in property tax assessments in recent years that have pushed local revenues upward. Local income tax rates remained relatively constant for tax year 2009, with only one county increasing its rate. Recordation tax rates were increased in one county, and one county increased its hotel/motel tax rates.

Individuals and businesses residing in incorporated areas are subject to municipal property taxes in addition to county property taxes. To compensate municipal corporations for providing services in lieu of similar county services or programs and to address the effect of double taxation in municipalities (when residents pay both county and municipal property taxes), 17 counties provided property tax set-offs totaling \$80.9 million in fiscal 2008, through either a tax rate differential or tax rebate.

Sixteen counties impose either a development impact fee or excise tax, which generated approximately \$89.7 million in revenues in fiscal 2008. The primary services funded by these charges include public school construction, libraries, community colleges, transportation, public safety, parks and recreation, and water/sewer utilities.

Local Revenue Growth

Local government revenues are significantly affected by property assessments and personal income. County assessable base increased by 13.9 percent in fiscal 2009, a slowdown in growth compared to the previous two years. Net taxable income also increased by 7.1 percent in tax year 2007. On the downside, recordation and transfer taxes are projected to decline once again in fiscal 2009.

The increase in property assessments throughout Maryland has led the State, and in some instances the voters, to take action to curtail the rise in property taxes. The Homestead Tax Credit Program (assessment caps) provides tax credits against State, county, and municipal real property taxes for owner-occupied residential properties for the amount of real property taxes resulting from an annual assessment increase that exceeds a certain percentage or “cap” in any given year. The Homestead Tax Credit Program has provided significant local property tax relief in recent years. This foregone revenue is estimated at \$1.0 billion in fiscal 2008, \$1.3 billion in fiscal 2009, and \$1.4 billion in fiscal 2010.

County Salary Actions

Almost all Maryland jurisdictions are providing salary enhancements to their employees. Twenty-one county governments provided their employees with a cost-of-living adjustment (COLA), while 21 counties provided step increases. Moreover, 23 boards of education provided COLAs and 22 boards provided step increases for their teachers. The majority of counties (14) and local boards of education (17) provided their employees and teachers with at least a 3 percent COLA.

Public School Funding

Public schools are funded from federal, State, and local sources. Approximately 48 percent of public school funding in Maryland comes from local sources, and 47 percent comes from the State. The federal government provides only 5 percent of public school funding. Public schools in Maryland received about \$13,800 in total funding for each pupil in fiscal 2009. Worcester County had the highest per pupil revenues at \$15,922, while Baltimore City had the second highest at \$15,621. Queen Anne's County, a high-performing school district, had the lowest per pupil revenues at \$11,511.

State education aid increased from \$2.9 billion in fiscal 2002, the year before the Bridge to Excellence Act, to \$5.3 billion in fiscal 2009, representing an increase of 85.0 percent in State support for public education and an average annual increase of 8.7 percent over the seven year period. In comparison, local appropriations to the boards of

education have increased by 5.0 percent annually since fiscal 2002.

Local General Fund Balances

Local governments ended fiscal 2008 with general fund balances, including "rainy day" accounts, totaling \$1.7 billion. These balances decreased by \$240.1 million from the prior year. The general fund/"rainy day" balances as a percentage of general fund revenues decreased from 17.2 to 14.8 percent. Ten counties reported an increase in their general fund/"rainy day" balances between fiscal 2007 and 2008; whereas, 14 counties experienced decreases in their general fund balances.

Local Debt Measures

As of June 30, 2007, Maryland counties and Baltimore City had \$13.8 billion in outstanding debt. Between fiscal 2003 and 2007, local debt for counties and Baltimore City increased by \$2.8 billion or 25 percent. This represents a 5.7 percent average annual increase over the five-year period. For comparative purposes, municipalities and State-created special taxing districts had \$866 million outstanding debt as of June 30, 2007, and the State of Maryland had \$13.3 billion in debt.

Balance of State Payments

The *Balance Sheet* provides a comparison of State revenues collected to State financial assistance received for each county. In fiscal 2006, State aid (direct grants and payments-on-behalf) represented about 37 percent of the State revenue collections (including property taxes) allocated on a county-by-county basis in this analysis. The remaining revenues funded State programs. Talbot, Montgomery, and Worcester counties had the lowest ratios in fiscal 2006 (received the least amount of State aid in relation to the collection of State tax revenues); while Somerset County, Baltimore City, and Caroline County had the highest ratios (received the greatest amount of State aid in relation to the collection of State tax revenues). Historically, the relative rankings of these jurisdictions have remained constant.

State assistance is distributed inversely to local wealth. Utilizing local wealth measures to distribute State assistance attempts to offset the inequalities in the revenue capacity among local jurisdictions.

Tax Capacity and Effort

The tax capacity index is highly influenced by the property tax and income tax, the two largest taxes at the local level. Those jurisdictions with high property valuations and income wealth, therefore, tend to be among those with the highest capacity. Worcester County has the highest capacity due to the large property assessable base and hotel/motel room rentals in the resort town of Ocean City. In contrast, Somerset County has the lowest capacity due to its low income levels and property assessable base.

The State takes into account a jurisdiction's revenue capacity when allocating State funding. Over 65 percent of

Chapter 1. Structure of Local Governments

When Lord Calvert and his group of English settlers landed on St. Clement's Island in 1634, they brought with them the familiar forms of English government, which included governance on the local level in counties and villages. The settlers immediately set about establishing civil boundaries as they had known them in England with the establishment of St. Mary's City. Just three years later, in 1637, the settlers established St. Mary's County. Since that time, local government has evolved, changing as the times and needs of local communities have changed. Likewise, the law governing local government has developed to address such change. The differences among local governments and the relationship among different levels of government may be best understood in this historical context.

There is no mention of local government in the U.S. Constitution, and local governments are generally considered creatures of the state. Yet often it is with their local government that citizens most closely identify. In terms of types and number of local governments, Maryland's structure is relatively simple. The U.S. Census Bureau identifies 256 local governments in Maryland, including 23 counties, Baltimore City, 156 municipalities, and 76 special taxing districts. There are 89,476 local governments throughout the United States. Maryland ranks forty-sixth among the states in terms of the number of local governments. **Appendix 1** summarizes the number of local governments in each state. A map of Maryland showing each county and county seat is depicted in **Exhibit 1.1**.

A brief summary of the various forms and authority of local governments follows. A more detailed explanation of the structure and powers of each type of local government is provided in a companion publication, *Maryland Local Government – Volume VI* of the Legislative Handbook Series.

Counties

Counties are the principal unit of local government in Maryland, responsible for most basic services such as police, fire, local corrections, sanitation, highways, health, and parks and recreation. In addition, counties are responsible for funding public schools, libraries, local community colleges, and the circuit courts. This arrangement is similar to other states south of the Mason-Dixon Line. Northern states traditionally rely more on townships to provide local services; counties, where they exist, play a secondary role. In addition, unlike most states, the local school districts in Maryland are fiscally dependent on the county government for funding.

Unlike Maryland's municipalities, which were established exclusively to meet local needs, counties have traditionally served two roles simultaneously – a provider of local services and an administrative arm of the State. In the first role, the form and extent of county government throughout the State developed based on local needs and on economic, geographic, and population differences. When these differences are considered collectively, they contribute to Maryland's

reputation as “America in Miniature.” In the second role, counties have served as a mechanism to provide services of statewide concern throughout each region of the State.

Maryland counties operate under three forms of government: commission, charter home rule, and code home rule. Until the mid-twentieth century, every county in Maryland had a commission form of government. Although Article XI-A of the Maryland Constitution was ratified in 1915 granting Baltimore City and any county the authority to adopt charter home rule, the first time a county exercised this option was in 1948 when Montgomery County became the first charter home rule county. Until the mid-1960s, only three more counties had adopted charter home rule. Article XI-F of the Maryland Constitution was ratified in 1966 giving counties the option to adopt code home rule. Over the next few decades, several more counties adopted some form of home rule authority. To date, only eight counties continue to operate under the commission, or nonhome rule, form of government, while nine counties operate under charter home rule, and six counties operate under code home rule. **Table 1.1** shows the form of government for each Maryland county.

Baltimore City

Baltimore City is unique among Maryland’s local governments. The city is a municipal corporation, but it is generally treated as a county for purposes of State law. Originally, Baltimore City was established as a municipal corporation within the confines of Baltimore County, and the city government performed exclusively municipal functions.

However, in 1851, Baltimore City was separated from Baltimore County and has since functioned as an independent unit. Today, Baltimore City operates under the charter home rule form of government.

Table 1.1
Form of County Government

<u>Charter</u>	<u>Commission</u>	<u>Code</u>
Anne Arundel	Calvert	Allegany
Baltimore	Carroll	Caroline
Dorchester	Cecil	Charles
Harford	Frederick	Kent
Howard	Garrett	Queen Anne’s
Montgomery	St. Mary’s	Worcester
Prince George’s	Somerset	
Talbot	Washington	
Wicomico		

Source: Department of Legislative Services

Municipalities

Maryland has 156 municipal corporations, commonly referred to as municipalities, with home rule powers under Article XI-E of the Maryland Constitution. The dimensions of the municipalities vary widely, as does the number of county residents who live in them. Public works and public safety are the two largest functions for most municipalities in Maryland.

Common public services performed by municipalities include street lighting, trash/refuse collection, snow removal, and street maintenance. Police protection, planning/zoning, leaf collection, and water services are provided by at least one-half of municipalities.

Frederick is the largest municipality in Maryland followed by Rockville and Gaithersburg. Port Tobacco in Charles County, with 19 residents, is the State's smallest municipality. Of 156 municipalities, 94 have fewer than 2,500 residents, while only 8 have more than 25,000 residents. The 10 largest municipalities are listed in **Table 1.2**, and the number of municipalities by size is shown in **Table 1.3**. **Appendix 2** lists each municipality by county.

The number of municipalities in each county and the percentage of residents in each county who reside within a municipality vary considerably. Prince George's County, with 27 municipalities, has the greatest number among the 23 counties. Although Prince George's County has the highest number of residents who reside within a municipality (221,912), municipal residents account for only 26.8 percent of the county population. Talbot County has the highest percentage of residents who reside within a municipality (48.1 percent). In contrast, in St. Mary's County, 2.2 percent of residents reside within a municipality. Baltimore and Howard counties have no municipality located entirely within their boundaries, although a small portion of the Town of Hampstead does extend into Baltimore County. The number of residents in each county who reside within a municipality is provided in **Appendix 3**.

Table 1.2
10 Largest Municipalities in Maryland

<u>Municipality</u>	<u>County</u>	<u>Population</u>
Frederick	Frederick	59,220
Rockville	Montgomery	58,706
Gaithersburg	Montgomery	57,670
Bowie	Prince George's	53,193
Hagerstown	Washington	39,640
Annapolis	Anne Arundel	36,603
Salisbury	Wicomico	27,833
College Park	Prince George's	26,607
Laurel	Prince George's	21,619
Greenbelt	Prince George's	21,559

Source: U.S. Census Bureau

Table 1.3
Maryland Municipalities by Size

<u>Population Range</u>	<u>Number of Municipalities</u>
25,001-60,000	8
10,001-25,000	12
5,001-10,000	17
2,501-5,000	25
2,500 and less	94

Source: U.S. Census Bureau

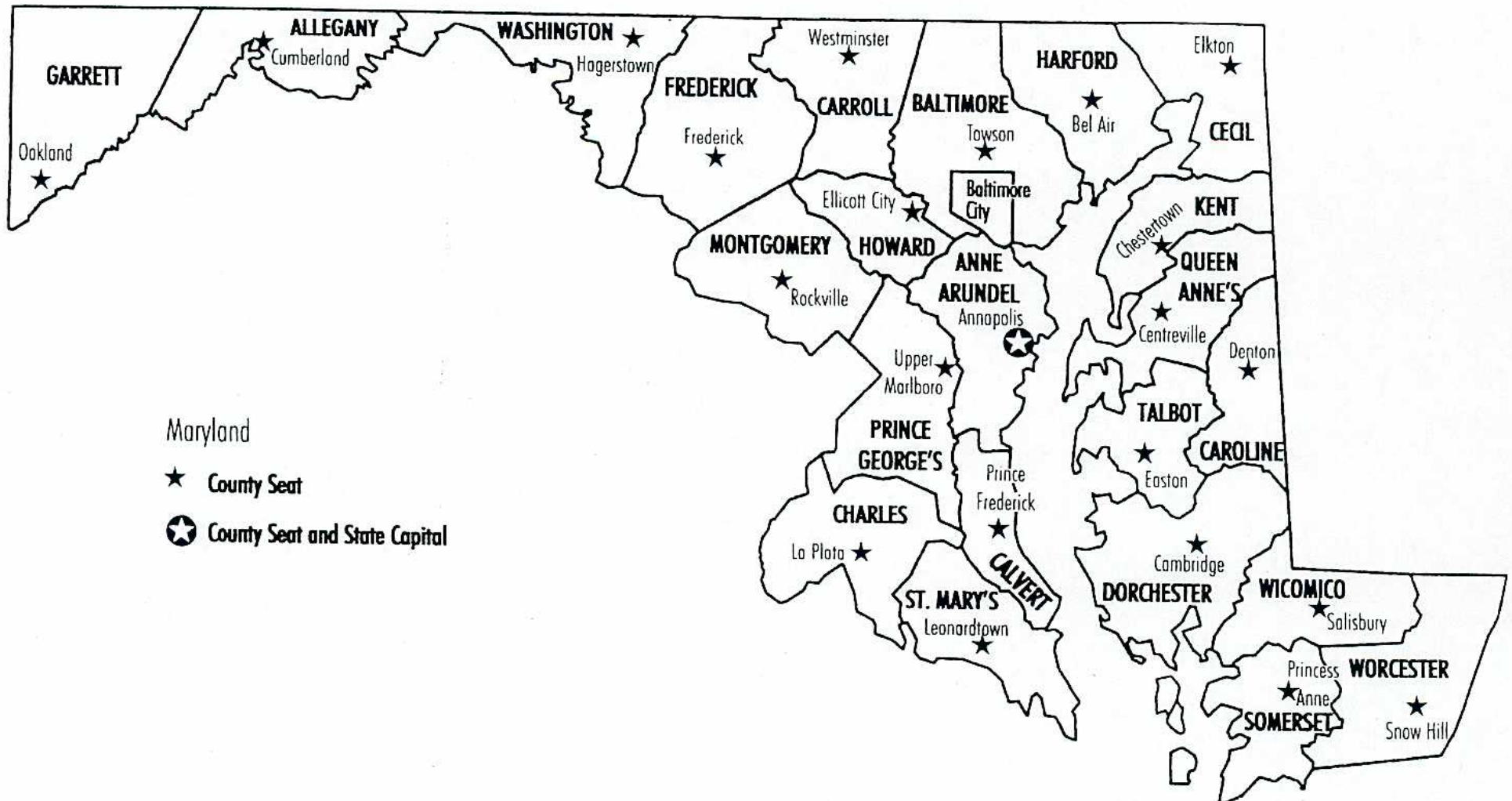
Municipalities in Maryland operate under home rule authority. With limited exceptions, the authority granted to municipalities under the State constitution and public general laws is uniform throughout the State. The express grant of authority to the municipalities is found in Article 23A, Section 2 of the Annotated Code of Maryland. One noteworthy exception is the right to exercise urban renewal powers. Under Article III, Section 61 of the Maryland Constitution, the General Assembly may grant urban renewal powers for slum clearance to a county or municipality only by public local law.

Special Taxing Districts

While the term local government usually refers to counties and municipalities, other local government entities known as special taxing districts have been created by State or local law to address specific goals or needs within a small geographic area, or to deal with issues and problems that cross county boundaries. Despite sharing some features similar to counties and municipalities, these entities lack home rule authority and must come to the legislative body that created them in order to change the scope of their powers.

This category of local government is quite broad. Special taxing districts include entities created by the General Assembly and entities created by a county or municipality. Some special taxing districts resemble municipalities because they provide a range of municipal services. Other districts exist for a limited purpose, such as the financing of public drainage associations within a limited area or the creation and maintenance of street lighting in a particular neighborhood. Despite this variety in origin and powers, each district has some sort of tax-setting or fee-charging power.

Exhibit 1.1
State of Maryland Map



Chapter 2. Demographic Indicators

Maryland is a diverse State encompassing the mountainous regions of Western Maryland, waterfront communities along the Chesapeake Bay, historic towns, rolling hills and horse farms in the north-central region of the State, and the urban center along the Baltimore-Washington corridor. This diversity is also reflected in the State's people and families. Maryland is today a dynamic and culturally enriched State comprising people from approximately 180 different countries speaking over 80 languages.

Land Area and Population

Maryland, consisting of 9,773 square miles, ranks as the forty-second state in terms of land mass. Maryland's counties range in size from Calvert County with 215 square miles to Frederick County with 663 square miles. Baltimore City comprises 81 square miles.

Approximately 5.6 million people live in Maryland. Montgomery County is the State's largest jurisdiction with 931,000 residents, and Kent County is the smallest with 20,000 residents. Baltimore City, although fourth in total population, has the highest population density in the State. Montgomery County is second in terms of population density. Garrett County has the lowest population density. **Exhibit 2.1** shows the land area, population, and population density for all Maryland jurisdictions.

Racial Composition

Maryland is among the most diverse states in the nation. Racial minorities comprise 41.9 percent of the State's population compared to 34.0 percent nationally as shown in **Table 2.1**. African Americans are the largest racial minority in Maryland comprising 28.9 percent of the State's population; whereas Hispanics/Latinos account for 6.3 percent, followed by Asians at 5.0 percent. Montgomery County is one of the most affluent and diverse jurisdictions in Maryland, with Hispanics/Latinos, African Americans, and Asians each comprising between 13 and 16 percent of the county's population. **Exhibit 2.2** shows the racial composition for each jurisdiction in Maryland. **Appendix 4** shows the racial composition for each state.

Table 2.1
Maryland Racial Composition – 2007

	Maryland	United States
White	58.1%	66.0%
African American	28.9%	12.3%
Hispanic/Latino	6.3%	15.1%
Asian	5.0%	4.3%
American Indian	0.3%	0.8%
Native Hawaiian	0.0%	0.1%
Multiracial	1.4%	1.4%

Source: U.S. Census Bureau

Over the last seven years of available data (2000-2007), gains in the State's population have been comprised entirely from growth in minority groups. During this period, the State's minority population increased by 18.0 percent; whereas, the white population decreased by 1.2 percent. The State's Hispanic population increased by 56.3 percent during this period, with the Asian population increasing by 30.2 percent and African Americans by 10.1 percent. **Exhibit 2.3** shows the change in minority population by county.

Population Growth

Managing growth remains a key issue as Maryland's population continues to expand. Since April 2000, the State's population has increased by over 337,000 people (**Table 2.2**). This represents a 6.4 percent increase over the eight-year period, giving Maryland the twenty-fourth highest growth rate in the nation. For comparison purposes, the United States' population increased by 8.0 percent during this same period.

Table 2.2
Maryland Population Growth

<u>April 2000</u>	<u>July 2006</u>	<u>July 2008</u>
5,296,508	5,602,017	5,633,597

Source: U.S. Census Bureau

Maryland's population growth is attributable to natural increases and international immigration (**Table 2.3**). Maryland continues to experience population losses from net internal migration, movement among the states, for the fourth consecutive year. This decline was offset by a high level of international immigration. Over the last seven years, nearly 136,000 foreign-born individuals have entered the State, residing primarily in Montgomery and Prince George's counties.

International immigration has helped to offset the sizable decreases in internal migration within both jurisdictions. From 2000 through 2007, Montgomery County realized a net loss of 63,000 residents due to internal migration, and Prince George's County realized a net loss of 53,000 residents. The only other jurisdictions in Maryland with a net decrease in internal migration are Baltimore City (net loss of 66,000 residents), Allegany County (net loss of 700 residents), Anne Arundel County (net loss of 1,700 residents), and Garrett County (net loss of 300 residents). **Exhibit 2.4** shows the growth in population for each jurisdiction since 2000, and **Exhibit 2.5** shows components of population change since 2000.

Population growth throughout Maryland has not been uniform. The largest growth occurred in Southern Maryland, the Eastern Shore, and the north-central region of the State. Baltimore City and many economically distressed rural counties realized either marginal growth or continued reductions in population.

Table 2.3
Components of Maryland's Population Change
2000-2007

Net Natural Increase	227,910	70.8%
Net Migration		
Domestic Migration	-54,415	-16.9%
International Immigration	<u>135,800</u>	<u>42.2%</u>
Subtotal	81,385	25.3%
Residual	12,541	3.9%
Total Increase	321,836	100.0%

Source: U.S. Census Bureau

Calvert County led the State in the pace of population growth between 2000 and 2007 with a growth rate of 17.4 percent. St. Mary's, Charles, and Cecil counties had growth rates above 15 percent. Baltimore City and Allegany and Garrett counties were the only jurisdictions that lost population since 2000. From 2006 to 2007, Caroline County led the State in population growth rate, followed by St. Mary's and Queen Anne's counties. Baltimore City and Allegany and Garrett counties continue to experience population losses, with Prince George's County realizing a slight decrease in its population.

Washington and Baltimore Metropolitan Areas

A metropolitan area is defined by the U.S. Census Bureau as an area with a large population nucleus and adjacent communities that have a high degree of social and economic integration between them. In some instances, two large metropolitan areas adjacent to each other have strong economic and social links between them. In these instances, the two metropolitan areas may be designated a consolidated metropolitan statistical area, as is the case with the Washington-Baltimore consolidated metropolitan statistical area.

When compared to metropolitan areas nationwide, the Washington metropolitan statistical area ranks eighth with approximately 5.3 million residents, while the Baltimore metropolitan statistical area ranks nineteenth with approximately 2.7 million residents. Combined, these two metropolitan statistical areas hold approximately 8.0 million residents.

Approximately 87 percent of the State's population resides in a county within one of these metropolitan areas. The Washington metropolitan statistical area stretches from the Chesapeake Bay in the east to the Appalachians in the west, consisting of the District of Columbia; five Maryland counties (Calvert, Charles, Frederick, Montgomery, and Prince George's); in Virginia, nine counties and six independent cities; and one county in West Virginia. The most populous county in the Washington metropolitan statistical area is Fairfax County, Virginia, with a population of over 1 million;

Montgomery County, Maryland is the second most populous with 931,000 residents.

The Baltimore metropolitan statistical area is composed of Baltimore City and six Maryland counties – Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne’s. Baltimore County is the most populous jurisdiction within the Baltimore metropolitan statistical area with a population of 789,000 residents; Baltimore City is the second most populous area with 637,000 residents.

Since the 1960s, in both the Washington and Baltimore metropolitan statistical areas, the population of the central city has been declining while the population of the surrounding counties has increased dramatically. However, recently the population of the District of Columbia has been increasing. **Appendix 5** compares the population of each jurisdiction within the Washington and Baltimore metropolitan statistical areas.

Social and Economic Indicators

Maryland is one of the most affluent states in the nation with a high median household income and a low poverty rate as of 2007. Marylanders are highly educated with a high concentration of college-educated residents. Maryland enjoys a below-average unemployment rate and a large concentration of high-tech jobs. A continuing negative indicator is the State’s high violent crime rate. In 2007, Maryland had the nation’s tenth highest violent crime rate, the third highest murder rate, and the third highest robbery rate. Information on

poverty rates, single-parent households, high school dropout rates, and crime rates is provided in **Exhibit 2.6**. Information on average weekly wage, unemployment rate, median household income, and median home prices is provided in **Exhibit 2.7**. A comparison of the growth in household income and home prices is provided in **Exhibit 2.8**. **Exhibit 2.9** provides information on employment growth since 2000.

Poverty Rates

Maryland continues to have one of the lowest poverty rates in the nation. In 2007, the poverty rate in Maryland was 8.3 percent, the fourth lowest rate in the nation. Other states with low poverty rates included New Hampshire, Connecticut, Hawaii, and New Jersey. Nationally, 13.0 percent of the U.S. population had income below the poverty threshold in the past 12 months (2007). The poverty threshold for a family of three was \$16,425 in 2007.

Based on the 2000 census, 8.5 percent of Marylanders lived in poverty compared to 12.4 percent at the national level. Across the State, the poverty rate in 2000 ranged from 3.8 percent in Carroll County to 22.9 percent in Baltimore City. Seven counties had poverty rates exceeding the national average. Poverty rate statistics are taken from the 2000 census. More recent data on a county-by-county basis is not yet available from the U.S. Census Bureau.

Single-parent Households

The effects of poverty are compounded by the fact that many children in Maryland do not live in a two-parent

household. Statewide, more than 30 percent of households with children are headed by a single parent, up from 12.8 percent in 1970. Single-parent families with children range from a high of 61 percent in Baltimore City to a low of 17 percent in Carroll County. Counties with a high level of single-parent households also tend to have a high child poverty rate.

High School Dropout Rate

Maryland's high school dropout rate declined in 2008. According to the *2008 Maryland Report Card* produced by the Maryland State Department of Education, Maryland's high school dropout rate averaged 3.4 percent in 2008. This compares to 5.4 percent in 1993 and 3.5 percent in 2007. The high school dropout rate ranges from 1.2 percent in Carroll County to 7.9 percent in Baltimore City. Compared to 2007, high school dropout rates declined in 13 local school systems but increased in 11 local school systems.

Crime Rate

Maryland's crime rates are among the highest in the nation. According to the FBI's *Uniform Crime Report*, when the District of Columbia is included in the rankings, in 2007, Maryland had the tenth highest violent crime rate, the third highest murder rate, and the third highest robbery rate. The FBI recorded 546 murders in Maryland compared to 399 in Virginia, even though Virginia has over 2.0 million more residents. The District of Columbia and Louisiana had the nation's highest murder rates while Iowa and New Hampshire

had the lowest. **Table 2.5** compares the crime rates in Maryland with neighboring Virginia for calendar 2007.

Table 2.5
Comparison of Crimes Rates in 2007¹

	Maryland		Virginia	
Violent Crime	641.9	10 th	269.7	41 st
Murder	9.8	3 rd	5.3	24 th
Rape	21.0	46 th	22.6	44 th
Robbery	236.0	3 rd	99.2	27 th
Assault ²	375.1	10 th	142.6	43 rd
Vehicle Theft	505.4	7 th	182.2	42 nd

¹Rate is per 100,000 inhabitants. ²Aggravated assaults.

Source: FBI *Uniform Crime Report*, 2007

Baltimore City had the highest crime rate in Maryland in 2007, followed closely by Prince George's County. Calvert, Carroll, Frederick, Garrett, and Kent counties had the lowest crime rates. Crime rate statistics are from the *Uniform Crime Report* for 2007.

Baltimore City and Prince George's County continue to be plagued with a high murder rate. The two jurisdictions accounted for 76.5 percent of the State's murders. In addition, Prince George's County continues to be inundated with motor vehicle thefts, despite a 25 percent reduction in 2006 and a 10 percent reduction in 2007. Over 40 percent of motor vehicle thefts in the State occur in Prince George's County. In 2007, 11,600 vehicles were reported stolen in Prince George's County compared to 2,600 in neighboring Montgomery County. Baltimore City had the second highest number of vehicle thefts at 5,800.

Average Weekly Wage

The average weekly wage calculation is based on an individual's place of employment rather than residence. In calendar 2007, the average weekly wage was \$928 statewide, ranging from \$520 in Garrett County to \$1,148 in Montgomery County. Baltimore City had the second highest average weekly wage at \$998, followed by Howard County at \$982. The Maryland Department of Labor, Licensing, and Regulation calculates the average weekly wage statistic.

Unemployment Rate

The unemployment rate measures the percent of a county's total civilian labor force that is out of work. The statewide unemployment rate averaged 3.8 percent in calendar 2006, 3.6 percent in calendar 2007, and 4.0 percent in calendar 2008. Howard and Montgomery counties had the lowest unemployment rate at 2.9 percent in 2008, while Worcester County had the highest at 6.9 percent. The unemployment rate in Maryland continues to be below the national average. The national unemployment rate averaged 4.6 percent in calendar 2006 and 2007 and 5.8 percent in calendar 2008.

Median Household Income

Maryland had the highest median income in the nation in 2007. **Table 2.6** lists the 10 states with the highest median household income. The median household income in 2007 for Maryland jurisdictions ranged from \$33,700 in Somerset County to \$96,900 in Howard County. Montgomery County had the second highest median income at \$90,550, and Calvert

County had the third highest at \$90,200. Six counties (Allegany, Caroline, Dorchester, Garrett, Somerset, and Wicomico) and Baltimore City had income levels below 70 percent of the statewide average.

Table 2.6
Median Household Income in 2007

1. Maryland	\$68,080
2. New Jersey	67,035
3. Connecticut	65,967
4. Alaska	64,333
5. Hawaii	63,746
6. New Hampshire	62,369
7. Massachusetts	62,365
8. California	59,948
9. Virginia	59,562
10. Minnesota	55,802
National Average	\$50,740

Source: U.S. Census Bureau

Median Sale Price for Homes

The median sale price for owner-occupied real property was \$315,000 statewide in fiscal 2007, down \$3,000 from the previous year, representing a 0.9 percent decrease. The median sale price ranged from \$109,875 in Allegany County to \$437,750 in Montgomery County. Median sale price statistics

are from the Maryland State Department of Assessments and Taxation. Since fiscal 2001, the median home price has increased by 109 percent; whereas, median household income increased by only 21 percent. Western Maryland is the most affordable location in the State to purchase a home; whereas, Montgomery County and parts of the Eastern Shore are the least affordable. The housing affordability index compares the median home price in a jurisdiction with the median household income. In Allegany County, the median home price is 2.9 times higher than the median household income; whereas, in Talbot County, the median home price is 6.3 times higher than the median household income.

Employment Growth

Employment growth is one indicator of an economy's overall health. The total number and the percent change in new jobs created are widely used performance measures. Maryland's employment growth rate from 2000 through 2007 was 5.9 percent. This represents a net increase of 143,000 jobs over the seven-year period. On a per capita basis, Anne Arundel, Cecil, Garrett, and Queen Anne's counties realized the highest employment growth during this period, while six counties and Baltimore City realized a decline in per capita employment.

The employment growth rate was calculated by using average annual employment data as reported by the Maryland Department of Labor, Licensing, and Regulation. Employment growth statistics represent the available jobs within a jurisdiction but not the employment status for residents of the jurisdiction. The employment status of residents within a jurisdiction is indicated by the unemployment rate.

Exhibit 2.1
Maryland Population and Density

County	Population July 2007	Land Area Sq. Miles	Population Density	<u>Ranking by Population</u>		<u>Ranking by Density</u>	
Allegany	72,594	425.4	170.6	1. Montgomery	930,813	1. Baltimore City	7,889.3
Anne Arundel	512,154	415.9	1,231.4	2. Prince George's	828,770	2. Montgomery	1,878.5
Baltimore City	637,455	80.8	7,889.3	3. Baltimore	788,994	3. Prince George's	1,707.4
Baltimore	788,994	598.6	1,318.1	4. Baltimore City	637,455	4. Baltimore	1,318.1
Calvert	88,223	215.2	410.0	5. Anne Arundel	512,154	5. Anne Arundel	1,231.4
Caroline	32,910	320.1	102.8	6. Howard	273,669	6. Howard	1,086.0
Carroll	169,220	449.1	376.8	7. Harford	239,993	7. Harford	545.1
Cecil	99,695	348.1	286.4	8. Frederick	224,705	8. Calvert	410.0
Charles	140,444	461.0	304.7	9. Carroll	169,220	9. Carroll	376.8
Dorchester	31,846	557.5	57.1	10. Washington	145,113	10. Frederick	339.0
Frederick	224,705	662.9	339.0	11. Charles	140,444	11. Washington	316.8
Garrett	29,627	648.0	45.7	12. St. Mary's	100,378	12. Charles	304.7
Harford	239,993	440.3	545.1	13. Cecil	99,695	13. Cecil	286.4
Howard	273,669	252.0	1,086.0	14. Wicomico	93,600	14. St. Mary's	277.9
Kent	19,987	279.4	71.5	15. Calvert	88,223	15. Wicomico	248.1
Montgomery	930,813	495.5	1,878.5	16. Allegany	72,594	16. Allegany	170.6
Prince George's	828,770	485.4	1,707.4	17. Worcester	49,374	17. Talbot	134.5
Queen Anne's	46,571	372.2	125.1	18. Queen Anne's	46,571	18. Queen Anne's	125.1
St. Mary's	100,378	361.2	277.9	19. Talbot	36,193	19. Worcester	104.3
Somerset	26,016	327.2	79.5	20. Caroline	32,910	20. Caroline	102.8
Talbot	36,193	269.1	134.5	21. Dorchester	31,846	21. Somerset	79.5
Washington	145,113	458.1	316.8	22. Garrett	29,627	22. Kent	71.5
Wicomico	93,600	377.2	248.1	23. Somerset	26,016	23. Dorchester	57.1
Worcester	49,374	473.2	104.3	24. Kent	19,987	24. Garrett	45.7
Maryland	5,618,344	9,773.4	574.9				

Source: U.S. Census Bureau, Maryland Department of Planning

Exhibit 2.2
Racial Composition in Maryland Counties as of July 2007

County	White	African American	Hispanic/ Latino	Asian	Other
Allegany	91.3%	6.1%	1.0%	0.7%	1.0%
Anne Arundel	75.8%	15.1%	4.2%	3.0%	1.9%
Baltimore City	30.6%	63.5%	2.5%	2.0%	1.4%
Baltimore	66.8%	24.6%	2.9%	4.1%	1.6%
Calvert	80.4%	14.2%	2.5%	1.2%	1.8%
Caroline	79.2%	14.2%	4.5%	0.7%	1.4%
Carroll	91.8%	3.7%	1.8%	1.6%	1.1%
Cecil	89.8%	5.6%	2.2%	1.0%	1.3%
Charles	53.5%	37.5%	3.6%	2.5%	2.9%
Dorchester	68.5%	27.4%	2.1%	1.0%	1.0%
Frederick	80.4%	8.5%	5.7%	3.6%	1.8%
Garrett	98.0%	0.7%	0.6%	0.2%	0.5%
Harford	81.6%	12.0%	2.6%	2.1%	1.7%
Howard	64.6%	16.8%	4.8%	11.5%	2.3%
Kent	78.9%	15.8%	3.5%	0.8%	1.0%
Montgomery	54.4%	16.0%	14.3%	13.3%	2.0%
Prince George's	18.1%	64.1%	12.2%	3.9%	1.8%
Queen Anne's	87.8%	8.0%	2.0%	0.9%	1.3%
St. Mary's	78.5%	14.5%	2.8%	2.2%	2.0%
Somerset	54.5%	40.9%	2.2%	1.0%	1.5%
Talbot	81.4%	13.6%	3.1%	0.9%	1.0%
Washington	85.4%	9.3%	2.5%	1.4%	1.4%
Wicomico	70.3%	23.3%	3.3%	1.7%	1.4%
Worcester	81.3%	14.4%	2.2%	1.0%	1.1%
Maryland	58.1%	28.9%	6.3%	5.0%	1.7%
United States	66.0%	12.3%	15.1%	4.3%	2.3%

Source: U.S. Census Bureau, Maryland Department of Planning

Exhibit 2.3
Growth in Minority Population by County

County	2000	2007	Population	Percent	Highest to Lowest		Highest to Lowest	
			Change	Change	Population Change		Percent Change	
Allegany	5,528	6,350	822	14.9%	1. Montgomery	75,408	1. Frederick	92.0%
Anne Arundel	98,107	124,160	26,053	26.6%	2. Prince George's	73,850	2. Carroll	91.8%
Baltimore City	447,821	442,194	-5,627	-1.3%	3. Baltimore	63,517	3. Charles	66.7%
Baltimore	198,666	262,183	63,517	32.0%	4. Howard	29,803	4. Cecil	61.7%
Calvert	12,587	17,329	4,742	37.7%	5. Charles	26,148	5. Washington	49.1%
Caroline	5,693	6,854	1,161	20.4%	6. Anne Arundel	26,053	6. Howard	44.5%
Carroll	7,243	13,892	6,649	91.8%	7. Frederick	21,099	7. Harford	43.7%
Cecil	6,265	10,132	3,867	61.7%	8. Harford	13,398	8. Calvert	37.7%
Charles	39,192	65,340	26,148	66.7%	9. Washington	6,981	9. Garrett	36.5%
Dorchester	9,545	10,017	472	4.9%	10. Carroll	6,649	10. Baltimore	32.0%
Frederick	22,935	44,034	21,099	92.0%	11. St. Mary's	4,883	11. St. Mary's	29.2%
Garrett	444	606	162	36.5%	12. Calvert	4,742	12. Anne Arundel	26.6%
Harford	30,663	44,061	13,398	43.7%	13. Cecil	3,867	13. Queen Anne's	23.0%
Howard	67,042	96,845	29,803	44.5%	14. Wicomico	3,793	14. Montgomery	21.6%
Kent	4,127	4,225	98	2.4%	15. Caroline	1,161	15. Caroline	20.4%
Montgomery	349,090	424,498	75,408	21.6%	16. Queen Anne's	1,067	16. Wicomico	15.8%
Prince George's	605,102	678,952	73,850	12.2%	17. Somerset	939	17. Allegany	14.9%
Queen Anne's	4,637	5,704	1,067	23.0%	18. Allegany	822	18. Prince George's	12.2%
St. Mary's	16,739	21,622	4,883	29.2%	19. Dorchester	472	19. Somerset	8.6%
Somerset	10,906	11,845	939	8.6%	20. Talbot	398	20. Talbot	6.3%
Talbot	6,323	6,721	398	6.3%	21. Garrett	162	21. Dorchester	4.9%
Washington	14,227	21,208	6,981	49.1%	22. Worcester	161	22. Kent	2.4%
Wicomico	23,981	27,774	3,793	15.8%	23. Kent	98	23. Worcester	1.8%
Worcester	9,056	9,217	161	1.8%	24. Baltimore City	-5,627	24. Baltimore City	-1.3%
Maryland	1,995,919	2,355,763	359,844	18.0%				

Source: U.S. Census Bureau

Exhibit 2.4
Population Growth in Maryland by County

County	Percent Change					Highest to Lowest Growth		Highest to Lowest Growth	
	2000	2006	2007	2006-2007	2000-2007	2006 to 2007		2000 to 2007	
Allegany	74,813	72,613	72,594	0.0%	-3.0%	1. Caroline	2.0%	1. Calvert	17.4%
Anne Arundel	491,357	510,230	512,154	0.4%	4.2%	2. St. Mary's	1.8%	2. St. Mary's	16.0%
Baltimore City	648,615	640,961	637,455	-0.5%	-1.7%	3. Queen Anne's	1.6%	3. Charles	15.9%
Baltimore	756,030	787,762	788,994	0.2%	4.4%	4. Dorchester	1.4%	4. Cecil	15.3%
Calvert	75,165	87,582	88,223	0.7%	17.4%	5. Washington	1.2%	5. Frederick	14.3%
Caroline	29,830	32,278	32,910	2.0%	10.3%	6. Frederick	1.2%	6. Queen Anne's	14.2%
Carroll	151,579	168,403	169,220	0.5%	11.6%	7. Wicomico	1.2%	7. Carroll	11.6%
Cecil	86,471	98,674	99,695	1.0%	15.3%	8. Howard	1.2%	8. Caroline	10.3%
Charles	121,208	139,302	140,444	0.8%	15.9%	9. Cecil	1.0%	9. Wicomico	10.3%
Dorchester	30,587	31,417	31,846	1.4%	4.1%	10. Charles	0.8%	10. Washington	9.8%
Frederick	196,512	221,953	224,705	1.2%	14.3%	11. Kent	0.8%	11. Howard	9.7%
Garrett	29,826	29,639	29,627	0.0%	-0.7%	12. Somerset	0.8%	12. Harford	9.4%
Harford	219,470	239,569	239,993	0.2%	9.4%	13. Calvert	0.7%	13. Talbot	6.8%
Howard	249,537	270,505	273,669	1.2%	9.7%	14. Montgomery	0.6%	14. Montgomery	6.1%
Kent	19,266	19,829	19,987	0.8%	3.7%	15. Carroll	0.5%	15. Worcester	5.6%
Montgomery	877,710	925,327	930,813	0.6%	6.1%	16. Worcester	0.4%	16. Somerset	5.2%
Prince George's	803,291	834,660	828,770	-0.7%	3.2%	17. Anne Arundel	0.4%	17. Baltimore	4.4%
Queen Anne's	40,771	45,856	46,571	1.6%	14.2%	18. Talbot	0.3%	18. Anne Arundel	4.2%
St. Mary's	86,523	98,605	100,378	1.8%	16.0%	19. Harford	0.2%	19. Dorchester	4.1%
Somerset	24,723	25,814	26,016	0.8%	5.2%	20. Baltimore	0.2%	20. Kent	3.7%
Talbot	33,892	36,077	36,193	0.3%	6.8%	21. Allegany	0.0%	21. Prince George's	3.2%
Washington	132,102	143,334	145,113	1.2%	9.8%	22. Garrett	0.0%	22. Garrett	-0.7%
Wicomico	84,863	92,465	93,600	1.2%	10.3%	23. Baltimore City	-0.5%	23. Baltimore City	-1.7%
Worcester	46,775	49,162	49,374	0.4%	5.6%	24. Prince George's	-0.7%	24. Allegany	-3.0%
Maryland	5,310,916	5,602,017	5,618,344	0.3%	5.8%				

Source: U.S. Census Bureau

Exhibit 2.5
Components of Maryland Population Change – April 2000 to July 2007

County	Net Natural Increase	International Migration	Internal Migration	Residual	Total	Ranking by International Migration		Ranking by Internal Migration	
Allegany	-1,447	88	-658	-319	-2,336	1. Montgomery	66,063	1. Frederick	16,316
Anne Arundel	23,600	2,625	-1,678	-2,051	22,496	2. Prince George's	31,434	2. Carroll	13,265
Baltimore City	12,395	7,674	-66,128	32,360	-13,699	3. Baltimore	13,366	3. Charles	12,697
Baltimore	13,284	13,366	11,306	-3,254	34,702	4. Baltimore City	7,674	4. Harford	11,673
Calvert	3,327	259	10,273	-199	13,660	5. Howard	7,321	5. Baltimore	11,306
Caroline	886	357	2,004	-109	3,138	6. Anne Arundel	2,625	6. Calvert	10,273
Carroll	5,143	467	13,265	-552	18,323	7. Frederick	1,863	7. Washington	10,172
Cecil	3,627	346	10,103	-332	13,744	8. Wicomico	1,033	8. Cecil	10,103
Charles	7,360	210	12,697	-369	19,898	9. Harford	924	9. St. Mary's	8,863
Dorchester	-267	50	1,530	-141	1,172	10. Washington	505	10. Wicomico	5,590
Frederick	11,939	1,863	16,316	-689	29,429	11. Carroll	467	11. Queen Anne's	4,712
Garrett	139	32	-260	-130	-219	12. Worcester	400	12. Howard	3,685
Harford	9,626	924	11,673	-820	21,403	13. Caroline	357	13. Worcester	3,105
Howard	15,992	7,321	3,685	-1,171	25,827	14. Cecil	346	14. Talbot	2,701
Kent	-437	86	1,220	-79	790	15. Queen Anne's	284	15. Caroline	2,004
Montgomery	58,008	66,063	-62,790	-3,809	57,472	16. Calvert	259	16. Dorchester	1,530
Prince George's	53,063	31,434	-53,243	-3,999	27,255	17. Talbot	215	17. Kent	1,220
Queen Anne's	1,129	284	4,712	-117	6,008	18. Charles	210	18. Somerset	1,127
St. Mary's	5,548	-6	8,863	-259	14,146	19. Somerset	204	19. Garrett	-260
Somerset	43	204	1,127	-105	1,269	20. Allegany	88	20. Allegany	-658
Talbot	-366	215	2,701	-169	2,381	21. Kent	86	21. Anne Arundel	-1,678
Washington	3,062	505	10,172	-549	13,190	22. Dorchester	50	22. Prince George's	-53,243
Wicomico	2,738	1,033	5,590	-405	8,956	23. Garrett	32	23. Montgomery	-62,790
Worcester	-482	400	3,105	-192	2,831	24. St. Mary's	-6	24. Baltimore City	-66,128
Maryland	227,910	135,800	-54,415	12,541	321,836				

Source: U.S. Census Bureau

Exhibit 2.6
Social Indicators for Maryland Counties

County	Poverty Rate	Single-parent Households	High School Dropout Rate		Crime Rate % of State Average		Murder Count		Vehicle Theft Count	
	2000 Census	2000 Census	SY 2007	SY 2008	CY 2006	CY 2007	CY 2006	CY 2007	CY 2006	CY 2007
Allegany	14.8%	28.6%	3.5%	3.0%	81.2%	86.0%	1	0	83	92
Anne Arundel	5.1%	24.2%	2.0%	3.2%	96.0%	103.6%	23	20	1,654	1,667
Baltimore City	22.9%	60.9%	9.4%	7.9%	164.6%	159.5%	276	282	6,276	5,821
Baltimore	6.5%	30.4%	3.4%	4.3%	98.6%	101.0%	35	36	3,463	3,372
Calvert	4.4%	20.0%	2.0%	2.0%	50.0%	51.5%	1	3	102	105
Caroline	11.7%	32.6%	3.2%	4.3%	82.4%	80.3%	0	0	44	66
Carroll	3.8%	17.1%	1.5%	1.2%	43.8%	44.4%	1	1	127	133
Cecil	7.2%	26.6%	4.4%	4.4%	86.6%	96.7%	4	5	310	256
Charles	5.5%	29.0%	2.7%	2.7%	86.3%	87.8%	4	4	435	438
Dorchester	13.8%	39.7%	4.8%	4.6%	115.2%	105.4%	1	5	89	56
Frederick	4.5%	20.0%	1.0%	1.7%	51.4%	50.7%	9	7	224	247
Garrett	13.3%	21.2%	2.4%	2.1%	47.1%	50.6%	2	0	22	26
Harford	4.9%	21.5%	3.2%	2.9%	56.0%	60.2%	9	8	437	467
Howard	3.9%	18.9%	1.2%	1.4%	69.3%	70.2%	5	5	656	551
Kent	13.0%	34.2%	6.2%	5.0%	56.3%	53.5%	0	0	17	12
Montgomery	5.4%	20.9%	2.7%	2.9%	68.1%	70.3%	19	20	2,640	2,634
Prince George's	7.7%	39.4%	3.8%	2.4%	154.4%	151.0%	130	141	12,944	11,646
Queen Anne's	6.3%	22.4%	2.9%	2.3%	58.7%	57.1%	0	0	46	49
St. Mary's	7.2%	24.4%	2.7%	2.8%	67.5%	65.8%	5	1	177	128
Somerset	20.1%	37.2%	5.3%	4.2%	93.8%	82.0%	2	0	37	29
Talbot	8.3%	27.5%	3.8%	4.1%	70.8%	73.4%	0	0	35	37
Washington	9.5%	29.2%	2.5%	1.7%	67.9%	64.0%	4	6	300	240
Wicomico	12.8%	34.7%	5.0%	5.8%	141.8%	128.3%	8	5	258	191
Worcester	9.6%	32.1%	0.9%	1.5%	131.4%	129.2%	2	1	106	80
Maryland	8.5%	30.3%	3.5%	3.4%	100.0%	100.0%	547	553	30,482	28,343

Source: U.S. Census Bureau, Maryland State Department of Education, Maryland State Police, Maryland Department of Planning

Exhibit 2.7
Economic Indicators for Maryland Counties

<u>County</u>	<u>Average Weekly Wage</u>		<u>Unemployment Rate</u>			<u>Median Household Income</u>		<u>Median Home Price</u>	
	<u>CY 2007</u>	<u>Percent of State Average</u>	<u>CY 2006</u>	<u>CY 2007</u>	<u>CY 2008</u>	<u>CY 2007</u>	<u>Percent of State Average</u>	<u>FY 2007</u>	<u>Percent of State Average</u>
Allegany	\$603	65.0%	5.5%	5.2%	5.5%	\$38,050	55.7%	\$109,875	34.9%
Anne Arundel	891	96.0%	3.2%	3.1%	3.5%	83,350	122.0%	339,900	107.9%
Baltimore City	998	107.5%	6.2%	5.8%	6.3%	38,400	56.2%	159,625	50.7%
Baltimore	879	94.7%	3.8%	3.6%	4.1%	64,100	93.9%	262,850	83.4%
Calvert	751	80.9%	3.1%	2.9%	3.3%	90,200	132.1%	324,900	103.1%
Caroline	605	65.2%	4.3%	4.3%	4.9%	45,850	67.1%	275,000	87.3%
Carroll	658	70.9%	3.1%	3.0%	3.4%	78,200	114.5%	340,000	107.9%
Cecil	813	87.6%	4.3%	4.0%	4.9%	62,850	92.0%	260,000	82.5%
Charles	717	77.3%	3.1%	3.0%	3.4%	80,150	117.3%	348,475	110.6%
Dorchester	624	67.2%	5.6%	5.9%	6.2%	40,650	59.5%	214,000	67.9%
Frederick	816	87.9%	3.1%	3.0%	3.3%	83,000	121.5%	329,900	104.7%
Garrett	520	56.0%	4.7%	4.5%	4.5%	40,150	58.8%	145,500	46.2%
Harford	792	85.3%	3.5%	3.4%	3.8%	77,800	113.9%	269,900	85.7%
Howard	982	105.8%	2.8%	2.6%	2.9%	96,900	141.9%	392,000	124.4%
Kent	640	69.0%	3.8%	3.6%	4.3%	51,450	75.3%	264,000	83.8%
Montgomery	1,148	123.7%	2.8%	2.7%	2.9%	90,550	132.6%	437,750	139.0%
Prince George's	913	98.4%	4.1%	3.9%	4.2%	70,300	102.9%	325,000	103.2%
Queen Anne's	617	66.5%	3.3%	3.2%	3.7%	76,650	112.2%	378,911	120.3%
St. Mary's	974	105.0%	3.3%	3.1%	3.4%	65,750	96.3%	315,000	100.0%
Somerset	676	72.8%	5.4%	5.4%	6.0%	33,700	49.3%	159,900	50.8%
Talbot	661	71.2%	3.5%	3.4%	3.9%	56,900	83.3%	360,000	114.3%
Washington	686	73.9%	4.4%	4.5%	5.1%	52,150	76.4%	239,450	76.0%
Wicomico	668	72.0%	4.0%	4.0%	4.7%	47,300	69.3%	200,000	63.5%
Worcester	522	56.3%	6.1%	6.1%	6.9%	54,300	79.5%	265,000	84.1%
Maryland	\$928	100.0%	3.8%	3.6%	4.0%	\$68,300	100.0%	\$315,000	100.0%

Source: Department of Labor, Licensing, and Regulation; Maryland Department of Planning; State Department of Assessments and Taxation

Exhibit 2.8
Comparison of Income Growth and Housing Cost by County

County	Median Household Income			Median Home Price			Ranking by		Ranking by	
	CY 2001	CY 2007	% Chng.	FY 2001	FY 2007	% Chng.	Increase in Home Price		Housing Affordability	
Allegany	\$33,750	\$38,050	12.7%	\$65,000	\$109,875	69.0%	1. Caroline	152.3%	1. Allegany	2.9
Anne Arundel	69,900	83,350	19.2%	156,800	339,900	116.8%	2. Dorchester	144.6%	2. Harford	3.5
Baltimore City	32,350	38,400	18.7%	68,500	159,625	133.0%	3. Baltimore City	133.0%	3. Calvert	3.6
Baltimore	55,800	64,100	14.9%	130,000	262,850	102.2%	4. Prince George's	124.3%	4. Garrett	3.6
Calvert	73,600	90,200	22.6%	169,900	324,900	91.2%	5. Queen Anne's	124.1%	5. Frederick	4.0
Caroline	40,750	45,850	12.5%	109,000	275,000	152.3%	6. Somerset	119.8%	6. Howard	4.0
Carroll	67,850	78,200	15.3%	173,900	340,000	95.5%	7. Montgomery	118.9%	7. Anne Arundel	4.1
Cecil	53,450	62,850	17.6%	134,000	260,000	94.0%	8. Talbot	117.4%	8. Baltimore	4.1
Charles	69,500	80,150	15.3%	169,000	348,475	106.2%	9. Anne Arundel	116.8%	9. Cecil	4.1
Dorchester	36,950	40,650	10.0%	87,500	214,000	144.6%	10. St. Mary's	114.3%	10. Baltimore City	4.2
Frederick	68,500	83,000	21.2%	161,000	329,900	104.9%	11. Kent	112.9%	11. Wicomico	4.2
Garrett	34,450	40,150	16.5%	82,000	145,500	77.4%	12. Worcester	107.0%	12. Charles	4.3
Harford	64,100	77,800	21.4%	148,000	269,900	82.4%	13. Charles	106.2%	13. Carroll	4.3
Howard	81,650	96,900	18.7%	198,000	392,000	98.0%	14. Frederick	104.9%	14. Washington	4.6
Kent	42,650	51,450	20.6%	124,000	264,000	112.9%	15. Washington	103.0%	15. Prince George's	4.6
Montgomery	78,400	90,550	15.5%	200,000	437,750	118.9%	16. Baltimore	102.2%	16. Somerset	4.7
Prince George's	61,800	70,300	13.8%	144,894	325,000	124.3%	17. Howard	98.0%	17. St. Mary's	4.8
Queen Anne's	62,950	76,650	21.8%	169,050	378,911	124.1%	18. Carroll	95.5%	18. Montgomery	4.8
St. Mary's	58,250	65,750	12.9%	147,000	315,000	114.3%	19. Cecil	94.0%	19. Worcester	4.9
Somerset	32,150	33,700	4.8%	72,750	159,900	119.8%	20. Calvert	91.2%	20. Queen Anne's	4.9
Talbot	48,400	56,900	17.6%	165,625	360,000	117.4%	21. Wicomico	83.5%	21. Kent	5.1
Washington	45,200	52,150	15.4%	117,950	239,450	103.0%	22. Harford	82.4%	22. Dorchester	5.3
Wicomico	41,700	47,300	13.4%	109,000	200,000	83.5%	23. Garrett	77.4%	23. Caroline	6.0
Worcester	44,350	54,300	22.4%	128,000	265,000	107.0%	24. Allegany	69.0%	24. Talbot	6.3
Maryland	\$56,250	\$68,300	21.4%	\$151,000	\$315,000	108.6%				

Source: Maryland Department of Planning, State Department of Assessments and Taxation

Exhibit 2.9
Employment Growth in Maryland Counties

County	<u>Annual Average Employment Within Jurisdiction</u>				<u>Jobs Per 1,000 Residents</u>		
	CY 2000	CY 2007	Difference	% Difference	CY 2000	CY 2007	% Difference
Allegany	30,100	29,393	-707	-2.3%	401.7	404.9	0.8%
Anne Arundel	193,411	232,706	39,295	20.3%	395.0	454.4	15.0%
Baltimore City	387,602	344,209	-43,393	-11.2%	595.3	540.0	-9.3%
Baltimore	358,013	376,715	18,702	5.2%	474.6	477.5	0.6%
Calvert	16,909	21,838	4,929	29.2%	226.8	247.5	9.2%
Caroline	8,853	8,935	82	0.9%	297.4	271.5	-8.7%
Carroll	46,716	56,955	10,239	21.9%	309.6	336.6	8.7%
Cecil	23,014	30,755	7,741	33.6%	267.8	308.5	15.2%
Charles	36,155	42,248	6,093	16.9%	299.9	300.8	0.3%
Dorchester	11,189	11,772	583	5.2%	364.8	369.7	1.3%
Frederick	77,120	94,913	17,793	23.1%	394.9	422.4	7.0%
Garrett	10,140	11,867	1,727	17.0%	339.7	400.5	17.9%
Harford	68,724	83,649	14,925	21.7%	314.4	348.5	10.9%
Howard	128,582	147,143	18,561	14.4%	518.8	537.7	3.6%
Kent	7,730	8,581	851	11.0%	402.7	429.3	6.6%
Montgomery	447,744	459,346	11,602	2.6%	512.2	493.5	-3.7%
Prince George's	303,060	315,696	12,636	4.2%	378.5	380.9	0.6%
Queen Anne's	10,742	14,285	3,543	33.0%	264.8	306.7	15.8%
St. Mary's	33,338	39,241	5,903	17.7%	386.6	390.9	1.1%
Somerset	6,979	7,124	145	2.1%	282.0	273.8	-2.9%
Talbot	18,227	19,459	1,232	6.8%	539.1	537.6	-0.3%
Washington	62,915	66,771	3,856	6.1%	476.9	460.1	-3.5%
Wicomico	41,286	46,933	5,647	13.7%	487.8	501.4	2.8%
Worcester	23,437	24,605	1,168	5.0%	503.6	498.3	-1.0%
Unallocated	52,109	51,709	-400	-0.8%			
Maryland	2,404,095	2,546,850	142,755	5.9%	453.9	453.3	-0.1%

Source: *Employment and Payroll Annual Report*, Department of Labor, Licensing, and Regulation

Chapter 3. Local Government Finances

County and municipal governments in Maryland spend approximately \$21 billion annually on public services. Counties are the primary unit of local government responsible for most basic services such as police, fire, local corrections, sanitation, local highways, health, and parks and recreation. Counties also are responsible for funding public schools, libraries, local community colleges, and the circuit courts. In fiscal 2005, expenditures at the county government level totaled \$20.0 billion, which accounted for 95.3 percent of total local government expenditures.

Compared to counties, municipal corporations in Maryland provide a more limited array of public services. Public works and public safety are the two largest functions of municipal governments, comprising 64 percent of municipal expenditures in fiscal 2005. In addition, municipal corporations do not fund local school systems and community colleges, which account for over 50 percent of local government expenditures. In fiscal 2005, expenditures at the municipal government level totaled \$1.0 billion, which accounted for only 4.7 percent of total local government expenditures. However, in five counties, municipal governments account for over 15 percent of local government expenditures.

Table 3.1 shows the amount of local government expenditures in fiscal 2005 by level of government. **Exhibit 3.1** shows local expenditures by county.

Table 3.1
Local Government Expenditures
Fiscal 2005
(\$ in Millions)

	<u>Expenditures</u>	<u>Percent of Total</u>
County Level	\$20,022.5	95.3%
Municipal Level	995.1	4.7%
Total	\$21,017.5	100.0%

Source: Department of Legislative Services

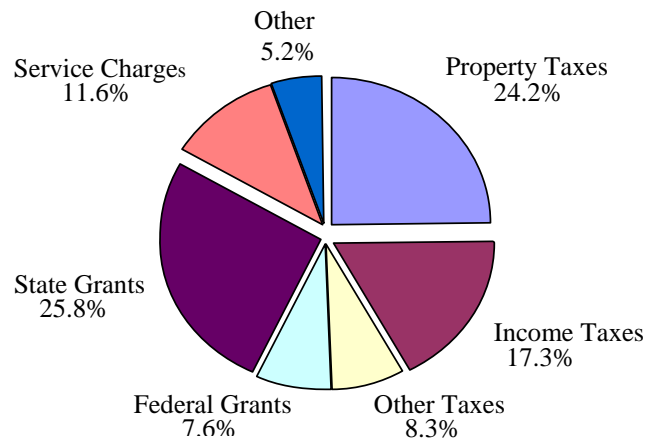
County Level

In fiscal 2005, county governments and Baltimore City spent \$20.0 billion on public services. Local boards of education accounted for 47 percent of county expenditures, with \$9.5 billion going to the public schools systems. County government agencies accounted for 46 percent of expenditures or \$9.1 billion. Libraries, community colleges, and local health departments accounted for the remaining 7 percent of local expenditures.

County governments and Baltimore City collected \$20.8 billion in revenues in fiscal 2005. County governments receive revenue from two basic sources: own-source revenues,

which include locally generated revenues such as property taxes and income taxes; and intergovernmental revenues, which include federal and State funding. Statewide, own-source revenues account for 66.6 percent of county revenues, and intergovernmental revenues account for 33.4 percent (**Table 3.2**).

Table 3.2
Sources of Revenue – Counties and Baltimore City
Fiscal 2005



Source: Department of Legislative Services

Many of the State's less affluent jurisdictions receive a lower percentage of their funding from local sources and a higher percentage from the State and federal government. For

example, Somerset County, one of the least affluent counties in the State, receives 41 percent of its revenue from local sources, 49 percent from the State, and 10 percent from the federal government. In comparison, Montgomery County, one of the most affluent counties in the State, receives 80 percent of its revenue from local sources, 14 percent from the State, and 6 percent from the federal government. **Exhibit 3.2** shows county revenues by source for fiscal 2005, excluding debt proceeds. **Exhibit 3.3** shows county revenues on a per capita basis, and **Exhibit 3.4** ranks the counties according to per capita property tax revenues, income tax revenues, State grants, and total revenues.

Property Tax Revenues

The property tax is the primary local revenue source for county governments, accounting for 24.2 percent of total local revenues in fiscal 2005. The reliance on property tax revenues ranges from 13.5 percent in Allegany County to 35.7 percent in Worcester County. Property tax collections are affected by each county's property tax base and tax rate. Counties with a larger assessable base can collect relatively more tax revenues than jurisdictions with a smaller tax base. For example, Worcester County, with its ocean resort property, has the highest per capita assessable base in fiscal 2009 at \$413,515 which is 319 percent of the statewide average. Somerset County has the third lowest per capita assessable base at \$62,736, or 48 percent, of the statewide average. Due to its larger tax base, Worcester County is able to collect over four times more revenue per capita than neighboring Somerset County, even though Somerset County has a much higher property tax rate.

Income Tax Revenues

The income tax is the third largest revenue source for county governments, accounting for 17.3 percent of total local revenues in fiscal 2005, excluding debt proceeds. The reliance on income tax revenues ranges from 6.3 percent in Worcester County to 23.4 percent in Howard County.

Local income tax revenues are a function of a county's income tax rate and net taxable income. Per capita net taxable income in Maryland totaled \$24,037 in tax year 2007. Montgomery County had the highest per capita net taxable income at \$39,693, followed by Talbot County at \$36,665 and Howard County at \$33,775. Somerset County had the lowest per capita net taxable income at \$8,960.

State Grants

State aid is the largest revenue source for most county governments in Maryland. However, in five counties (Anne Arundel, Baltimore, Queen Anne's, Talbot, and Worcester), State aid is the second largest revenue source after property taxes. In Howard County, State aid is the third largest revenue source after both property and income taxes. Whereas in Montgomery County, State aid is the fourth largest revenue source after property and income taxes and service charges.

State aid includes direct assistance to county governments, local school systems, libraries, community colleges, and local health departments. Local school systems receive about 83 percent of total State aid. County and municipal governments receive 11 percent, with most of the funds

targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments account for the remaining 6 percent. Over 65 percent of State aid is distributed inversely to local wealth. Utilizing local wealth measures to distribute State aid attempts to offset the inequalities in the revenue capacity among local jurisdictions.

Federal Grants

Federal grants account for a small percentage of local government revenues, representing 7.6 percent of county revenues in fiscal 2005. The reliance on federal grants ranged from 3.2 percent in Howard County to 13.7 percent in Allegany County. The major areas in which local governments receive federal funds include primary and secondary education, community colleges, health and human services, housing and community development, public safety, and transportation.

Expenditure Categories

County governments and Baltimore City spent \$20.0 billion on public services in fiscal 2005. On a per capita basis, county expenditures averaged \$3,602. Montgomery County led the State with per capita expenditures totaling \$4,685, followed by Baltimore City with per capita expenditures totaling \$4,333. Washington County had the lowest per capita expenditures at \$2,353. **Exhibit 3.5** shows county expenditures by category. **Exhibit 3.6** shows county expenditures on a per capita basis. **Exhibit 3.7** ranks the counties according to per capita expenditures for education/libraries, public works, public safety, and total expenditures.

Educational services (public schools, libraries, and community colleges) continue to be the largest function of county government, accounting for 52.4 percent of total county spending in fiscal 2005. Education spending ranged from 35.9 percent of total spending in Baltimore City to 68.6 percent in Cecil County. Every jurisdiction, except for Baltimore City and Montgomery County devoted at least 50 percent of its expenditures to education purposes. The smaller percentage of spending targeted to education in Baltimore City was, in part, a result of the greater need for public safety and public works services. Baltimore City devoted a higher percentage of funds to public safety than any county, accounting for 16.2 percent of its total spending. In addition, public works functions accounted for 16.7 percent of total spending in the city, the second highest in the State. Also, Baltimore City is not responsible for funding the local community college since the Baltimore City Community College is a State agency.

Public works is the second largest function of county governments, accounting for 11.6 percent of total spending. Garrett County, which spends a considerable amount of money for snow removal, led the State in the percentage of expenditures targeted to public works (19.2 percent), followed by Baltimore City (16.7 percent).

Public safety is the third largest function of county governments, accounting for 10.7 percent of total spending. As noted earlier, Baltimore City led the State in the percentage expended on public safety, followed by Baltimore, Kent, and Anne Arundel counties.

The composition of county expenditures has only changed slightly since fiscal 1995. Funding for educational services is

now accounting for a higher percentage of county spending, whereas public works functions and debt service are accounting for a lower percentage. There has been relatively little change in the overall funding for public safety, health and social services, and general government. **Table 3.3** shows the change in the composition of county expenditures over a 10-year period.

Table 3.3
County Expenditure Trends

<u>Category</u>	<u>FY 1995</u>	<u>FY 2000</u>	<u>FY 2005</u>
Education	49.1%	53.1%	52.4%
Public Works	14.1%	12.2%	11.6%
Public Safety	10.3%	10.6%	10.7%
Health/Social Services	5.4%	4.6%	4.4%
General Government	5.7%	6.0%	6.1%
Debt Service	6.7%	5.6%	5.9%

Source: Department of Legislative Services

Municipal Level

Municipalities in Maryland, excluding Baltimore City, collected \$1.1 billion in revenues in fiscal 2005. **Exhibit 3.8** shows municipal revenues by source for fiscal 2005.

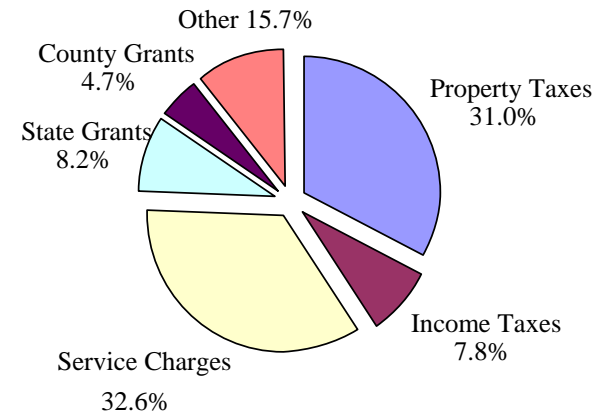
Service Charges

Service charges are the largest revenue source for most municipalities, accounting for 32.6 percent of total municipal revenues in fiscal 2005 (**Table 3.4**). Sewer and water charges accounted for the majority of the service charges. The remaining amount comprised general government, public safety, highways, and recreation charges. The reliance on service charges ranges from 8.2 percent for municipalities in Prince George's County to 66.6 percent for municipalities in Talbot County.

Property Taxes

Property taxes are the second largest revenue source for most municipalities, accounting for 31.0 percent of total revenues. The dependence on property taxes ranges from 7.3 percent for the municipality in St. Mary's County to 52.0 percent for municipalities in Prince George's County. For municipalities in five counties (Calvert, Frederick, Harford, Montgomery, and Prince George's), the property tax generates a larger share of municipal revenue than service charges.

Table 3.4
Sources of Revenue – Municipalities
Fiscal 2005



Source: Department of Legislative Services

State Grants

State aid is the third largest revenue source for municipalities accounting for 8.2 percent of revenues. Most State aid is targeted to transportation, police protection, parks and recreation services, and community development projects.

The reliance on State aid varies across the State, ranging from 2.2 percent of total revenues for municipalities in Talbot County to 28.4 percent for municipalities in Kent County, where State aid is the largest revenue source for municipalities.

Income Taxes

Income taxes are the fourth largest revenue source for municipalities, accounting for 7.8 percent of total revenues in fiscal 2005. The reliance on income taxes ranges from 1.4 percent for municipalities in Worcester County to 17.0 percent for municipalities in Montgomery County. Municipal income taxes are calculated as 0.37 percent of Maryland taxable income or 17 percent of the county income tax liability for their residents, whichever is higher.

County Grants

County grants account for 4.7 percent of total revenues in fiscal 2005. The percentage of county funding ranges from less than 1 percent in Allegany, Calvert, Caroline, Somerset, and Talbot counties to 11.3 percent in Worcester County. County funding results primarily from the sharing of county hotel/motel taxes and tax rebates. Tax rebates enable county governments to compensate municipalities for governmental services or programs that municipalities provide in lieu of similar county services or programs.

Expenditure Categories

Municipal expenditures totaled \$995.1 million in fiscal 2005. The two largest expenditures for municipalities are public works and public safety. Public works accounted for 43.2 percent of municipal spending in fiscal 2005 and public safety accounted for 21.1 percent. **Exhibit 3.9** shows municipal expenditures by category for fiscal 2005.

The composition of municipal expenditures has changed since fiscal 1995 (**Table 3.5**). Funding for debt service accounts for a lower percentage of municipal spending, whereas public safety services and general government account for a higher percentage. There has been relatively little change in the overall funding for public works and parks and recreation services.

Table 3.5
Municipal Expenditure Trends

<u>Category</u>	<u>FY 1995</u>	<u>FY 2000</u>	<u>FY 2005</u>
Public Works	43.7%	42.5%	43.2%
Public Safety	18.8%	20.4%	21.1%
General Government	11.3%	14.6%	12.3%
Parks and Recreation	8.9%	8.9%	9.2%
Debt Service	8.0%	6.9%	5.2%

Source: Department of Legislative Services

Exhibit 3.1
Local Government Expenditures
Fiscal 2005

County	County (\$ in Millions)	Municipal (\$ in Millions)	Total (\$ in Millions)	Percent County	Percent Municipal
Allegany	\$216.1	\$45.6	\$261.7	82.6%	17.4%
Anne Arundel	1,647.6	72.7	1,720.3	95.8%	4.2%
Baltimore City	2,756.9	0.0	2,756.9	100.0%	0.0%
Baltimore	2,326.4	0.0	2,326.4	100.0%	0.0%
Calvert	294.8	7.7	302.6	97.4%	2.6%
Caroline	88.6	12.9	101.5	87.3%	12.7%
Carroll	501.7	39.6	541.3	92.7%	7.3%
Cecil	247.5	22.5	270.0	91.7%	8.3%
Charles	524.4	12.3	536.7	97.7%	2.3%
Dorchester	94.2	19.6	113.9	82.7%	17.3%
Frederick	691.1	106.1	797.3	86.7%	13.3%
Garrett	108.4	5.9	114.3	94.8%	5.2%
Harford	738.5	38.7	777.1	95.0%	5.0%
Howard	1,146.5	0.0	1,146.5	100.0%	0.0%
Kent	58.8	6.5	65.3	90.0%	10.0%
Montgomery	4,318.3	165.5	4,483.8	96.3%	3.7%
Prince George's	2,903.4	122.5	3,025.9	96.0%	4.0%
Queen Anne's	143.9	4.6	148.5	96.9%	3.1%
St. Mary's	283.5	2.3	285.8	99.2%	0.8%
Somerset	61.8	5.5	67.3	91.8%	8.2%
Talbot	86.5	68.4	154.9	55.9%	44.1%
Washington	328.5	84.1	412.6	79.6%	20.4%
Wicomico	259.7	44.6	304.3	85.3%	14.7%
Worcester	195.3	107.4	302.7	64.5%	35.5%
Statewide	\$20,022.5	\$995.1	\$21,017.5	95.3%	4.7%

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.2
County Revenues by Source – Fiscal 2005

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	Other
Allegany	13.5%	10.0%	1.9%	15.3%	13.7%	39.8%	5.8%
Anne Arundel	25.8%	19.3%	10.0%	12.7%	5.1%	22.1%	5.1%
Baltimore City	19.3%	7.2%	5.8%	12.6%	13.3%	37.0%	4.9%
Baltimore	25.9%	22.2%	7.2%	9.2%	7.9%	23.6%	4.0%
Calvert	26.4%	18.2%	4.9%	10.1%	4.4%	31.2%	4.8%
Caroline	17.6%	10.8%	4.6%	4.2%	10.3%	47.6%	5.0%
Carroll	26.5%	20.7%	5.0%	6.2%	5.4%	31.1%	5.1%
Cecil	26.5%	16.4%	3.5%	5.9%	7.1%	36.2%	4.4%
Charles	24.0%	15.7%	6.8%	10.3%	7.1%	31.6%	4.5%
Dorchester	19.2%	10.2%	7.6%	6.9%	11.1%	39.9%	5.2%
Frederick	25.2%	18.9%	6.2%	13.4%	4.7%	27.2%	4.4%
Garrett	24.4%	8.0%	8.1%	6.1%	9.1%	36.2%	8.2%
Harford	25.9%	19.8%	4.4%	6.9%	6.1%	29.2%	7.6%
Howard	30.0%	23.4%	7.7%	9.1%	3.2%	19.9%	6.7%
Kent	28.5%	13.9%	5.1%	4.6%	9.8%	33.6%	4.5%
Montgomery	26.2%	22.9%	11.6%	14.4%	6.1%	13.9%	4.9%
Prince George's	21.8%	13.1%	10.6%	12.8%	7.7%	27.9%	6.1%
Queen Anne's	28.0%	18.8%	6.1%	8.7%	7.5%	25.0%	5.9%
St. Mary's	20.3%	18.8%	8.8%	8.3%	8.1%	32.4%	3.4%
Somerset	15.7%	10.6%	2.3%	7.1%	10.4%	48.6%	5.2%
Talbot	22.9%	19.8%	13.9%	7.9%	7.9%	21.8%	5.7%
Washington	21.7%	15.5%	3.6%	8.6%	10.1%	33.1%	7.3%
Wicomico	19.6%	14.7%	3.0%	10.7%	9.0%	39.7%	3.3%
Worcester	35.7%	6.3%	17.7%	9.8%	6.9%	20.1%	3.5%
Statewide	24.2%	17.3%	8.3%	11.6%	7.6%	25.8%	5.2%

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.3
Per Capita County Revenues by Source – Fiscal 2005

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	Other	Debt Proceeds	Total
Allegany	\$395	\$291	\$55	\$445	\$399	\$1,159	\$169	\$31	\$2,942
Anne Arundel	809	607	313	399	160	694	161	245	3,388
Baltimore City	854	318	256	556	591	1,640	216	94	4,527
Baltimore	762	654	211	270	233	695	118	6	2,948
Calvert	911	629	168	348	151	1,076	167	81	3,531
Caroline	514	315	134	122	300	1,392	145	0	2,922
Carroll	796	621	151	185	161	931	153	293	3,290
Cecil	692	427	91	154	186	946	114	65	2,677
Charles	869	569	247	375	258	1,147	163	193	3,820
Dorchester	600	318	238	217	348	1,249	163	2	3,135
Frederick	843	630	207	449	156	909	148	4	3,345
Garrett	914	302	302	228	341	1,356	309	46	3,797
Harford	808	618	137	216	191	909	237	212	3,328
Howard	1,215	947	311	367	131	804	273	225	4,274
Kent	890	433	160	145	306	1,049	142	100	3,226
Montgomery	1,171	1,021	519	644	272	619	217	332	4,795
Prince George's	783	471	381	461	276	1,003	220	94	3,688
Queen Anne's	936	626	204	290	252	836	196	0	3,341
St. Mary's	615	570	266	252	246	983	103	209	3,244
Somerset	361	244	54	164	241	1,122	120	174	2,480
Talbot	643	557	391	221	223	612	159	0	2,805
Washington	571	408	94	227	266	871	193	2	2,633
Wicomico	576	432	87	313	266	1,164	97	210	3,144
Worcester	1,509	268	748	415	290	849	150	317	4,547
Statewide	\$869	\$620	\$299	\$415	\$273	\$927	\$186	\$151	\$3,740

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.4
County Per Capita Rankings by Selected Revenue Sources – Fiscal 2005

Property Taxes		Income Taxes		State Grants		Total Revenues Excluding Debt Proceeds	
1. Worcester	\$1,509	1. Montgomery	\$1,021	1. Baltimore City	\$1,640	1. Montgomery	\$4,463
2. Howard	1,215	2. Howard	947	2. Caroline	1,392	2. Baltimore City	4,433
3. Montgomery	1,171	3. Baltimore	654	3. Garrett	1,356	3. Worcester	4,230
4. Queen Anne's	936	4. Frederick	630	4. Dorchester	1,249	4. Howard	4,049
5. Garrett	914	5. Calvert	629	5. Wicomico	1,164	5. Garrett	3,750
6. Calvert	911	6. Queen Anne's	626	6. Allegany	1,159	6. Charles	3,628
7. Kent	890	7. Carroll	621	7. Charles	1,147	7. Prince George's	3,594
8. Charles	869	8. Harford	618	8. Somerset	1,122	8. Calvert	3,450
9. Baltimore City	854	9. Anne Arundel	607	9. Calvert	1,076	9. Frederick	3,341
10. Frederick	843	10. St. Mary's	570	10. Kent	1,049	10. Queen Anne's	3,341
11. Anne Arundel	809	11. Charles	569	11. Prince George's	1,003	11. Anne Arundel	3,143
12. Harford	808	12. Talbot	557	12. St. Mary's	983	12. Dorchester	3,133
13. Carroll	796	13. Prince George's	471	13. Cecil	946	13. Kent	3,126
14. Prince George's	783	14. Kent	433	14. Carroll	931	14. Harford	3,116
15. Baltimore	762	15. Wicomico	432	15. Harford	909	15. St. Mary's	3,035
16. Cecil	692	16. Cecil	427	16. Frederick	909	16. Carroll	2,998
17. Talbot	643	17. Washington	408	17. Washington	871	17. Baltimore	2,942
18. St. Mary's	615	18. Baltimore City	318	18. Worcester	849	18. Wicomico	2,934
19. Dorchester	600	19. Dorchester	318	19. Queen Anne's	836	19. Caroline	2,922
20. Wicomico	576	20. Caroline	315	20. Howard	804	20. Allegany	2,912
21. Washington	571	21. Garrett	302	21. Baltimore	695	21. Talbot	2,805
22. Caroline	514	22. Allegany	291	22. Anne Arundel	694	22. Washington	2,632
23. Allegany	395	23. Worcester	268	23. Montgomery	619	23. Cecil	2,611
24. Somerset	361	24. Somerset	244	24. Talbot	612	24. Somerset	2,307
Statewide	\$869	Statewide	\$620	Statewide	\$927	Statewide	\$3,589

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.5
County Expenditures by Category – Fiscal 2005

County	General Government	Public Safety	Public Works	Health/ Social Serv.	Education/ Libraries	Parks and Recreation	Debt Service	Other
Allegany	3.0%	6.7%	10.4%	11.5%	58.0%	0.7%	2.9%	6.7%
Anne Arundel	6.3%	12.4%	11.3%	4.0%	54.4%	3.3%	6.9%	1.3%
Baltimore City	8.6%	16.2%	16.7%	6.1%	35.9%	1.5%	3.8%	11.2%
Baltimore	4.2%	12.5%	11.1%	2.7%	56.1%	1.3%	3.4%	8.7%
Calvert	4.6%	6.8%	9.5%	3.8%	62.1%	3.6%	3.6%	6.0%
Caroline	3.9%	9.4%	5.8%	5.7%	64.7%	1.3%	3.4%	5.7%
Carroll	4.4%	5.2%	7.4%	3.7%	63.3%	1.5%	4.8%	9.7%
Cecil	3.6%	9.3%	7.6%	4.6%	68.6%	0.2%	3.9%	2.0%
Charles	8.1%	11.2%	9.0%	6.0%	56.9%	1.5%	5.2%	2.1%
Dorchester	3.1%	10.9%	10.0%	7.0%	57.2%	0.6%	4.7%	6.6%
Frederick	4.8%	9.4%	8.5%	5.4%	62.8%	1.0%	5.0%	3.0%
Garrett	5.3%	5.1%	19.2%	5.6%	55.7%	0.0%	5.7%	3.4%
Harford	8.5%	8.9%	11.8%	3.1%	58.9%	1.6%	4.2%	2.9%
Howard	11.0%	9.6%	9.6%	3.0%	56.5%	2.6%	6.1%	1.5%
Kent	6.2%	12.5%	8.8%	11.8%	53.5%	1.8%	3.4%	2.1%
Montgomery	5.6%	9.2%	11.4%	4.8%	48.6%	3.7%	10.3%	6.4%
Prince George's	4.7%	9.6%	12.4%	2.6%	53.9%	3.8%	5.0%	7.9%
Queen Anne's	5.7%	9.7%	11.4%	6.6%	53.4%	3.5%	6.1%	3.5%
St. Mary's	9.1%	8.1%	7.7%	3.2%	62.1%	2.9%	5.0%	1.8%
Somerset	6.9%	9.3%	13.6%	8.7%	52.2%	2.1%	5.0%	2.2%
Talbot	5.3%	10.1%	9.1%	7.4%	58.5%	3.9%	0.7%	4.9%
Washington	5.4%	7.2%	8.1%	4.8%	68.0%	1.1%	4.1%	1.2%
Wicomico	2.5%	8.4%	5.9%	9.0%	63.8%	3.2%	3.9%	3.3%
Worcester	4.4%	9.1%	9.6%	7.9%	50.7%	2.4%	3.5%	12.3%
Statewide	6.1%	10.7%	11.6%	4.4%	52.4%	2.5%	5.9%	6.3%

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.6
Per Capita County Expenditures by Category – Fiscal 2005

County	General Government	Public Safety	Public Works	Health/ Social Serv.	Education/ Libraries	Parks and Recreation	Debt Service	Other	Total
Allegany	\$89	\$196	\$304	\$338	\$1,697	\$19	\$86	\$197	\$2,925
Anne Arundel	205	402	366	131	1,761	108	224	42	3,240
Baltimore City	374	700	726	263	1,553	66	166	485	4,333
Baltimore	124	372	332	81	1,672	38	101	259	2,979
Calvert	157	231	325	131	2,116	121	124	204	3,409
Caroline	111	270	165	163	1,848	37	97	164	2,854
Carroll	132	156	224	111	1,910	47	145	294	3,020
Cecil	94	242	197	120	1,778	6	100	53	2,591
Charles	313	432	346	231	2,197	60	203	79	3,861
Dorchester	95	331	304	214	1,743	18	142	200	3,048
Frederick	153	300	270	172	1,993	33	159	96	3,175
Garrett	190	183	692	201	2,005	1	206	122	3,599
Harford	268	280	371	97	1,847	49	131	91	3,135
Howard	472	414	414	130	2,430	110	263	65	4,298
Kent	186	374	263	353	1,606	54	102	63	3,001
Montgomery	263	433	533	225	2,277	172	483	300	4,685
Prince George's	161	332	426	91	1,857	131	172	274	3,444
Queen Anne's	184	309	364	210	1,706	111	196	112	3,193
St. Mary's	273	242	231	94	1,855	87	150	55	2,986
Somerset	164	222	325	208	1,248	50	120	53	2,390
Talbot	132	249	226	184	1,446	96	18	121	2,471
Washington	127	170	191	114	1,600	25	97	28	2,353
Wicomico	74	246	172	264	1,866	93	114	96	2,925
Worcester	177	365	382	314	2,022	97	139	491	3,988
Statewide	\$221	\$387	\$418	\$159	\$1,888	\$92	\$212	\$227	\$3,602

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.7
County Per Capita Rankings by Expenditure Categories – Fiscal 2005

Education/Libraries		Public Works		Public Safety		Total Expenditures	
1. Howard	\$2,430	1. Baltimore City	\$726	1. Baltimore City	\$700	1. Montgomery	\$4,685
2. Montgomery	2,277	2. Garrett	692	2. Montgomery	433	2. Baltimore City	4,333
3. Charles	2,197	3. Montgomery	533	3. Charles	432	3. Howard	4,298
4. Calvert	2,116	4. Prince George's	426	4. Howard	414	4. Worcester	3,988
5. Worcester	2,022	5. Howard	414	5. Anne Arundel	402	5. Charles	3,861
6. Garrett	2,005	6. Worcester	382	6. Kent	374	6. Garrett	3,599
7. Frederick	1,993	7. Harford	371	7. Baltimore	372	7. Prince George's	3,444
8. Carroll	1,910	8. Anne Arundel	366	8. Worcester	365	8. Calvert	3,409
9. Wicomico	1,866	9. Queen Anne's	364	9. Prince George's	332	9. Anne Arundel	3,240
10. Prince George's	1,857	10. Charles	346	10. Dorchester	331	10. Queen Anne's	3,193
11. St. Mary's	1,855	11. Baltimore	332	11. Queen Anne's	309	11. Frederick	3,175
12. Caroline	1,848	12. Calvert	325	12. Frederick	300	12. Harford	3,135
13. Harford	1,847	13. Somerset	325	13. Harford	280	13. Dorchester	3,048
14. Cecil	1,778	14. Dorchester	304	14. Caroline	270	14. Carroll	3,020
15. Anne Arundel	1,761	15. Allegany	304	15. Talbot	249	15. Kent	3,001
16. Dorchester	1,743	16. Frederick	270	16. Wicomico	246	16. St. Mary's	2,986
17. Queen Anne's	1,706	17. Kent	263	17. St. Mary's	242	17. Baltimore	2,979
18. Allegany	1,697	18. St. Mary's	231	18. Cecil	242	18. Wicomico	2,925
19. Baltimore	1,672	19. Talbot	226	19. Calvert	231	19. Allegany	2,925
20. Kent	1,606	20. Carroll	224	20. Somerset	222	20. Caroline	2,854
21. Washington	1,600	21. Cecil	197	21. Allegany	196	21. Cecil	2,591
22. Baltimore City	1,553	22. Washington	191	22. Garrett	183	22. Talbot	2,471
23. Talbot	1,446	23. Wicomico	172	23. Washington	170	23. Somerset	2,390
24. Somerset	1,248	24. Caroline	165	24. Carroll	156	24. Washington	2,353
Statewide	\$1,888	Statewide	\$418	Statewide	\$387	Statewide	\$3,602

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.8
Municipal Revenues by Source – Fiscal 2005

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	County Sources	Other
Allegany	22.3%	4.8%	0.2%	44.2%	11.2%	12.7%	0.9%	3.7%
Anne Arundel	32.2%	5.7%	1.8%	34.5%	2.6%	11.0%	3.6%	8.6%
Calvert	37.4%	9.5%	4.3%	27.4%	0.7%	9.5%	0.5%	10.7%
Caroline	27.9%	4.4%	0.3%	30.6%	15.3%	14.9%	0.4%	6.2%
Carroll	22.9%	10.1%	0.7%	32.6%	8.9%	12.2%	5.4%	7.2%
Cecil	29.6%	6.0%	1.1%	43.6%	0.1%	11.7%	2.1%	5.8%
Charles	21.1%	8.4%	0.1%	39.1%	0.1%	9.9%	1.9%	19.4%
Dorchester	24.3%	2.7%	0.6%	35.6%	11.2%	12.1%	5.7%	7.9%
Frederick	32.8%	7.4%	0.5%	31.0%	4.2%	6.8%	6.6%	10.6%
Garrett	21.6%	6.2%	1.0%	31.0%	0.4%	26.1%	1.6%	12.1%
Harford	33.6%	7.3%	0.5%	30.1%	0.7%	7.1%	3.5%	17.1%
Kent	22.4%	6.3%	1.2%	27.3%	0.0%	28.4%	6.3%	8.0%
Montgomery	35.5%	17.0%	1.7%	17.5%	2.3%	7.3%	8.1%	10.6%
Prince George's	52.0%	13.8%	1.6%	8.2%	1.1%	9.2%	2.7%	11.2%
Queen Anne's	23.4%	6.0%	0.0%	36.2%	1.7%	18.1%	4.0%	10.6%
St. Mary's	7.3%	8.3%	0.1%	40.1%	0.0%	20.2%	9.4%	14.5%
Somerset	27.1%	4.0%	1.0%	29.6%	2.5%	21.4%	0.1%	14.3%
Talbot	11.0%	1.9%	0.1%	66.6%	0.5%	2.2%	0.8%	16.8%
Washington	18.1%	3.2%	2.0%	51.5%	2.0%	6.0%	1.4%	15.9%
Wicomico	32.5%	4.4%	2.5%	32.6%	0.9%	7.0%	1.7%	18.4%
Worcester	31.4%	1.4%	3.2%	37.4%	1.6%	4.2%	11.3%	9.6%
Statewide	31.0%	7.8%	1.4%	32.6%	2.9%	8.2%	4.7%	11.4%

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Exhibit 3.9
Municipal Expenditures by Category – Fiscal 2005

County	General Government	Public Safety	Public Works	Parks and Recreation	Community Develop.	Economic Develop.	Debt Service	Other
Allegany	7.1%	21.2%	49.2%	4.3%	9.0%	1.0%	6.0%	2.2%
Anne Arundel	9.9%	39.6%	38.8%	5.7%	0.9%	0.0%	5.0%	0.0%
Calvert	22.0%	9.4%	38.1%	14.5%	0.0%	1.4%	10.8%	3.9%
Caroline	8.8%	20.4%	34.6%	4.8%	18.4%	0.6%	10.8%	1.6%
Carroll	10.1%	14.5%	52.4%	5.5%	5.5%	0.6%	3.3%	8.1%
Cecil	13.3%	19.5%	59.0%	3.3%	0.0%	0.2%	4.0%	0.6%
Charles	31.5%	6.6%	48.7%	3.5%	0.0%	0.4%	4.5%	4.8%
Dorchester	6.9%	29.0%	46.1%	1.5%	0.6%	0.0%	5.2%	10.6%
Frederick	11.3%	19.7%	44.1%	12.9%	1.1%	2.4%	7.9%	0.7%
Garrett	18.5%	6.5%	60.4%	4.7%	0.0%	1.2%	5.1%	3.5%
Harford	16.5%	22.1%	42.9%	3.1%	0.2%	0.0%	6.2%	9.0%
Kent	16.3%	18.7%	56.6%	1.2%	1.3%	0.5%	4.9%	0.4%
Montgomery	19.7%	11.9%	24.6%	20.4%	2.3%	14.0%	3.5%	3.6%
Prince George's	19.2%	25.9%	30.8%	10.6%	2.7%	0.8%	4.8%	5.2%
Queen Anne's	21.9%	11.5%	56.9%	1.6%	0.3%	0.0%	1.6%	6.1%
St. Mary's	12.5%	1.5%	71.2%	10.4%	0.0%	1.1%	3.1%	0.1%
Somerset	10.5%	34.1%	35.4%	0.6%	2.7%	0.9%	8.2%	7.5%
Talbot	3.4%	12.3%	75.3%	0.9%	0.1%	0.8%	5.5%	1.8%
Washington	8.6%	19.6%	57.6%	4.6%	3.4%	1.1%	2.8%	2.3%
Wicomico	7.2%	35.1%	44.9%	4.0%	1.7%	0.0%	5.6%	1.4%
Worcester	5.5%	24.0%	44.2%	10.2%	0.1%	8.1%	6.7%	1.1%
Statewide	12.3%	21.1%	43.2%	9.2%	2.2%	3.8%	5.2%	3.0%

Source: *Local Government Finances Fiscal 2005*, Department of Legislative Services

Chapter 4. Tax Rates for Local Governments

County Taxes

Seven counties changed various local tax rates in fiscal 2009, with five decreasing rates and two increasing rates. As illustrated in **Table 4.1**, five counties reduced property taxes in fiscal 2009 due to growth in property tax assessments that have pushed local revenues upwards. Local income tax rates remained relatively constant for tax year 2009, with only one county increasing its rate. Additionally, one county increased its recordation tax rates, and one county increased its hotel/motel tax rates.

Table 4.1
Number of Counties Changing Tax Rates
Fiscal 2005-2009

	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	▲	▼	▲	▼	▲	▼	▲	▼	▲	▼
Property	2	6	0	13	0	17	1	5	0	5
Income	1	1	0	1	0	1	1	0	1	0
Recordation	1	0	1	0	0	0	2	0	1	0
Transfer	0	0	1	0	0	0	0	0	0	0
A&A	0	0	0	0	0	1	0	0	0	0
Hotel/Motel	5	0	5	0	0	0	0	0	1	0

Notes: ▲ represents tax rate increase; ▼ represents tax rate decrease.

Income tax changes are based on calendar years.

Source: Department of Legislative Services

Property Tax Rates

For fiscal 2009, five jurisdictions – Anne Arundel, Montgomery, Somerset, Talbot, and Wicomico counties – decreased their property tax rates, while no county increased its rate. Real property tax rates range from \$0.449 per \$100 of assessed value in Talbot County to \$2.268 in Baltimore City. **Appendix 6** shows the countywide special property tax rates for certain counties in fiscal 2009.

Over the last five years, property tax rates have decreased in 18 jurisdictions¹ with 11 jurisdictions² lowering the rate multiple times. Property tax rates did not increase in any jurisdiction while fluctuating in one county.³ When comparing county property tax rates in fiscal 2009 to 2005, 19 counties⁴ have lower tax rates. Property tax rates in five counties⁵ remained the same. **Table 4.2** lists the counties referenced in this paragraph.

Exhibit 4.1 shows the real property tax rates for each county since fiscal 2000. These rates are based on property assessments at 100 percent of market valuation. Prior to fiscal 2002, real property tax rates were based on 40 percent of market valuation.

Table 4.2
Property Tax Notes

¹Allegany, Anne Arundel, Baltimore City, Baltimore, Caroline, Cecil, Dorchester, Frederick, Garrett, Harford, Kent, Montgomery, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester

²Anne Arundel, Baltimore City, Caroline, Dorchester, Kent, Montgomery, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico

³Howard

⁴Allegany, Anne Arundel, Baltimore City, Baltimore, Caroline, Cecil, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Montgomery, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester

⁵Calvert, Carroll, Charles, Prince George's, Washington

Constant Yield Property Tax Rates

In 1977, the General Assembly passed legislation that requires county governments to hold public hearings regarding proposals to enact a tax rate that exceeds the constant yield rate. The constant yield rate is the rate that, when applied to the current assessable base, yields the same amount of property tax revenues as in the prior year. New construction and annexed land are not included in the calculation of the constant yield rate.

Due to growth in the assessable base, localities may still be able to generate additional property tax revenues while reducing their property tax rates. This may result in an overall property tax increase for homeowners even though the property tax rate has been reduced. In most cases the constant yield rate is usually below the current tax rate. For example, five counties reduced their property tax rates in fiscal 2009; however, in comparison to the constant yield tax rate, every jurisdiction in Maryland had a property tax rate at or above the constant yield rate. The revenue yield from property tax rates above the constant yield rate is estimated at \$464.2 million in fiscal 2009. **Exhibit 4.2** shows the property tax rate in excess of the constant yield rate for each county in fiscal 2009 and **Exhibit 4.3** shows the estimated revenue yield from property tax rates above the constant yield.

Local Income Tax Rates

During the 1999 session, the General Assembly passed legislation (Chapter 493) that changed the current system of calculating local income taxes from a percentage of the State tax liability to a flat county income tax rate applied to net taxable income. The legislation specified each county's local income tax rate for calendar 1999 through 2002; however, the county tax rate after calendar 1999 could be altered by the county through an ordinance or resolution. Pursuant to the legislation, county income tax rates may range between 1.00 and 3.20 percent.

Prince George's County was the only jurisdiction to alter its local income tax rate for calendar 2009, increasing it from 3.10 to 3.20 percent. As a result, Prince George's along with

Howard and Montgomery, are now implementing an income tax rate of 3.20 percent, which is the maximum rate allowed by State law. Worcester County continues to have the lowest local income tax rate at 1.25 percent.

Over the last five years, local income tax rates have remained relatively stable, with the rates higher in one county (Allegany) and lower in another (St. Mary's). **Exhibit 4.4** shows the rates for income taxes for calendar 2000 through 2009.

Recordation Tax Rates

One county increased recordation tax rates for fiscal 2009 – Prince George's County increased its rate from \$2.20 to \$2.50 per \$500 of transaction. The range for recordation tax rates is \$2.50 per \$500 of transaction in Baltimore, Howard, and Prince George's counties to \$6.00 per \$500 of transaction in Frederick County. **Exhibit 4.5** shows the recordation, transfer, admissions and amusement, and hotel/motel tax rates by county for fiscal 2008 and 2009.

Transfer Tax Rates

No county changed its transfer tax rate for fiscal 2009. Local transfer tax rates range from 0.5 percent in six counties (Allegany, Caroline, Kent, Queen Anne's, Washington, and Worcester) to 1.5 percent in Baltimore City and Baltimore County. Seven counties (Calvert, Carroll, Cecil, Charles, Frederick, Somerset, and Wicomico) do not impose a transfer tax on property transfers.

Admissions and Amusement Tax Rates

No county changed its admissions and amusement tax rate for fiscal 2009. Admissions and amusement tax rates range from 0.5 percent in Dorchester County to 10.0 percent in six jurisdictions – Baltimore City and Anne Arundel, Baltimore, Carroll, Charles, and Prince George's counties. Caroline County is the only jurisdiction that does not impose an admissions and amusement tax.

Hotel and Motel Tax Rates

Worcester County was the only jurisdiction to change its hotel and motel tax rate for fiscal 2009, increasing it from 4.0 percent to 4.5 percent. Hotel and motel tax rates range from 3.0 percent in Frederick County to 8.0 percent in Allegany and Baltimore counties. Harford County is the only jurisdiction that does not impose a hotel and motel tax.

Property Tax Limitation Measures

Five charter counties (Anne Arundel, Montgomery, Prince George's, Talbot, and Wicomico) have amended their charters to limit property tax rates or revenues. In Anne Arundel County, the total annual increase in property tax revenues is limited to the lesser of 4.5 percent or the increase in the consumer price index. In Montgomery County, the growth in property tax revenues is limited to the increase in the consumer price index; however, this limitation does not apply to new construction. In addition, the limitation may be overridden by a unanimous vote of all nine county council members. In

Prince George's County, the general property tax rate is capped at \$0.96 per \$100 of assessed value. Special taxing districts, such as the Maryland-National Capital Park and Planning Commission, are not included under the tax cap. In Talbot and Wicomico counties, the total annual increase in property tax revenues is limited to the lesser of 2 percent or the increase in the consumer price index.

The charter limit on property taxes in Montgomery County was strengthened at the November 2008 general election, when county voters approved by a narrow margin an amendment to the county charter (Question B) that requires a unanimous vote of all nine county council members in order to override the county's property tax limitation provision. Prior to this amendment, the property tax limitation could be overridden by an affirmative vote of seven of the nine council members. Since 1990, when county voters approved the charter limit on property taxes, the county council has set tax rates that exceeded the limit four times. In fiscal 2009, among the State's 24 jurisdictions, Montgomery County has the fifteenth highest property tax rate.

Municipal Property Tax Rates

Individuals and businesses residing in incorporated areas are subject to municipal property taxes in addition to county property taxes. Municipal real property tax rates range from \$0.008 in Martin's Additions (Montgomery County) to \$1.00 in Colmar Manor (Prince George's County). Chevy Chase, Section 5 (Montgomery County) and Queenstown (Queen Anne's County) did not impose a local property tax in fiscal

2009. While only 15 percent of the State's population resides in incorporated areas (excluding Baltimore City), there are nine counties where over 30 percent of residents live in municipalities. **Exhibit 4.6** shows the municipal property tax rates for the 20 largest municipalities and Baltimore City, ranked by the combined county and municipal property tax rates. **Appendix 7** shows the real property tax rates for each municipality.

Property Tax Differentials and Rebates

To compensate municipal corporations for providing services in lieu of similar county services or programs and to address the effect of double taxation in municipalities (when residents pay both county and municipal property taxes), 17 counties provided property tax set-offs in fiscal 2008, through either a tax rate differential or tax rebate. A municipal tax rate differential takes the form of a reduced county property tax rate within the boundaries of a municipal corporation. A tax rebate is a direct grant to municipalities for providing services that are similar to county services. These services include police protection, highway and street maintenance, sanitation and waste collection, planning and zoning, and recreation and parks. In fiscal 2008, municipal tax differentials and rebates totaled approximately \$80.9 million, a 20.9 percent increase over the prior year. **Exhibit 4.7** shows the amount of tax set-offs provided in fiscal 2008 by county.

Even with such tax set-off programs, many municipal residents face relatively high property tax rates. For example, residents in Cumberland are subject to a \$1.87 combined

county/municipal property tax rate, which is approximately twice the amount of the Allegany County rate. **Table 4.3** lists the municipalities with the highest combined county/municipal property tax rates for fiscal 2009.

Table 4.3
Municipalities with the Highest Combined Local
Property Tax Rates in Maryland
Fiscal 2009

<u>Municipality</u>	<u>County</u>	<u>Combined Tax Rate</u>
Colmar Manor	Prince George's	\$2.280
Baltimore City		2.268
Morningside	Prince George's	1.970
Mt. Rainier	Prince George's	1.939
Bladensburg	Prince George's	1.887
Cumberland	Allegany	1.872
Princess Anne	Somerset	1.794
Riverdale Park	Prince George's	1.786
Fairmount Heights	Prince George's	1.781
Hyattsville	Prince George's	1.777
Cottage City	Prince George's	1.769

Source: State Department of Assessments and Taxation, Department of Legislative Services

Development Impact Fees and Excise Taxes

Development impact fees and building excise taxes enable local governments to collect revenue from builders for public facilities necessitated by new residential or commercial development. As a result of these development charges, local governments are able to shift the costs of financing new public facilities from existing taxpayers to individuals responsible for the development. In many situations, the use of such development charges may eliminate the need for jurisdiction-wide tax increases. Another benefit of development charges is that local officials can collect the needed revenue for the expansion or construction of new public facilities prior to the construction of any new residential development. In this manner, payment of an impact fee or excise tax may be required by local officials before the issuance of a building permit or approval of a subdivision plat.

Local governments in Maryland must obtain explicit authority from the General Assembly before imposing a development impact fee or excise tax. One exception to this restriction applies to code home rule counties, which have already received authority from the General Assembly to impose such charges.

Development impact fees and building excise taxes are imposed in 16 counties in Maryland, with one county imposing both an impact fee and an excise tax. Local revenues from development impact fees and building excise taxes have increased from \$31.4 million in fiscal 1998 to \$129.1 million in fiscal 2007. Due to the downturn in the real estate market, impact fee and excise tax revenues declined by over 30 percent

in fiscal 2008 to \$89.7 million. The primary services funded by these charges include public school construction, libraries, community colleges, transportation, public safety, parks and recreation, and water/sewer utilities.

A development impact fee is a regulatory measure designed to fund facilities specifically required by new development projects in order to mitigate the impact of such development on infrastructure or public facilities. However, there must be a reasonable connection between the amount of the impact fee imposed and the actual cost of providing facilities to the properties assessed. In order to justify the imposition of an impact fee, a jurisdiction must conduct a study that measures the effects that new development will have on public facilities. The amount of an impact fee is subject to judicial review. Moreover, the revenue from the fee must be dedicated to substantially benefit the assessed properties. Thus, a county cannot collect an impact fee in one geographic area and spend the funds in another area.

Development impact fees are imposed in eight counties – Anne Arundel, Carroll, Frederick, Harford, Queen Anne’s, St. Mary’s, Talbot, and Wicomico. Frederick County imposes both an impact fee and an excise tax on development. In fiscal 2008, the impact fees in these jurisdictions generated an estimated \$23.8 million in revenue.

A building excise tax is another means of raising revenue from new development. Unlike an impact fee, the amount of an excise tax does not have to be closely related to the actual cost of providing public facilities to serve new development. In addition, excise tax revenues do not have to be spent to specifically benefit the properties that are taxed but can

generally be spent throughout the county. Building excise taxes are imposed on development in nine counties – Calvert, Caroline, Charles, Dorchester, Frederick, Howard, Montgomery, Prince George’s, and Washington. In fiscal 2008, the excise taxes in these jurisdictions generated an estimated \$65.9 million in revenue.

Exhibit 4.8 shows the development impact fees and building excise tax rates applicable to a single-family development for each county in fiscal 2007 through 2009. **Exhibit 4.9** shows the revenue collections for fiscal 2007 and 2008. **Exhibit 4.10** shows the governmental uses for both development impact fees and building excise taxes for fiscal 2008.

Adequate Public Facilities Ordinances

Adequate public facilities ordinances (APFOs) are another tool that a local government may utilize to help control the development in its jurisdiction in relation to the ability of the jurisdiction to provide public facilities adequate to serve the development, such as schools and roads. APFOs have been adopted in 13 counties, with over 20 municipalities adopting their own ordinances. **Table 4.4** lists the counties that have adopted APFOs.

Ideally, APFOs offer the provision of public facilities consistent with a local comprehensive plan. In practice, APFOs tie the development approval process under zoning and subdivision ordinances to specifically defined public facility standards. They are intended to slow the pace of development or, in extreme cases, to delay development approvals until

adequate service levels are in place or are reasonably assured. However, APFOs are not intended to stop growth that is otherwise consistent with local zoning. Accordingly, the application of an APFO is usually associated with a funding source to address whatever the constraint on growth approval might be. That funding source is usually either the local government or the developer.

APFOs are often confused with impact fees. While similar, they have fundamental differences. Generally, impact fees do provide a means to raise additional funds for capital projects; however, they do not guarantee that sufficient funds will be available, and they have no effect on the pace of development. Unlike APFOs, impact fees are simply revenue raising mechanisms that operate outside of any comprehensive plan for facilitating, or curbing growth. Both tools tie development approvals to infrastructure, and each tool is appropriate for different circumstances. But while impact fees provide funds to help provide public facilities in a given instance, APFOs look at the bigger picture and determine what kind, how much, and when.

Table 4.4
Counties with Adequate Public Facilities Ordinances

Anne Arundel	Frederick	Queen Anne's
Baltimore	Harford	St. Mary's
Calvert	Howard	Washington
Carroll	Montgomery	
Charles	Prince George's	

Source: Maryland Department of Planning

Exhibit 4.1
County Real Property Tax Rates in Fiscal 2000-2009
(per \$100 of assessed value)

County	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Allegany	\$0.988	\$0.984	\$0.984	\$0.984	\$1.000	\$1.001	\$1.001	\$0.983	\$0.983	\$0.983
Anne Arundel	0.944	0.960	0.960	0.950	0.955	0.941	0.931	0.918	0.891	0.888
Baltimore City	2.328	2.328	2.328	2.328	2.328	2.328	2.308	2.288	2.268	2.268
Baltimore	1.142	1.142	1.115	1.115	1.115	1.115	1.115	1.100	1.100	1.100
Calvert	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892
Caroline	0.952	0.952	0.952	0.952	0.952	0.952	0.910	0.870	0.870	0.870
Carroll	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048
Cecil	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.960	0.960	0.960
Charles	0.996	0.996	1.016	1.016	1.016	1.026	1.026	1.026	1.026	1.026
Dorchester	0.870	0.870	0.880	0.880	0.930	0.930	0.920	0.896	0.896	0.896
Frederick	0.904	1.000	1.000	1.100	1.135	1.135	1.135	1.064	1.064	1.064
Garrett	1.036	1.036	1.036	1.036	1.036	1.036	1.000	1.000	1.000	1.000
Harford	1.092	1.092	1.092	1.092	1.092	1.092	1.082	1.082	1.082	1.082
Howard	1.152	1.152	1.170	1.170	1.170	1.170	1.170	1.140	1.150	1.150
Kent	0.932	1.012	1.012	1.012	1.012	1.012	0.992	0.972	0.972	0.972
Montgomery	1.020	1.021	1.021	1.019	1.019	1.009	0.967	0.916	0.916	0.915
Prince George's	1.288	1.288	1.286	1.286	1.319	1.319	1.319	1.319	1.319	1.319
Queen Anne's	0.876	0.976	0.976	0.976	0.976	0.926	0.870	0.800	0.770	0.770
St. Mary's	0.832	0.908	0.908	0.908	0.908	0.878	0.872	0.857	0.857	0.857
Somerset	0.860	0.980	0.980	1.010	1.010	1.010	0.990	0.940	0.940	0.920
Talbot	0.556	0.556	0.556	0.553	0.553	0.540	0.520	0.500	0.475	0.449
Washington	0.924	0.948	0.948	0.948	0.948	0.948	0.948	0.948	0.948	0.948
Wicomico	0.900	1.084	1.070	1.047	1.041	1.025	0.993	0.942	0.881	0.814
Worcester	0.696	0.696	0.730	0.730	0.730	0.730	0.730	0.700	0.700	0.700

Note: The rate in Charles, Frederick, Howard, Montgomery, and Prince George's counties reflect special rates for services not funded from the general county property tax rate.

Source: Department of Legislative Services

Exhibit 4.2
Property Tax Rates Exceed Constant Yield Rate in Fiscal 2009

County	Actual FY 2008	Actual FY 2009	Difference	Constant Yield Rate	Difference	Amount in Excess of Constant Yield Ranking by Highest to Lowest	
Allegany	\$0.983	\$0.983	\$0.000	\$0.897	\$0.086	1.	Baltimore City \$0.189
Anne Arundel	0.891	0.888	-0.003	0.839	0.049	2.	Prince George's 0.099
Baltimore City	2.268	2.268	0.000	2.079	0.189	3.	Harford 0.096
Baltimore	1.100	1.100	0.000	1.034	0.066	4.	Somerset 0.089
Calvert	0.892	0.892	0.000	0.803	0.089	5.	Calvert 0.089
Caroline	0.870	0.870	0.000	0.807	0.063	6.	Cecil 0.087
Carroll	1.048	1.048	0.000	0.965	0.083	7.	Allegany 0.086
Cecil	0.960	0.960	0.000	0.873	0.087	8.	Charles 0.085
Charles*	1.026	1.026	0.000	0.941	0.085	9.	Carroll 0.083
Dorchester	0.896	0.896	0.000	0.823	0.073	10.	Montgomery 0.082
Frederick*	1.064	1.064	0.000	0.985	0.080	11.	Garrett 0.082
Garrett	1.000	1.000	0.000	0.918	0.082	12.	Kent 0.082
Harford	1.082	1.082	0.000	0.986	0.096	13.	Worcester 0.081
Howard*	1.150	1.150	0.000	1.079	0.071	14.	Frederick 0.080
Kent	0.972	0.972	0.000	0.890	0.082	15.	St. Mary's 0.075
Montgomery*	0.916	0.915	-0.001	0.833	0.082	16.	Dorchester 0.073
Prince George's*	1.319	1.319	0.000	1.220	0.099	17.	Howard 0.071
Queen Anne's	0.770	0.770	0.000	0.715	0.055	18.	Washington 0.070
St. Mary's	0.857	0.857	0.000	0.782	0.075	19.	Baltimore 0.066
Somerset	0.940	0.920	-0.020	0.831	0.089	20.	Caroline 0.063
Talbot	0.475	0.449	-0.026	0.437	0.012	21.	Queen Anne's 0.055
Washington	0.948	0.948	0.000	0.878	0.070	22.	Anne Arundel 0.049
Wicomico	0.881	0.814	-0.067	0.798	0.016	23.	Wicomico 0.016
Worcester	0.700	0.700	0.000	0.619	0.081	24.	Talbot 0.012

*Includes Special Property Tax Rates

Source: State Department of Assessments and Taxation, Department of Legislative Services

Exhibit 4.3
Revenue Yield from Property Tax Rates above Constant Yield
Fiscal 2009

County	Assessable Base	Actual Rate	Constant Yield Rate	Difference	Estimated Revenue Yield	Per Capita Yield
Allegany	\$3,020,903,294	\$0.983	\$0.897	\$0.086	\$2,586,000	\$35.62
Anne Arundel	55,150,244,580	0.888	0.839	0.049	27,024,000	52.77
Baltimore City	25,756,822,189	2.268	2.079	0.189	48,680,000	76.37
Baltimore	62,128,137,845	1.100	1.034	0.066	41,005,000	51.97
Calvert	10,661,836,765	0.892	0.803	0.089	9,489,000	107.56
Caroline	2,331,645,289	0.870	0.807	0.063	1,469,000	44.64
Carroll	16,441,113,978	1.048	0.965	0.083	13,646,000	80.64
Cecil	9,018,211,704	0.960	0.873	0.087	7,846,000	78.70
Charles*	14,679,497,952	1.026	0.941	0.085	12,478,000	88.85
Dorchester	2,646,751,314	0.896	0.823	0.073	1,932,000	60.67
Frederick*	24,037,510,513	1.064	0.985	0.080	19,110,000	85.04
Garrett	3,975,642,809	1.000	0.918	0.082	3,260,000	110.03
Harford	22,698,268,876	1.082	0.986	0.096	21,790,000	90.79
Howard*	34,701,921,303	1.150	1.079	0.071	24,534,000	89.65
Kent	2,450,924,835	0.972	0.890	0.082	2,010,000	100.57
Montgomery*	157,010,766,999	0.915	0.833	0.082	128,906,000	138.49
Prince George's*	62,845,456,912	1.319	1.220	0.099	62,343,000	75.22
Queen Anne's	6,804,684,103	0.770	0.715	0.055	3,743,000	80.37
St. Mary's	9,149,979,847	0.857	0.782	0.075	6,862,000	68.36
Somerset	1,425,992,754	0.920	0.831	0.089	1,269,000	48.78
Talbot	6,466,380,385	0.449	0.437	0.012	776,000	21.44
Washington	11,176,015,688	0.948	0.878	0.070	7,823,000	53.91
Wicomico	6,214,192,022	0.814	0.798	0.016	994,000	10.62
Worcester	18,000,553,400	0.700	0.619	0.081	14,580,000	295.30
Total	\$568,793,455,356				\$464,155,000	\$82.61

*Includes Special Property Tax Rates

Source: State Department of Assessments and Taxation, Department of Legislative Services

Exhibit 4.4
County Income Tax Rates in Calendar 2000-2009

County	CY 2000	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009
Allegany	2.82%	2.87%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	3.05%	3.05%
Anne Arundel	2.50%	2.53%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%
Baltimore City	2.48%	2.51%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Baltimore	2.76%	2.79%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
Calvert	2.52%	2.55%	2.60%	2.60%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Caroline	2.77%	2.57%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%
Carroll	2.77%	2.80%	2.85%	2.85%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Cecil	2.51%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Charles	2.81%	2.85%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Dorchester	2.51%	2.56%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%
Frederick	2.51%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%
Garrett	2.53%	2.58%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%
Harford	2.51%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%
Howard	2.41%	2.43%	2.45%	2.45%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Kent	2.51%	2.54%	2.58%	2.58%	2.58%	2.85%	2.85%	2.85%	2.85%	2.85%
Montgomery	2.90%	2.92%	2.95%	2.95%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Prince George's	3.00%	3.04%	3.10%	3.10%	3.20%	3.20%	3.20%	3.10%	3.10%	3.20%
Queen Anne's	2.76%	2.80%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
St. Mary's	2.92%	3.10%	3.10%	3.10%	3.10%	3.05%	3.00%	3.00%	3.00%	3.00%
Somerset	3.01%	3.08%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%
Talbot	1.75%	1.77%	1.79%	1.79%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Washington	2.51%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Wicomico	3.01%	3.05%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Worcester	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

Source: Comptroller's Office

Exhibit 4.5
Other Local Tax Rates in Fiscal 2008 and 2009

County	Recordation		Transfer		Admissions & Amusement		Hotel/Motel	
	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009
Allegany	\$3.25	\$3.25	0.5%	0.5%	7.5%	7.5%	8.0%	8.0%
Anne Arundel	3.50	3.50	1.0%	1.0%	10.0%	10.0%	7.0%	7.0%
Baltimore City	5.00	5.00	1.5%	1.5%	10.0%	10.0%	7.5%	7.5%
Baltimore	2.50	2.50	1.5%	1.5%	10.0%	10.0%	8.0%	8.0%
Calvert	5.00	5.00	0.0%	0.0%	1.0%	1.0%	5.0%	5.0%
Caroline	5.00	5.00	0.5%	0.5%	0.0%	0.0%	5.0%	5.0%
Carroll	5.00	5.00	0.0%	0.0%	10.0%	10.0%	5.0%	5.0%
Cecil	4.10	4.10	0.0%	0.0%	6.0%	6.0%	5.0%	5.0%
Charles	5.00	5.00	0.0%	0.0%	10.0%	10.0%	5.0%	5.0%
Dorchester	5.00	5.00	0.75%	0.75%	0.5%	0.5%	5.0%	5.0%
Frederick	6.00	6.00	0.0%	0.0%	5.0%	5.0%	3.0%	3.0%
Garrett	3.50	3.50	1.0%	1.0%	4.5%	4.5%	5.0%	5.0%
Harford	3.30	3.30	1.0%	1.0%	5.0%	5.0%	0.0%	0.0%
Howard	2.50	2.50	1.0%	1.0%	7.5%	7.5%	5.0%	5.0%
Kent	3.30	3.30	0.5%	0.5%	4.5%	4.5%	5.0%	5.0%
Montgomery	3.45	3.45	1.0%	1.0%	7.0%	7.0%	7.0%	7.0%
Prince George's	2.20	2.50	1.4%	1.4%	10.0%	10.0%	5.0%	5.0%
Queen Anne's	3.30	3.30	0.5%	0.5%	5.0%	5.0%	5.0%	5.0%
St. Mary's	4.00	4.00	1.0%	1.0%	2.0%	2.0%	5.0%	5.0%
Somerset	3.30	3.30	0.0%	0.0%	4.0%	4.0%	5.0%	5.0%
Talbot	3.30	3.30	1.0%	1.0%	5.0%	5.0%	4.0%	4.0%
Washington	3.80	3.80	0.5%	0.5%	5.0%	5.0%	6.0%	6.0%
Wicomico	3.50	3.50	0.0%	0.0%	6.0%	6.0%	6.0%	6.0%
Worcester	3.30	3.30	0.5%	0.5%	3.0%	3.0%	4.0%	4.5%

Source: Department of Legislative Services

Exhibit 4.6
Combined County and Municipal Real Property Tax Rates in Fiscal 2009
20 Largest Municipalities – Ranked by Total Tax Rate

Rank	Municipality	County	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
1.	Cumberland	Allegany	20,676	\$0.9074	\$0.9645	-	\$1.8719
2.	Hyattsville	Prince George's	15,598	0.7880	0.6300	0.3590	1.7770
3.	Greenbelt	Prince George's	21,559	0.7840	0.7860	0.1871	1.7571
4.	Hagerstown	Washington	39,640	0.9480	0.7880	-	1.7360
5.	New Carrollton	Prince George's	12,635	0.8620	0.5000	0.3590	1.7210
6.	Frederick	Frederick	59,220	0.9360	0.6500	0.1280	1.7140
7.	Salisbury	Wicomico	27,833	0.8140	0.8190	-	1.6330
8.	Aberdeen	Harford	13,984	0.9260	0.7000	-	1.6260
9.	College Park	Prince George's	26,607	0.9450	0.3220	0.3590	1.6260
10.	Laurel	Prince George's	21,619	0.7560	0.7100	0.1405	1.6065
11.	Bowie	Prince George's	53,193	0.9090	0.3800	0.3060	1.5950
12.	Havre de Grace	Harford	12,858	0.9260	0.6300	-	1.5560
13.	Cambridge	Dorchester	11,796	0.8500	0.6760	-	1.5260
14.	Takoma Park	Montgomery	17,477	0.6610	0.6050	0.2510	1.5170
15.	Westminster	Carroll	17,715	1.0480	0.4400	-	1.4880
16.	Elkton	Cecil	14,825	0.9600	0.5040	-	1.4640
17.	Rockville	Montgomery	58,706	0.6610	0.2920	0.1570	1.1100
18.	Annapolis	Anne Arundel	36,603	0.5300	0.5300	-	1.0600
19.	Gaithersburg	Montgomery	57,670	0.6610	0.2120	0.1570	1.0300
20.	Easton	Talbot	14,379	0.3210	0.5200	-	0.8410
Baltimore City			637,455	2.2680	0.0000	0.0000	2.2680

Source: State Department of Assessments and Taxation, Department of Legislative Services

Exhibit 4.7
Tax Differentials and Tax Rebates
Fiscal 2008

County	Differential	Rebate	Total
Allegany	\$967,408	\$0	\$967,408
Anne Arundel	23,536,241	0	23,536,241
Baltimore City	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A
Calvert	2,696,158	0	2,696,158
Caroline	883,927	0	883,927
Carroll	0	2,145,793	2,145,793
Cecil	0	684,484	684,484
Charles	908,329	0	908,329
Dorchester	192,614	6,050	198,664
Frederick	0	6,581,698	6,581,698
Garrett	235,637	6,500	242,137
Harford	5,769,745	1,811,289	7,581,034
Howard	N/A	N/A	N/A
Kent	0	164,945	164,945
Montgomery	0	7,438,235	7,438,235
Prince George's	21,252,605	669,672	21,922,277
Queen Anne's	0	0	0
St. Mary's	0	55,780	55,780
Somerset	0	0	0
Talbot	3,046,713	0	3,046,713
Washington	0	1,821,506	1,821,506
Wicomico	0	0	0
Worcester	0	0	0
Total	\$59,489,377	\$21,385,952	\$80,875,330

N/A: indicates the jurisdiction has no municipalities.

Source: Department of Legislative Services

Exhibit 4.8
County Development Impact Fees/Excise Tax Rates

<u>County</u>	<u>Type</u>	<u>Fee/Rate Per Dwelling¹</u>		
		<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Anne Arundel	Impact Fee	\$4,781	\$4,904	\$1,759 ²
Calvert	Excise Tax	12,950	12,950	12,950
Caroline ³	Excise Tax	5,000	5,000	5,000
Carroll	Impact Fee	6,836	6,836	6,836
Charles	Excise Tax	10,859	11,400	11,598
Dorchester ⁴	Excise Tax	3,671	3,671	3,671
Frederick ⁵	Both	11,595	13,121	13,733
Harford	Impact Fee	7,442	8,269	8,269
Howard ⁶	Excise Tax	See note	See note	See note
Montgomery ⁷	Excise Tax	14,283	31,105	31,105
Prince George's ⁸	Excise Tax	19,361	19,864	20,638
Queen Anne's	Impact Fee	6,606	\$3.93/sq. ft.	\$4.05/sq. ft.
St. Mary's	Impact Fee	4,500	4,500	4,500
Talbot ⁹	Impact Fee	5,347	5,513	5,684
Washington ¹⁰	Excise Tax	13,000	13,000	\$3.00/sq. ft.
Wicomico	Impact Fee	5,231	5,231	5,231

¹ Rates listed are generally those applicable to single-family detached dwellings and are per dwelling unless otherwise indicated.

² Rate for a 1,500-1,599 square foot residential unit from January 1, 2009 through December 31, 2010. Residential rates vary by the square footage of a unit and increase in 2010 and 2011.

³ A \$750 development excise tax for agricultural land preservation is also imposed on single-family residential lots created by subdivision in a "rural district."

⁴ A slightly higher rate, \$3,765 per dwelling, applies outside of the Cambridge and Hurlock areas.

⁵ The rates shown only reflect the public school and library impact fee total. The roads tax (unchanged for all three fiscal years) is \$0.10/sq. ft. or \$0.25/sq. ft. (depending on the square footage), with the first 700 square feet not taxed.

⁶ Roads tax is \$400 for the first 500 sq. ft. and \$0.90/sq. ft. (\$0.88/sq. ft. in fiscal 2008 and \$0.80/sq. ft. in fiscal 2007) for square footage in excess of 500 sq. ft. School surcharge is \$1.14/sq. ft. (\$1.09/sq. ft. in fiscal 2008 and \$1.07/sq. ft. in fiscal 2007).

⁷ Fiscal 2008 and 2009 amounts represent \$10,649 for transportation and \$20,456 for schools, effective December 1, 2007. Fiscal 2007 amount represents \$5,819 for transportation and \$8,464 for schools (these amounts were moderately increased at the beginning of fiscal 2008, prior to the December 1, 2007 increase.) The school excise tax is increased by \$2 for each square foot between 3,500 and 8,500 gross square feet (reflecting a change effective December 1, 2007). Different transportation rates apply in the Metro Station and Clarksburg impact tax districts.

⁸ Fiscal 2009 amount represents \$14,019 for school facilities and \$6,619 for public safety. A lower school facilities rate (\$8,177 in fiscal 2009) applies inside the beltway and a lower public safety rate (\$2,207 in fiscal 2009) applies inside the “developed tier” as defined in the 2002 Prince George’s County Approved General Plan.

⁹ A lower rate (\$4,912 in fiscal 2009) applies to “in-town” development.

¹⁰ In fiscal 2007 and 2008, the rate for a nonapartment, residential dwelling less than 1,500 sq. ft. in area was \$1.00/sq. ft.

Source: Department of Legislative Services

Exhibit 4.9
County Development Impact Fees/Excise Tax Revenues

<u>County</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Estimated</u>	<u>Revenue Increase/Decrease</u>	<u>% Change</u>
Anne Arundel	\$9,235,359	\$7,827,303	(\$1,408,056)	-15.3%
Calvert	3,990,000	3,133,000	(\$857,000)	-21.5%
Caroline	351,178	242,724	(\$108,454)	-30.9%
Carroll	1,525,681	1,350,460	(\$175,221)	-11.5%
Charles	2,469,035	4,127,883	\$1,658,848	67.2%
Dorchester	1,007,908	783,333	(\$224,575)	-22.3%
Frederick	11,159,465	6,798,256	(\$4,361,209)	-39.1%
Harford	4,700,428	2,699,380	(\$2,001,048)	-42.6%
Howard	13,107,941	9,643,565	(\$3,464,376)	-26.4%
Montgomery	21,064,000	16,511,000	(\$4,553,000)	-21.6%
Prince George's	47,705,217	27,596,229	(\$20,108,988)	-42.2%
Queen Anne's	1,594,149	1,456,123	(\$138,026)	-8.7%
St. Mary's	3,794,275	3,540,450	(\$253,825)	-6.7%
Talbot	1,947,179	785,812	(\$1,161,367)	-59.6%
Washington	4,382,782	2,455,633	(\$1,927,149)	-44.0%
Wicomico	1,017,662	782,097	(\$235,565)	-23.25%
Total	\$129,052,259	\$89,733,248	(\$39,319,011)	-30.5%

Source: Department of Legislative Services

Exhibit 4.10
Governmental Uses of Development Impact Fees and Excise Taxes
Fiscal 2008

County	Education	Transportation	Public Safety	Recreation	Other	Total Revenues	Per Capita Revenues
Allegany	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Anne Arundel	2,841,491	4,546,578	439,234	0	0	7,827,303	15.28
Baltimore City	0	0	0	0	0	0	0.00
Baltimore	0	0	0	0	0	0	0.00
Calvert	1,887,058	846,757	0	314,510	84,675	3,133,000	35.51
Caroline	242,724	0	0	0	0	242,724	7.38
Carroll	1,221,759	0	0	128,701	0	1,350,460	7.98
Cecil	0	0	0	0	0	0	0.00
Charles	4,127,883	0	0	0	0	4,127,883	29.39
Dorchester	736,530	0	46,803	0	0	783,333	24.60
Frederick	5,401,823	1,396,433	0	0	0	6,798,256	30.25
Garrett	0	0	0	0	0	0	0.00
Harford	2,699,380	0	0	0	0	2,699,380	11.25
Howard	4,681,678	4,961,887	0	0	0	9,643,565	35.24
Kent	0	0	0	0	0	0	0.00
Montgomery	6,767,000	9,744,000	0	0	0	16,511,000	17.74
Prince George's	27,596,229	0	0	0	0	27,596,229	33.30
Queen Anne's	1,011,014	0	329,122	115,987	0	1,456,123	31.27
St. Mary's	2,743,875	374,700	0	421,875	0	3,540,450	35.27
Somerset	0	0	0	0	0	0	0.00
Talbot	292,956	321,330	0	53,934	117,592	785,812	21.71
Washington	1,472,040	923,969	0	0	59,624	2,455,633	16.92
Wicomico	782,097	0	0	0	0	782,097	8.36
Worcester	0	0	0	0	0	0	0.00
Total	\$64,505,537	\$23,115,654	\$815,159	\$1,035,007	\$261,891	\$89,733,248	\$15.97
Share of Total	71.9%	25.8%	0.9%	1.2%	0.3%	100.0%	

Source: Department of Legislative Services

Chapter 5. Local Revenue Growth

Local government revenues are significantly affected by property assessments and personal income. Together, property and local income taxes account for over 40 percent of total county revenues. When intergovernmental grants are excluded, property and income taxes account for over 60 percent of total county revenues, increasing to 75 percent of revenues in several counties.

Despite the downturn in the housing market, property assessments in Maryland continued to increase in fiscal 2009, due primarily to the State's triennial assessment process. County assessable base increased by 13.9 percent in fiscal 2009, a slowdown in growth compared to the previous two years. Net taxable income also increased by 7.1 percent in tax year 2007 compared to 5.8 percent in tax year 2006 and 6.0 percent in tax year 2005. **Table 5.1** compares the relative growth in county assessable base and net taxable income.

On the downside, recordation and transfer tax revenues are projected to decline again in fiscal 2009. County governments collected \$765.4 million in local recordation and transfer taxes in fiscal 2008 and are expected to collect only \$549.8 million in fiscal 2009. This amount is significantly lower than the amounts collected in fiscal 2006 when the soaring real estate market yielded recordation and transfer taxes totaling \$1.2 billion. **Table 5.2** shows local recordation and transfer tax collections since fiscal 2005.

Table 5.1
Comparison of Local Revenue Measures
Annual Percent Growth

<u>County Assessable Base</u>		<u>Net Taxable Income</u>	
FY 2004	7.0%	TY 2003	4.1%
FY 2005	9.4%	TY 2004	8.4%
FY 2006	13.1%	TY 2005	6.0%
FY 2007	15.7%	TY 2006	5.8%
FY 2008	16.8%	TY 2007	7.1%
FY 2009	13.9%	TY 2008	N/A

Source: State Department of Assessments and Taxation, Comptroller's Office

Table 5.2
Local Recordation and Transfer Tax Revenues
(\$ in Millions)

	<u>Recordation</u>	<u>Transfer</u>	<u>Total</u>
FY 2005	\$525.4	511.4	\$1,036.8
FY 2006	619.0	607.8	1,226.8
FY 2007	508.5	518.3	1,026.8
FY 2008	381.4	384.0	765.4
FY 2009	282.1	267.7	549.8

Source: Maryland Association of Counties

Property Taxation

The property tax is one of the three major revenue sources for county governments, accounting for 24.2 percent of total revenues, excluding debt proceeds, and the second largest revenue source for municipal governments, accounting for 31.0 percent of total revenues, excluding debt proceeds. In fiscal 2009, county governments are projected to collect \$5.9 billion in property taxes. The property tax is a relatively stable and predictable revenue source for local governments, and due to the sizeable growth in property assessments in prior years and the triennial assessment cycle, local property tax collections should remain relatively strong for the near future.

County assessable base in fiscal 2009 totaled \$728.0 billion or \$129,582 per State resident. Per capita assessable base ranges from \$46,983 in Allegany County to \$413,515 in Worcester County. Statewide, real property accounts for 96.9 percent of the assessable base and personal property accounts for 3.1 percent. **Exhibit 5.1** shows the per capita assessable base and assessable base growth for each jurisdiction for fiscal 2009.

Exhibit 5.2 shows the real, personal, and total county assessable base for each county for fiscal 2009. **Exhibit 5.3** shows the percentage change in total county assessable base (real and personal property) since fiscal 2002. **Exhibit 5.4** shows total county assessable base (real and personal property) since fiscal 2004.

Assessable Base Growth

County assessable base increased by 13.9 percent in fiscal 2009. Real property increased by 14.4 percent statewide, whereas personal property decreased by 0.1 percent.

As shown in **Table 5.3**, the State Department of Assessments and Taxation projects that total county assessable base will grow by 4.8 percent in fiscal 2010 and 4.1 percent in fiscal 2011. This indicates that local property tax collections should continue to increase in the near future.

Table 5.3
County Assessable Base Growth Forecast

<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
13.9%	4.8%	4.1%

Source: State Department of Assessments and Taxation

Property assessments in Maryland increased significantly between fiscal 2000 and 2008. The average three-year increase in the full cash value of property undergoing reassessment totaled 5.7 percent in 2000 and 60.2 percent in 2006. Properties reassessed for 2007 realized an increase of 56.1 percent statewide; whereas, reassessments for 2008 realized an increase of 33.2 percent. However, the continual rapid increase in property assessments halted in 2009, as property valuation declined reflecting the national credit crisis and deteriorating economic conditions. Properties reassess for

2009 realized an increase of only 0.8 percent, with several counties experiencing a decrease in property reassessments. Under the State's triennial assessment process, the increase in the full cash value of property is phased in over a three-year period. **Exhibit 5.5** shows the average increase in the full cash value of property reassessed for 2009 for each jurisdiction, the average annual increases, and the county assessment cap. Property reassessments for 2009 will affect the county's assessable base starting in fiscal 2010. **Exhibit 5.6** shows the full cash value increase from January 1999 through 2009.

One-cent Yield on the Property Tax Rate

The larger the assessable property tax base in a county, the more revenues can be derived with an increase in the property tax rate. For example, a one-cent increase in the real property tax rate in Talbot County generates approximately \$910,000 in revenues, whereas it generates only \$156,000 in Somerset County, even though both jurisdictions have nearly the same number of residents. The fiscal impact of a one-cent increase in real property tax rates for fiscal 2004 through 2009 is depicted in **Exhibit 5.7**. In addition, since personal property tax rates are set at 2.5 times the real property tax rate, a one-cent increase in the real property tax rate equals 2.5 cents in the personal property tax rate.

Property Tax Relief Measures

The increase in property assessments throughout Maryland has led the State, and in some instances the voters, to take

action to curtail the rise in property taxes. Three primary approaches are used in Maryland to provide property tax relief to homeowners: (1) the Homestead Tax Credit Program that limits annual assessment increases to all homeowners regardless of income; (2) the Homeowners' (circuit breaker) Tax Credit Program and the Renters' Tax Credit Program that provide credits for certain individuals who qualify based on a sliding scale of property tax liability and income; and (3) property tax limitation measures that either limit the property tax rate that can be imposed by the county council or the property tax revenue that can be collected. All three approaches have significantly impacted either State or local revenues, and members of the General Assembly have repeatedly introduced legislation addressing these property tax relief measures.

Homestead Tax Credit Program

The Homestead Tax Credit Program (assessment caps) provides tax credits against State, county, and municipal corporation real property taxes for owner-occupied residential properties for the amount of real property taxes resulting from an annual assessment increase that exceeds a certain percentage or "cap" in any given year. The State requires the cap on assessment increases to be set at 10 percent for State property tax purposes; however, local governments have the authority to lower the cap.

A majority of local subdivisions have assessment caps below 10 percent: 18 counties in fiscal 2008, 19 counties in fiscal 2009, and 20 counties in fiscal 2010. **Table 5.4** lists the

counties with assessment caps below 10 percent in at least one of the three years from fiscal 2008 through 2010. Due to the continuing changes in property assessments, one county (Allegany) lowered their assessment cap in fiscal 2010 and one county (Prince George's) increased their assessment cap in fiscal 2010.

The Homestead Tax Credit Program is administered as follows:

- Increases in property assessments are equally spread out over three years. For example, if a property's assessment increased by \$120,000, from \$300,000 to \$420,000, the increase would be phased in through increments of \$40,000 annually for the next three years.
- If the assessment cap were set at 10 percent, however, the amount of assessment subject to taxes would increase by only \$30,000 in the first year, \$33,000 in the following year, and \$36,300 in the third year.
- Since the assessment cap was set lower than the actual market increase, the homeowner does not have to pay taxes on the property's full assessed value.

Table 5.4
Counties with Assessment Caps Below 10%

County	FY 2008	FY 2009	FY 2010
Allegany	10%	10%	7%
Anne Arundel	2%	2%	2%
Baltimore City	4%	4%	4%
Baltimore	4%	4%	4%
Caroline	5%	5%	5%
Carroll	7%	7%	7%
Cecil	8%	8%	8%
Charles	7%	7%	7%
Dorchester	5%	5%	5%
Frederick	5%	5%	5%
Garrett	5%	5%	5%
Harford	10%	9%	9%
Howard	5%	5%	5%
Kent	5%	5%	5%
Prince George's	4%	3%	5%
Queen Anne's	5%	5%	5%
St. Mary's	5%	5%	5%
Talbot	0%	0%	0%
Washington	5%	5%	5%
Worcester	3%	3%	3%

Source: State Department of Assessments and Taxation

The Homestead Tax Credit Program has provided significant local property tax relief in recent years. This foregone revenue is estimated at \$1.0 billion in fiscal 2008, \$1.3 billion in fiscal 2009, and \$1.4 billion in fiscal 2010. While the State has set the assessment cap at 10 percent, a majority of jurisdictions have an assessment cap below 10 percent. The tax relief associated with an assessment cap below 10 percent is estimated at \$112.9 million in fiscal 2008, \$121.8 million in fiscal 2009, and \$126.2 million in fiscal 2010. **Exhibit 5.8** shows the estimated county property tax revenue foregone for fiscal 2008 through 2010 and the percent of the county assessable base that is not taxable due to the assessment caps. **Exhibit 5.9** shows the estimated county property tax relief for fiscal 2008, **Exhibit 5.10** shows the associated relief for fiscal 2009, and **Exhibit 5.11** shows associated relief for fiscal 2010.

The extent to which the Homestead Tax Credit Program may actually restrict the ability of a county to raise property tax revenues depends on the county's need for revenues from the property tax and other legal and practical limitations. For example, a county impacted by a charter-imposed property tax limitation measure would presumably reduce tax rates to offset the impact of rising assessments in the absence of the homestead credit.

Net Taxable Income

Income tax revenue is the third largest revenue source for county governments, accounting for 17.3 percent of total revenue in fiscal 2005, excluding debt proceeds. The reliance

on income tax revenue ranges from 6.3 percent of total revenues in Worcester County to 23.4 percent in Howard County. Local income tax revenues are a function of a county's income tax rate and the net taxable income base. Net taxable income represents taxable income after exemptions and deductions have been subtracted from gross salary and benefits. **Exhibit 5.12** shows the trends in net taxable income by county for the last seven years, and **Exhibit 5.13** shows the growth in net taxable income since tax year 2001.

Net taxable income for Maryland jurisdictions totaled \$135.0 billion in tax year 2007, ranging from \$233.1 million in Somerset County to \$36.9 billion in Montgomery County. For all counties, net taxable income increased by 7.1 percent in tax year 2007, with Dorchester County experiencing the greatest increase at 19.5 percent. All jurisdictions experienced an increase in net taxable income in tax year 2007.

Montgomery County has the highest per capita net taxable income at \$39,693 followed by Talbot County at \$36,665 and Howard County at \$33,775. Somerset County has the lowest per capita net taxable income at \$8,960. **Exhibit 5.14** ranks local jurisdictions according to per capita net taxable income and net taxable income growth.

Exhibit 5.1
County Assessable Base Measures for Fiscal 2009

<u>County</u>	<u>Assessable Base (\$ in Thousands)</u>	<u>Per Capita Assessable Base</u>	<u>Assessable Base Growth</u>	<u>County</u>	<u>Per Capita Assessable Base</u>	<u>County</u>	<u>Assessable Base Growth</u>
Allegany	\$3,410,672	\$46,983	6.7%	1. Worcester	\$413,515	1. Prince George's	19.0%
Anne Arundel	81,956,083	160,022	14.2%	2. Talbot	252,967	2. St. Mary's	18.4%
Baltimore City	33,550,206	52,631	15.6%	3. Montgomery	200,855	3. Worcester	17.8%
Baltimore	81,731,405	103,589	13.3%	4. Queen Anne's	180,805	4. Somerset	16.7%
Calvert	12,916,676	146,409	10.7%	5. Howard	174,173	5. Caroline	16.4%
Caroline	2,869,869	87,204	16.4%	6. Anne Arundel	160,022	6. Charles	16.0%
Carroll	20,328,488	120,131	13.3%	7. Garrett	147,034	7. Baltimore City	15.6%
Cecil	10,469,300	105,013	13.7%	8. Calvert	146,409	8. Talbot	15.5%
Charles	18,586,284	132,339	16.0%	9. Kent	145,964	9. Washington	15.3%
Dorchester	3,234,812	101,577	14.4%	10. Frederick	134,120	10. Kent	15.0%
Frederick	30,137,363	134,120	13.4%	11. Charles	132,339	11. Queen Anne's	14.4%
Garrett	4,356,189	147,034	12.7%	12. Carroll	120,131	12. Dorchester	14.4%
Harford	26,162,068	109,012	13.9%	13. St. Mary's	115,585	13. Anne Arundel	14.2%
Howard	47,665,838	174,173	13.3%	14. Harford	109,012	14. Harford	13.9%
Kent	2,917,378	145,964	15.0%	15. Prince George's	106,882	15. Cecil	13.7%
Montgomery	186,958,792	200,855	11.0%	16. Cecil	105,013	16. Frederick	13.4%
Prince George's	88,580,752	106,882	19.0%	17. Baltimore	103,589	17. Carroll	13.3%
Queen Anne's	8,420,273	180,805	14.4%	18. Dorchester	101,577	18. Howard	13.3%
St. Mary's	11,602,222	115,585	18.4%	19. Washington	94,871	19. Baltimore	13.3%
Somerset	1,632,128	62,736	16.7%	20. Caroline	87,204	20. Wicomico	12.9%
Talbot	9,155,628	252,967	15.5%	21. Wicomico	77,039	21. Garrett	12.7%
Washington	13,766,981	94,871	15.3%	22. Somerset	62,736	22. Montgomery	11.0%
Wicomico	7,210,852	77,039	12.9%	23. Baltimore City	52,631	23. Calvert	10.7%
Worcester	20,416,913	413,515	17.8%	24. Allegany	46,983	24. Allegany	6.7%
Statewide	\$728,037,172	\$129,582	13.9%				

Source: State Department of Assessments and Taxation, Department of Legislative Services

Exhibit 5.2
County Assessable Base for Fiscal 2009 and Percent Change from Fiscal 2008
(\$ in Thousands)

County	Subject to Real Property	Percent Change	Subject to Personal Property	Percent Change	Total Property	Percent Change
Allegany	\$3,064,464	7.7%	\$346,208	-1.2%	\$3,410,672	6.7%
Anne Arundel	79,234,746	14.4%	2,721,337	8.7%	81,956,083	14.2%
Baltimore City	31,462,158	16.4%	2,088,048	4.1%	33,550,206	15.6%
Baltimore	78,637,528	13.8%	3,093,877	2.5%	81,731,405	13.3%
Calvert	12,450,810	17.2%	465,866	-55.2%	12,916,676	10.7%
Caroline	2,765,323	16.6%	104,546	9.4%	2,869,869	16.4%
Carroll	19,771,903	13.8%	556,585	0.2%	20,328,488	13.3%
Cecil	10,080,022	14.4%	389,278	-0.9%	10,469,300	13.7%
Charles	17,610,389	16.5%	975,895	9.0%	18,586,284	16.0%
Dorchester	3,102,840	15.1%	131,972	-0.5%	3,234,812	14.4%
Frederick	29,824,984	13.6%	312,379	-3.4%	30,137,363	13.4%
Garrett	4,232,171	12.4%	124,018	22.7%	4,356,189	12.7%
Harford	25,199,930	14.6%	962,138	-2.3%	26,162,068	13.9%
Howard	46,141,602	13.8%	1,524,236	2.1%	47,665,838	13.3%
Kent	2,880,110	15.2%	37,268	2.3%	2,917,378	15.0%
Montgomery	182,975,408	11.3%	3,983,384	0.6%	186,958,792	11.0%
Prince George's	85,686,512	19.7%	2,894,240	1.0%	88,580,752	19.0%
Queen Anne's	8,358,833	14.5%	61,440	2.3%	8,420,273	14.4%
St. Mary's	11,328,477	18.9%	273,745	2.8%	11,602,222	18.4%
Somerset	1,564,479	17.3%	67,649	4.6%	1,632,128	16.7%
Talbot	9,099,478	15.5%	56,150	4.0%	9,155,628	15.5%
Washington	13,200,743	16.3%	566,238	-4.5%	13,766,981	15.3%
Wicomico	6,698,594	14.0%	512,258	0.1%	7,210,852	12.9%
Worcester	20,092,740	17.9%	324,173	7.8%	20,416,913	17.8%
Statewide	\$705,464,244	14.4%	\$22,572,928	-0.1%	\$728,037,172	13.9%

Source: State Department of Assessments and Taxation

Exhibit 5.3
Growth in County Assessable Base – Real and Personal Property
Fiscal 2002-2011

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010E	FY 2011E
Allegany	-4.4%	-2.1%	1.5%	3.3%	4.3%	4.2%	9.3%	6.7%	11.3%	5.6%
Anne Arundel	5.6%	6.7%	8.3%	11.5%	14.2%	15.7%	18.0%	14.2%	5.0%	5.3%
Baltimore City	2.5%	2.8%	2.8%	6.8%	7.7%	8.6%	14.9%	15.6%	4.4%	3.8%
Baltimore	2.9%	3.5%	4.0%	5.5%	9.9%	12.4%	15.7%	13.3%	9.0%	6.2%
Calvert	2.1%	5.7%	7.6%	9.9%	12.2%	15.9%	19.8%	10.7%	8.6%	3.8%
Caroline	4.3%	5.0%	5.1%	9.3%	12.6%	16.9%	18.1%	16.4%	4.5%	4.8%
Carroll	5.1%	6.9%	6.5%	8.7%	13.0%	15.0%	16.1%	13.3%	5.8%	5.8%
Cecil	5.0%	6.6%	7.6%	10.9%	11.4%	14.2%	16.1%	13.7%	6.1%	0.0%
Charles	8.2%	5.8%	7.4%	8.2%	12.2%	17.7%	20.4%	16.0%	6.4%	-2.2%
Dorchester	2.9%	5.6%	10.2%	6.7%	11.1%	11.5%	17.8%	14.4%	9.4%	4.8%
Frederick	5.8%	6.5%	6.7%	9.4%	16.0%	17.5%	19.2%	13.4%	5.4%	9.2%
Garrett	4.7%	7.4%	8.8%	8.5%	14.3%	17.3%	14.6%	12.7%	7.1%	7.8%
Harford	5.0%	6.1%	5.8%	8.1%	11.2%	14.9%	15.3%	13.9%	8.6%	1.4%
Howard	8.5%	4.2%	7.8%	11.2%	14.2%	17.4%	16.1%	13.3%	-1.1%	-1.1%
Kent	3.8%	5.0%	7.0%	8.7%	13.0%	14.2%	16.3%	15.0%	2.8%	3.0%
Montgomery	4.6%	6.4%	9.3%	11.8%	16.2%	17.8%	15.5%	11.0%	0.2%	0.3%
Prince George's	3.0%	4.7%	4.6%	7.2%	11.1%	15.1%	18.7%	19.0%	12.0%	10.1%
Queen Anne's	6.6%	8.9%	11.4%	13.3%	14.3%	18.2%	19.2%	14.4%	0.7%	0.7%
St. Mary's	4.2%	5.9%	5.4%	6.5%	10.7%	19.6%	19.1%	18.4%	6.2%	12.2%
Somerset	1.8%	3.8%	5.3%	5.9%	13.3%	23.0%	18.5%	16.7%	8.5%	4.9%
Talbot	11.3%	8.8%	11.1%	13.6%	14.6%	14.7%	17.5%	15.5%	11.2%	9.9%
Washington	6.1%	2.3%	9.4%	3.2%	11.6%	14.4%	18.1%	15.3%	6.2%	6.8%
Wicomico	2.4%	3.9%	5.6%	5.9%	9.1%	12.2%	13.7%	12.9%	7.1%	6.4%
Worcester	6.3%	8.5%	16.0%	19.2%	17.6%	23.0%	19.7%	17.8%	-4.1%	-0.7%
Statewide	4.5%	5.4%	7.0%	9.4%	13.1%	15.7%	16.8%	13.9%	4.8%	4.1%

Source: State Department of Assessments and Taxation

Exhibit 5.4
County Assessable Base – Real and Personal Property
(\$ in Thousands)

County	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010 E	FY 2011 E
Allegany	\$2,604,327	\$2,691,053	\$2,808,112	\$2,926,109	\$3,197,006	\$3,410,672	\$3,795,943	\$4,010,019
Anne Arundel	41,297,966	46,036,555	52,554,958	60,826,688	71,787,490	81,956,083	86,017,689	90,543,137
Baltimore City	20,218,975	21,597,384	23,249,753	25,256,648	29,032,305	33,550,206	35,043,110	36,363,917
Baltimore	47,861,367	50,489,382	55,476,797	62,365,607	72,129,480	81,731,405	89,119,895	94,633,764
Calvert	6,819,523	7,496,323	8,408,145	9,742,417	11,667,003	12,916,676	14,028,092	14,556,711
Caroline	1,451,362	1,586,476	1,786,819	2,089,016	2,466,400	2,869,869	2,998,386	3,142,995
Carroll	10,941,349	11,891,468	13,438,532	15,453,866	17,935,278	20,328,488	21,507,379	22,761,548
Cecil	5,620,734	6,235,694	6,945,277	7,932,003	9,206,087	10,469,300	11,108,946	11,105,564
Charles	9,310,426	10,075,543	11,308,138	13,304,605	16,016,997	18,586,284	19,769,926	19,331,983
Dorchester	1,817,529	1,939,327	2,154,025	2,400,917	2,827,830	3,234,812	3,539,693	3,709,254
Frederick	14,951,629	16,353,215	18,975,905	22,292,911	26,577,953	30,137,363	31,772,656	34,684,098
Garrett	2,315,500	2,513,159	2,873,593	3,371,967	3,865,703	4,356,189	4,664,850	5,029,003
Harford	14,428,277	15,597,527	17,345,762	19,926,361	22,974,307	26,162,068	28,401,134	28,790,321
Howard	24,297,361	27,014,393	30,847,706	36,224,837	42,056,223	47,665,838	47,122,036	46,595,619
Kent	1,555,850	1,690,504	1,910,531	2,181,116	2,535,994	2,917,378	3,000,185	3,089,149
Montgomery	95,287,116	106,559,595	123,784,098	145,815,228	168,428,916	186,958,792	187,403,299	187,889,573
Prince George's	45,736,798	49,033,034	54,495,057	62,726,164	74,432,899	88,580,752	99,234,160	109,279,223
Queen Anne's	4,032,277	4,569,035	5,221,808	6,174,441	7,359,731	8,420,273	8,480,441	8,543,907
St. Mary's	5,830,982	6,211,101	6,877,275	8,227,294	9,796,841	11,602,222	12,320,503	13,820,044
Somerset	799,003	846,503	959,352	1,180,315	1,398,223	1,632,128	1,771,003	1,857,568
Talbot	4,517,967	5,134,091	5,882,773	6,749,460	7,929,251	9,155,628	10,176,742	11,186,531
Washington	7,673,262	7,922,077	8,842,655	10,114,171	11,941,203	13,766,981	14,613,863	15,612,104
Wicomico	4,335,777	4,591,232	5,008,492	5,617,482	6,385,253	7,210,852	7,721,893	8,219,564
Worcester	8,400,551	10,010,931	11,777,360	14,483,821	17,338,848	20,416,913	19,581,428	19,435,384
Statewide	\$382,105,908	\$418,085,602	\$472,932,923	\$547,383,444	\$639,287,220	\$728,037,172	\$763,193,252	\$794,190,980

Source: State Department of Assessments and Taxation

Exhibit 5.5
Assessment Growth Slows – Affecting Revenues in Fiscal 2010
Group 3 of 3

County	Full Cash Value Increase Before Cap (Over 3 Years)	Average Annual Increase	County Assessment Cap
Allegany	16.8%	5.6%	7%
Anne Arundel	-0.3%	-0.1%	2%
Baltimore City	20.9%	7.0%	4%
Baltimore	13.3%	4.4%	4%
Calvert	3.1%	1.0%	10%
Caroline	13.4%	4.5%	5%
Carroll	5.1%	1.7%	7%
Cecil	2.5%	0.8%	8%
Charles	-4.6%	-1.5%	7%
Dorchester	6.8%	2.3%	5%
Frederick	-4.7%	-1.6%	5%
Garrett	8.5%	2.8%	5%
Harford	9.0%	3.0%	9%
Howard	-2.3%	-0.8%	5%
Kent	13.5%	4.5%	5%
Montgomery	-10.6%	-3.5%	10%
Prince George's	14.6%	4.9%	5%
Queen Anne's	7.2%	2.4%	5%
St. Mary's	8.2%	2.7%	5%
Somerset	4.4%	1.5%	10%
Talbot	13.6%	4.5%	0%
Washington	3.0%	1.0%	5%
Wicomico	5.1%	1.7%	10%
Worcester	-12.7%	-4.2%	3%
Statewide	0.8%	0.3%	

Source: State Department of Assessments and Taxation

Exhibit 5.6
Full Cash Value Increase Before Phase In
January 1999 - January 2009

County	1999 Group 2	2000 Group 3	2001 Group 1	2002 Group 2	2003 Group 3	2004 Group 1	2005 Group 2	2006 Group 3	2007 Group 1	2008 Group 2	2009 Group 3
Allegany	8.4%	4.2%	5.8%	6.2%	9.3%	10.6%	10.6%	21.4%	43.3%	34.5%	16.8%
Anne Arundel	5.7%	8.7%	14.8%	20.4%	37.0%	49.0%	47.6%	65.9%	55.4%	34.9%	-0.3%
Baltimore City	2.8%	7.3%	10.3%	6.1%	23.0%	18.5%	21.6%	45.6%	58.5%	75.0%	20.9%
Baltimore	5.1%	4.1%	6.2%	12.1%	11.2%	19.3%	38.1%	53.4%	64.8%	32.6%	13.3%
Calvert	3.6%	6.0%	8.6%	14.3%	17.6%	29.7%	50.4%	71.7%	69.7%	38.3%	3.1%
Caroline	8.6%	5.3%	8.5%	12.1%	13.3%	25.0%	38.9%	49.7%	73.6%	40.6%	13.4%
Carroll	6.4%	6.0%	7.9%	11.7%	15.8%	35.9%	42.2%	54.0%	56.9%	37.4%	5.1%
Cecil	5.0%	6.7%	9.2%	13.4%	17.4%	20.5%	33.1%	56.7%	54.0%	33.3%	2.5%
Charles	2.5%	3.7%	6.6%	11.3%	17.9%	27.5%	47.2%	70.2%	62.6%	41.4%	-4.6%
Dorchester	4.3%	16.8%	8.9%	15.8%	12.3%	19.4%	32.5%	60.8%	58.5%	34.5%	6.8%
Frederick	1.9%	5.0%	8.8%	13.0%	18.1%	33.5%	56.0%	60.9%	52.2%	27.4%	-4.7%
Garrett	10.0%	7.6%	8.2%	19.4%	22.2%	11.1%	39.2%	47.6%	38.3%	29.0%	8.5%
Harford	5.7%	4.2%	9.6%	12.8%	14.4%	25.5%	37.6%	48.2%	55.5%	38.6%	9.0%
Howard	5.2%	6.6%	10.4%	20.1%	29.0%	39.3%	48.5%	58.7%	50.3%	24.2%	-2.3%
Kent	-0.6%	4.0%	17.7%	17.4%	20.7%	30.6%	46.5%	36.8%	65.2%	37.3%	13.5%
Montgomery	2.7%	6.4%	13.5%	21.8%	36.3%	51.8%	65.0%	63.3%	43.4%	16.2%	-10.6%
Prince George's	0.6%	1.9%	4.8%	13.8%	16.4%	32.8%	40.1%	60.6%	79.5%	51.6%	14.6%
Queen Anne's	7.3%	8.7%	16.8%	18.3%	38.6%	40.9%	48.3%	58.7%	50.1%	36.8%	7.2%
St. Mary's	6.5%	4.3%	6.5%	8.5%	9.7%	19.1%	37.2%	57.2%	84.3%	49.0%	8.2%
Somerset	1.6%	4.8%	5.8%	6.9%	17.0%	17.1%	49.5%	65.0%	79.6%	45.5%	4.4%
Talbot	8.1%	11.5%	14.8%	33.6%	34.9%	31.3%	47.9%	53.5%	54.8%	42.7%	13.6%
Washington	4.6%	6.8%	6.7%	7.1%	11.1%	21.4%	32.4%	58.6%	64.7%	40.2%	3.0%
Wicomico	8.5%	6.4%	5.2%	6.8%	12.7%	16.9%	21.3%	40.2%	53.2%	40.6%	5.1%
Worcester	3.2%	6.2%	17.4%	18.0%	70.6%	55.5%	26.7%	78.9%	54.1%	33.3%	-12.7%
Statewide	3.8%	5.7%	10.1%	15.9%	26.4%	36.0%	46.6%	60.2%	56.1%	33.2%	0.8%

Source: State Department of Assessments and Taxation

Exhibit 5.7
One-cent Yield in County Real Property Tax Rates
Fiscal 2004-2009

County	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Allegany	\$223,000	\$233,000	\$245,000	\$259,000	\$285,000	\$306,000
Anne Arundel	3,892,000	4,368,000	5,010,000	5,829,000	6,928,000	7,923,000
Baltimore City	1,821,000	1,966,000	2,131,000	2,327,000	2,703,000	3,146,000
Baltimore	4,506,000	4,771,000	5,261,000	5,939,000	6,911,000	7,864,000
Calvert	594,000	647,000	732,000	863,000	1,063,000	1,245,000
Caroline	137,000	151,000	171,000	200,000	237,000	277,000
Carroll	1,044,000	1,140,000	1,292,000	1,493,000	1,738,000	1,977,000
Cecil	534,000	589,000	659,000	754,000	881,000	1,008,000
Charles	840,000	921,000	1,042,000	1,241,000	1,512,000	1,761,000
Dorchester	168,000	181,000	203,000	227,000	270,000	310,000
Frederick	1,462,000	1,603,000	1,864,000	2,196,000	2,625,000	2,982,000
Garrett	218,000	242,000	277,000	327,000	376,000	423,000
Harford	1,355,000	1,471,000	1,645,000	1,899,000	2,199,000	2,520,000
Howard	2,301,000	2,572,000	2,955,000	3,481,000	4,056,000	4,614,000
Kent	152,000	166,000	188,000	214,000	250,000	288,000
Montgomery	9,131,000	10,274,000	11,990,000	14,190,000	16,477,000	18,298,000
Prince George's	4,279,000	4,624,000	5,167,000	5,991,000	7,157,000	8,569,000
Queen Anne's	397,000	451,000	517,000	611,000	730,000	836,000
St. Mary's	560,000	598,000	663,000	797,000	953,000	1,133,000
Somerset	73,000	78,000	90,000	112,000	133,000	156,000
Talbot	446,000	508,000	583,000	670,000	788,000	910,000
Washington	718,000	744,000	834,000	957,000	1,135,000	1,320,000
Wicomico	388,000	416,000	455,000	514,000	587,000	670,000
Worcester	811,000	973,000	1,149,000	1,419,000	1,704,000	2,009,000

Source: Department of Legislative Services

Exhibit 5.8
County Tax Relief Due to Homestead Tax Credits

County	Fiscal 2008		Fiscal 2009		Fiscal 2010	
	Revenue Foregone	Percent of Base	Revenue Foregone	Percent of Base	Revenue Foregone	Percent of Base
Allegany	\$463,968	1.7%	\$993,867	3.3%	\$1,734,561	5.1%
Anne Arundel	158,348,338	25.8%	206,907,030	29.5%	221,407,971	30.0%
Baltimore City	73,041,158	12.1%	118,402,581	16.8%	156,350,517	21.1%
Baltimore	119,234,882	15.8%	171,935,860	19.9%	205,326,763	21.7%
Calvert	9,253,035	9.8%	13,529,968	12.2%	13,452,792	11.1%
Caroline	1,784,584	8.7%	3,206,427	13.4%	4,319,689	17.2%
Carroll	23,376,849	12.9%	34,248,954	16.6%	39,026,491	17.8%
Cecil	5,438,588	6.5%	8,528,343	8.8%	8,612,941	8.4%
Charles	16,334,503	10.6%	26,479,287	14.7%	25,726,584	13.3%
Dorchester	2,126,385	8.9%	3,458,005	12.5%	4,344,900	14.2%
Frederick	41,154,269	14.8%	57,227,698	18.1%	59,603,791	17.8%
Garrett	1,001,145	2.7%	1,626,776	3.9%	2,114,084	4.7%
Harford	13,863,345	5.9%	22,433,285	8.3%	22,690,186	7.7%
Howard	92,766,251	20.0%	120,279,329	22.8%	121,686,725	23.3%
Kent	2,479,809	10.2%	3,524,323	12.6%	4,260,640	14.8%
Montgomery	203,070,315	12.3%	222,455,446	13.3%	140,738,097	8.4%
Prince George's	178,779,699	19.1%	259,491,019	23.1%	317,235,741	25.1%
Queen Anne's	7,469,363	13.4%	10,708,219	16.7%	11,685,168	18.1%
St. Mary's	10,017,885	12.3%	16,443,613	17.0%	20,023,462	19.5%
Somerset	652,545	5.2%	962,619	6.7%	994,425	6.4%
Talbot	9,330,019	25.0%	11,257,249	27.6%	13,303,240	29.3%
Washington	9,083,510	8.5%	16,714,485	13.4%	20,068,757	15.1%
Wicomico	1,933,914	3.8%	3,071,018	5.6%	3,410,538	5.8%
Worcester	7,418,342	6.3%	10,349,188	7.4%	11,114,680	8.3%
Statewide	\$988,422,698	14.9%	\$1,344,234,590	17.8%	\$1,429,232,745	17.6%

Source: State Department of Assessments and Taxation

Exhibit 5.9
County Assessable Base and Revenue Foregone Due to Homestead Tax Credits – Fiscal 2008

County	Homestead Tax Cap	County Tax Rate	Assessable Base	Assessable Base Loss from Homestead Tax Credit		Percent of Base Loss	Revenue Foregone from Homestead Tax Credit		
				Mandated 10% Cap	Actual Cap		Mandated 10%	Below 10%	Total
Allegany	10%	\$0.983	\$2,828,968,000	\$47,204,039	\$47,204,039	1.7%	\$463,968	\$0	\$463,968
Anne Arundel	2%	0.891	68,983,929,000	15,420,330,543	17,771,979,576	25.8%	137,395,145	20,953,193	158,348,338
Baltimore City	4%	2.268	26,661,705,000	2,706,602,771	3,220,509,615	12.1%	61,385,751	11,655,407	73,041,158
Baltimore	4%	1.100	68,799,495,000	8,805,087,508	10,839,534,722	15.8%	96,855,963	22,378,919	119,234,882
Calvert	10%	0.892	10,600,094,000	1,037,335,778	1,037,335,778	9.8%	9,253,035	0	9,253,035
Caroline	5%	0.870	2,359,361,000	154,769,079	205,124,613	8.7%	1,346,491	438,093	1,784,584
Carroll	7%	1.048	17,293,158,000	1,933,528,855	2,230,615,322	12.9%	20,263,382	3,113,466	23,376,849
Cecil	8%	0.960	8,753,482,000	488,213,764	566,519,553	6.5%	4,686,852	751,736	5,438,588
Charles	7%	1.026	14,986,453,000	1,365,249,554	1,592,056,776	10.6%	14,007,460	2,327,042	16,334,503
Dorchester	5%	0.896	2,663,355,000	190,363,074	237,319,716	8.9%	1,705,653	420,732	2,126,385
Frederick	5%	1.064	26,099,175,000	3,192,065,514	3,867,882,384	14.8%	33,963,577	7,190,691	41,154,269
Garrett	5%	1.000	3,743,955,000	75,716,732	100,114,480	2.7%	757,167	243,977	1,001,145
Harford	10%	1.082	21,863,721,000	1,281,270,312	1,281,270,312	5.9%	13,863,345	0	13,863,345
Howard	5%	1.150	40,349,744,000	7,102,396,564	8,070,139,310	20.0%	81,642,049	11,124,203	92,766,251
Kent	5%	0.972	2,493,547,000	214,387,960	255,124,378	10.2%	2,083,851	395,958	2,479,809
Montgomery	10%	0.916	179,739,399,000	22,169,248,319	22,169,248,319	12.3%	203,070,315	0	203,070,315
Prince George's	4%	1.319	71,015,583,000	11,728,372,703	13,554,184,931	19.1%	154,697,236	24,082,463	178,779,699
Queen Anne's	5%	0.770	7,258,790,000	792,259,660	970,047,094	13.4%	6,100,399	1,368,963	7,469,363
St. Mary's	5%	0.857	9,478,568,000	948,832,952	1,168,948,108	12.3%	8,131,498	1,886,387	10,017,885
Somerset	10%	0.940	1,326,300,000	69,419,634	69,419,634	5.2%	652,545	0	652,545
Talbot	0%	0.475	7,849,496,000	1,725,834,118	1,964,214,505	25.0%	8,197,712	1,132,307	9,330,019
Washington	5%	0.948	11,277,628,000	708,055,222	958,176,125	8.5%	6,712,364	2,371,146	9,083,510
Wicomico	10%	0.881	5,835,151,000	219,513,513	219,513,513	3.8%	1,933,914	0	1,933,914
Worcester	3%	0.700	16,948,195,000	901,597,380	1,059,763,109	6.3%	6,311,182	1,107,160	7,418,342
Statewide			\$629,209,252,000	\$83,277,655,548	\$93,456,245,912	14.9%	\$875,480,854	\$112,941,844	\$988,422,698

Source: State Department of Assessments and Taxation

Exhibit 5.10
County Assessable Base and Revenue Foregone Due to Homestead Tax Credits – Fiscal 2009

County	Homestead Tax Cap	County Tax Rate	Assessable Base	Assessable Base Loss from Homestead Tax Credit		Percent of Base Loss	Revenue Foregone from Homestead Tax Credit		
				Mandated 10% Cap	Actual Cap		Mandated 10%	Below 10%	Total
Allegany	10%	\$0.983	\$3,051,553,000	\$101,115,753	\$101,115,753	3.3%	\$993,867	\$0	\$993,867
Anne Arundel	2%	0.888	78,996,800,000	20,792,736,176	23,300,341,176	29.5%	184,639,497	22,267,532	206,907,030
Baltimore City	4%	2.268	31,031,941,000	4,612,931,771	5,220,572,338	16.8%	104,621,293	13,781,288	118,402,581
Baltimore	4%	1.100	78,364,615,000	13,423,085,107	15,630,532,737	19.9%	147,653,936	24,281,924	171,935,860
Calvert	10%	0.892	12,425,810,000	1,516,812,581	1,516,812,581	12.2%	13,529,968	0	13,529,968
Caroline	5%	0.870	2,754,577,000	305,828,623	368,554,793	13.4%	2,660,709	545,718	3,206,427
Carroll	7%	1.048	19,719,588,000	2,934,841,969	3,268,029,983	16.6%	30,757,144	3,491,810	34,248,954
Cecil	8%	0.960	10,045,644,000	796,384,421	888,369,085	8.8%	7,645,290	883,053	8,528,343
Charles	7%	1.026	17,526,699,000	2,318,991,343	2,580,827,237	14.7%	23,792,851	2,686,436	26,479,287
Dorchester	5%	0.896	3,096,108,000	330,983,339	385,938,069	12.5%	2,965,611	492,394	3,458,005
Frederick	5%	1.064	29,719,431,000	4,641,040,775	5,378,543,055	18.1%	49,380,674	7,847,024	57,227,698
Garrett	5%	1.000	4,215,629,000	125,060,310	162,677,613	3.9%	1,250,603	376,173	1,626,776
Harford	9%	1.082	25,098,635,000	1,928,153,937	2,073,316,527	8.3%	20,862,626	1,570,659	22,433,285
Howard	5%	1.150	45,901,264,000	9,399,767,859	10,463,621,496	22.8%	108,050,332	12,228,998	120,279,329
Kent	5%	0.972	2,867,413,000	314,934,998	362,584,637	12.6%	3,061,168	463,154	3,524,323
Montgomery	10%	0.915	182,492,255,000	24,312,070,608	24,312,070,608	13.3%	222,455,446	0	222,455,446
Prince George's	3%	1.319	85,288,209,000	18,000,651,215	19,673,314,588	23.1%	237,428,590	22,062,430	259,491,019
Queen Anne's	5%	0.770	8,330,515,000	1,194,028,040	1,390,677,828	16.7%	9,194,016	1,514,203	10,708,219
St. Mary's	5%	0.857	11,279,240,000	1,667,487,250	1,918,741,363	17.0%	14,290,366	2,153,248	16,443,613
Somerset	10%	0.920	1,555,365,000	104,632,462	104,632,462	6.7%	962,619	0	962,619
Talbot	0%	0.449	9,078,068,000	2,255,582,794	2,507,182,402	27.6%	10,127,567	1,129,682	11,257,249
Washington	5%	0.948	13,138,749,000	1,477,041,273	1,763,131,344	13.4%	14,002,351	2,712,134	16,714,485
Wicomico	10%	0.814	6,680,688,000	377,274,980	377,274,980	5.6%	3,071,018	0	3,071,018
Worcester	3%	0.700	19,914,422,000	1,295,231,824	1,478,455,375	7.4%	9,066,623	1,282,565	10,349,188
Statewide			\$702,573,218,000	\$114,226,669,408	\$125,227,318,030	17.8%	\$1,222,464,163	\$121,770,426	\$1,344,234,590

Source: State Department of Assessments and Taxation

Exhibit 5.11
County Assessable Base and Revenue Foregone Due to Homestead Tax Credits – Fiscal 2010

County	Homestead Tax Cap	County Tax Rate	Assessable Base	Assessable Base Loss from Homestead Tax Credit		Percent of Base Loss	Revenue Foregone from Homestead Tax Credit		
				Mandated 10% Cap	Actual Cap		Mandated 10%	Below 10%	Total
Allegany	7%	\$0.983	\$3,444,709,000	\$139,785,186	\$176,473,834	5.1%	\$1,373,949	\$360,613	\$1,734,561
Anne Arundel	2%	0.888	83,191,000,000	22,384,933,141	24,933,330,112	30.0%	198,778,206	22,629,765	221,407,971
Baltimore City	4%	2.268	32,643,033,000	6,240,251,563	6,893,761,767	21.1%	141,528,905	14,821,611	156,350,517
Baltimore	4%	1.100	85,827,311,000	16,365,107,529	18,666,069,393	21.7%	180,016,183	25,310,581	205,326,763
Calvert	10%	0.892	13,537,962,000	1,508,160,570	1,508,160,570	11.1%	13,452,792	0	13,452,792
Caroline	5%	0.870	2,892,306,000	429,883,357	496,516,012	17.2%	3,739,985	579,704	4,319,689
Carroll	7%	1.048	20,902,764,000	3,375,332,016	3,723,901,805	17.8%	35,373,480	3,653,011	39,026,491
Cecil	8%	0.960	10,700,000,000	804,570,522	897,181,372	8.4%	7,723,877	889,064	8,612,941
Charles	7%	1.026	18,800,000,000	2,252,997,748	2,507,464,305	13.3%	23,115,757	2,610,827	25,726,584
Dorchester	5%	0.896	3,404,216,000	426,100,891	484,921,867	14.2%	3,817,864	527,036	4,344,900
Frederick	5%	1.064	31,401,045,000	4,844,505,846	5,601,860,042	17.8%	51,545,542	8,058,249	59,603,791
Garrett	5%	1.000	4,522,423,000	170,272,077	211,408,384	4.7%	1,702,721	411,363	2,114,084
Harford	9%	1.082	27,340,000,000	1,953,448,136	2,097,059,737	7.7%	21,136,309	1,553,878	22,690,186
Howard	5%	1.150	45,500,000,000	9,510,304,331	10,586,056,981	23.3%	109,320,948	12,365,777	121,686,725
Kent	5%	0.972	2,953,435,000	389,264,147	438,337,498	14.8%	3,783,648	476,993	4,260,640
Montgomery	10%	0.915	183,043,292,000	15,381,212,793	15,381,212,793	8.4%	140,738,097	0	140,738,097
Prince George's	5%	1.319	95,995,669,000	22,324,290,633	24,051,231,328	25.1%	294,457,393	22,778,348	317,235,741
Queen Anne's	5%	0.770	8,387,152,000	1,313,090,838	1,517,554,322	18.1%	10,110,799	1,574,369	11,685,168
St. Mary's	5%	0.857	12,000,000,000	2,075,172,323	2,336,459,961	19.5%	17,784,227	2,239,235	20,023,462
Somerset	10%	0.920	1,696,185,000	108,089,705	108,089,705	6.4%	994,425	0	994,425
Talbot	0%	0.449	10,098,559,000	2,700,777,534	2,962,859,622	29.3%	12,126,491	1,176,749	13,303,240
Washington	5%	0.948	14,000,000,000	1,823,580,762	2,116,957,480	15.1%	17,287,546	2,781,211	20,068,757
Wicomico	10%	0.814	7,205,000,000	418,985,008	418,985,008	5.8%	3,410,538	0	3,410,538
Worcester	3%	0.700	19,186,950,000	1,394,519,221	1,587,811,438	8.3%	9,761,635	1,353,046	11,114,680
Statewide			\$738,673,011,000	\$118,334,635,877	\$129,703,665,336	17.6%	\$1,303,081,317	\$126,151,428	\$1,429,232,745

Source: State Department of Assessments and Taxation

Exhibit 5.12
Net Taxable Income for Maryland Counties

County	TY 2001 (Sept)	TY 2002 (Sept)	TY 2003 (Sept)	TY 2004 (Sept)	TY 2004 (Nov)	TY 2005 (Nov)	TY 2006 (Nov)	TY 2007 (Nov)
Allegany	\$694,141,626	\$699,622,072	\$714,313,115	\$739,320,223	\$767,111,391	\$817,996,221	\$846,969,949	\$917,744,761
Anne Arundel	9,656,495,287	9,673,586,446	10,041,433,554	10,779,519,350	11,501,866,360	12,358,008,605	12,927,631,498	13,901,663,915
Baltimore City	5,694,124,537	5,448,422,770	5,570,278,698	6,033,487,173	6,425,087,925	6,798,559,303	7,503,122,212	7,989,864,296
Baltimore	13,769,282,261	13,474,584,894	14,059,345,233	15,161,861,620	17,293,783,631	17,961,573,029	19,295,307,277	20,574,763,039
Calvert	1,360,987,191	1,467,392,720	1,545,445,512	1,680,410,866	1,768,779,243	1,880,505,716	1,993,268,383	2,058,591,147
Caroline	312,413,038	312,530,709	328,521,985	363,673,678	375,953,402	399,075,675	418,972,056	453,927,559
Carroll	2,661,531,548	2,716,885,573	2,881,111,389	3,138,555,566	3,230,344,663	3,400,310,739	3,573,320,735	3,818,659,142
Cecil	1,192,786,769	1,207,538,025	1,280,368,627	1,398,372,737	1,434,008,843	1,534,810,678	1,602,718,362	1,774,766,636
Charles	1,945,311,059	2,029,681,155	2,149,912,698	2,328,314,766	2,400,854,250	2,531,403,117	2,604,938,413	2,745,718,036
Dorchester	316,103,590	314,453,873	323,770,865	377,985,849	384,906,995	384,840,749	415,837,043	496,931,150
Frederick	3,767,620,541	3,818,865,960	4,005,749,711	4,368,970,476	4,545,215,932	4,878,260,752	5,177,675,506	5,450,114,536
Garrett	287,001,874	289,751,609	310,991,161	330,251,460	339,671,862	368,190,410	384,373,215	412,963,453
Harford	3,743,998,602	3,831,536,517	4,020,746,180	4,347,677,298	4,521,545,447	4,828,388,160	5,021,604,484	5,283,058,152
Howard	6,248,517,539	6,239,938,192	6,573,022,649	7,248,916,131	7,713,414,383	8,045,203,494	8,596,159,945	9,243,213,476
Kent	273,087,987	258,648,076	270,379,070	302,433,536	327,159,161	354,291,348	379,365,876	442,105,932
Montgomery	23,004,089,104	22,291,173,019	22,973,629,590	24,960,121,106	29,800,847,014	32,241,963,585	34,089,151,444	36,947,166,594
Prince George's	10,284,482,754	10,301,416,434	10,536,123,093	11,160,027,391	11,458,471,491	11,771,266,611	12,208,015,512	12,854,834,139
Queen Anne's	730,775,443	746,392,286	809,470,813	897,741,615	957,972,482	1,059,535,419	1,098,927,654	1,184,705,839
St. Mary's	1,281,177,391	1,338,227,164	1,479,449,835	1,596,987,871	1,661,246,421	1,731,747,794	1,828,050,567	2,006,658,806
Somerset	172,250,209	175,812,666	185,207,239	184,782,072	188,223,658	201,352,945	219,458,695	233,091,381
Talbot	680,386,890	649,040,244	696,270,839	817,325,272	989,894,170	1,044,209,152	1,198,242,460	1,327,023,177
Washington	1,709,673,851	1,709,649,397	1,801,230,030	1,991,025,604	2,047,654,514	2,193,160,180	2,330,241,546	2,423,011,261
Wicomico	1,015,967,416	1,016,956,001	1,090,241,246	1,261,684,204	1,302,476,298	1,354,077,242	1,418,761,048	1,481,755,918
Worcester	724,242,753	722,258,056	784,532,994	895,785,885	1,014,401,379	1,028,181,007	1,004,316,908	1,026,855,196
Total	\$91,526,449,260	\$90,734,363,858	\$94,431,546,126	\$102,365,231,749	\$112,450,890,915	\$119,166,911,931	\$126,136,430,788	\$135,049,187,541

Source: Comptroller's Office

Exhibit 5.13
Growth in Net Taxable Income

County	TY 2001	TY 2002	TY 2003	TY 2004	TY 2005	TY 2006	TY 2007
Allegany	-1.8%	0.8%	2.1%	3.5%	6.6%	3.5%	8.4%
Anne Arundel	-2.8%	0.2%	3.8%	7.4%	7.4%	4.6%	7.5%
Baltimore City	-4.0%	-4.3%	2.2%	8.3%	5.8%	10.4%	6.5%
Baltimore	-3.4%	-2.1%	4.3%	7.8%	3.9%	7.4%	6.6%
Calvert	4.6%	7.8%	5.3%	8.7%	6.3%	6.0%	3.3%
Caroline	1.9%	0.0%	5.1%	10.7%	6.2%	5.0%	8.3%
Carroll	2.4%	2.1%	6.0%	8.9%	5.3%	5.1%	6.9%
Cecil	1.1%	1.2%	6.0%	9.2%	7.0%	4.4%	10.7%
Charles	4.0%	4.3%	5.9%	8.3%	5.4%	2.9%	5.4%
Dorchester	-8.4%	-0.5%	3.0%	16.7%	0.0%	8.1%	19.5%
Frederick	4.4%	1.4%	4.9%	9.1%	7.3%	6.1%	5.3%
Garrett	1.3%	1.0%	7.3%	6.2%	8.4%	4.4%	7.4%
Harford	-1.1%	2.3%	4.9%	8.1%	6.8%	4.0%	5.2%
Howard	-4.8%	-0.1%	5.3%	10.3%	4.3%	6.8%	7.5%
Kent	-0.3%	-5.3%	4.5%	11.9%	8.3%	7.1%	16.5%
Montgomery	-6.9%	-3.1%	3.1%	8.6%	8.2%	5.7%	8.4%
Prince George's	0.5%	0.2%	2.3%	5.9%	2.7%	3.7%	5.3%
Queen Anne's	1.7%	2.1%	8.5%	10.9%	10.6%	3.7%	7.8%
St. Mary's	6.4%	4.5%	10.6%	7.9%	4.2%	5.6%	9.8%
Somerset	3.6%	2.1%	5.3%	-0.2%	7.0%	9.0%	6.2%
Talbot	-10.1%	-4.6%	7.3%	17.4%	5.5%	14.8%	10.7%
Washington	1.2%	0.0%	5.4%	10.5%	7.1%	6.3%	4.0%
Wicomico	-0.4%	0.1%	7.2%	15.7%	4.0%	4.8%	4.4%
Worcester	-0.9%	-0.3%	8.6%	14.2%	1.4%	-2.3%	2.2%
Total	-2.8%	-0.9%	4.1%	8.4%	6.0%	5.8%	7.1%

Source: Comptroller's Office

Exhibit 5.14
Net Taxable Income Measures for Tax Year 2007

<u>County</u>	<u>Per Capita Net Taxable Income</u>	<u>Net Taxable Income Growth</u>	<u>County</u>	<u>Per Capita Net Taxable Income</u>	<u>County</u>	<u>Net Taxable Income Growth</u>
Allegany	\$12,642	8.4%	1. Montgomery	\$39,693	1. Dorchester	19.5%
Anne Arundel	27,144	7.5%	2. Talbot	36,665	2. Kent	16.5%
Baltimore City	12,534	6.5%	3. Howard	33,775	3. Talbot	10.7%
Baltimore	26,077	6.6%	4. Anne Arundel	27,144	4. Cecil	10.7%
Calvert	23,334	3.3%	5. Baltimore	26,077	5. St. Mary's	9.8%
Caroline	13,793	8.3%	6. Queen Anne's	25,439	6. Montgomery	8.4%
Carroll	22,566	6.9%	7. Frederick	24,255	7. Allegany	8.4%
Cecil	17,802	10.7%	8. Calvert	23,334	8. Caroline	8.3%
Charles	19,550	5.4%	9. Carroll	22,566	9. Queen Anne's	7.8%
Dorchester	15,604	19.5%	10. Kent	22,120	10. Anne Arundel	7.5%
Frederick	24,255	5.3%	11. Harford	22,013	11. Howard	7.5%
Garrett	13,939	7.4%	12. Worcester	20,797	12. Garrett	7.4%
Harford	22,013	5.2%	13. St. Mary's	19,991	13. Carroll	6.9%
Howard	33,775	7.5%	14. Charles	19,550	14. Baltimore	6.6%
Kent	22,120	16.5%	15. Cecil	17,802	15. Baltimore City	6.5%
Montgomery	39,693	8.4%	16. Washington	16,697	16. Somerset	6.2%
Prince George's	15,511	5.3%	17. Wicomico	15,831	17. Charles	5.4%
Queen Anne's	25,439	7.8%	18. Dorchester	15,604	18. Prince George's	5.3%
St. Mary's	19,991	9.8%	19. Prince George's	15,511	19. Frederick	5.3%
Somerset	8,960	6.2%	20. Garrett	13,939	20. Harford	5.2%
Talbot	36,665	10.7%	21. Caroline	13,793	21. Wicomico	4.4%
Washington	16,697	4.0%	22. Allegany	12,642	22. Washington	4.0%
Wicomico	15,831	4.4%	23. Baltimore City	12,534	23. Calvert	3.3%
Worcester	20,797	2.2%	24. Somerset	8,960	24. Worcester	2.2%
Statewide	\$24,037	7.1%				

Source: Comptroller's Office, Department of Legislative Services

Chapter 6. County Salary Actions

Almost all Maryland jurisdictions provided salary enhancements to their employees in fiscal 2009. Twenty-one county governments provided their employees with a cost-of-living adjustment (COLA) and 21 counties provided step increases. Moreover, 23 boards of education provided COLAs and 22 boards provided step increases for teachers. The majority of counties (14) and local boards of education (17) provided their employees and teachers with a COLA of at least 3 percent. Three counties (Baltimore, Caroline, and Washington) and one board of education (Baltimore County) did not provide a COLA. For comparison purposes, the State provided its employees with a 2 percent COLA in fiscal 2009; however, employee salary enhancements were offset due to employee furloughs which range from two to five days, depending on the employee's salary level.

Table 6.1 compares the COLA amounts for county and public school employees in fiscal 2008 and 2009. **Exhibit 6.1** indicates the number of jurisdictions providing salary enhancement over the last 10 years. **Exhibit 6.2** shows local salary enhancements in fiscal 2009. **Table 6.2** compares the annual growth in the average weekly wage for the three levels of government and the private sector in Maryland. The annual growth in State government salaries trailed the other sectors of the Maryland economy. Over the last seven years, the average weekly wage for State government employees increased by 3.6 percent annually compared to 4.4 percent for local government employees, 6.3 percent for federal employees, and 3.9 percent for private-sector employees.

Table 6.1
Local Government Cost-of-living Adjustments

<u>COLA Amount</u>	<u>County Government</u>		<u>Public Schools</u>	
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2009</u>
No COLA	0	3	0	1
1 to 2.9%	11	7	0	6
3 to 3.9%	8	10	2	7
4 to 4.9%	3	3	9	5
5 to 5.9%	1	0	8	3
6% and Greater	1	1	5	2

Source: Department of Legislative Services

Table 6.2
Growth in Average Weekly Wages

	<u>CY 2000</u>	<u>CY 2007</u>	<u>Annual Increase</u>
Federal Government	\$1,029	\$1,574	6.3%
State Government	710	911	3.6%
Local Government	666	903	4.4%
Private Sector	683	893	3.9%

Source: Department of Labor, Licensing, and Regulation

Exhibit 6.1
Number of Counties Providing Salary Increases

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
State Government										
COLAs	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Step Increases	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Local Government										
COLAs										
County Employees	21	21	21	21	14	22	23	24	24	21
Board of Education	23	24	24	24	23	23	24	24	24	23
Step Increases										
County Employees	21	19	18	18	13	19	19	21	20	21
Board of Education	24	24	22	24	23	24	24	24	24	22
Both COLA and Step										
County Employees	20	20	17	15	9	17	19	21	20	18
Board of Education	21	24	22	24	22	23	24	24	24	21

Source: Department of Legislative Services

Exhibit 6.2

Local Government Salary Actions in Fiscal 2009

County	County Government		Board of Education Teachers	
	COLA	Step	COLA	Step
Allegany ¹	3.0%	Yes	6.0%	Yes
Anne Arundel ²	3.0%	Yes	5.0%	Yes
Baltimore City ³	3.0%	Yes	4.0%	Yes
Baltimore	0.0%	Yes	0.0%	Yes
Calvert	3.3%	Yes	4.5%	Yes
Caroline	0.0%	Yes	2.0%	Yes
Carroll	2.0%	Yes	2.0%	No
Cecil	3.0%	Yes	4.0%	Yes
Charles	2.0%	Yes	3.5%	Yes
Dorchester	3.0%	No	1.6%	Yes
Frederick	2.0%	Yes	2.0%	Yes
Garrett ⁴	4.0%	Yes	6.0%	Yes
Harford ⁵	6.0%	Yes	1.6%	Yes
Howard ⁶	3.0%	Yes	5.0%	Yes
Kent	2.0%	Yes	3.0%	Yes
Montgomery ⁷	4.5%	Yes	5.0%	Yes
Prince George's ⁸	2.5%	Yes	3.0%	Yes
Queen Anne's ⁹	\$1,800	No	3.5%	Yes
St. Mary's	3.0%	Yes	4.0%	Yes
Somerset ¹⁰	2.5%	Yes	4.0%	Yes
Talbot ¹¹	2.5%	Yes	3.5%	Yes
Washington	0.0%	Yes	2.0%	Yes
Wicomico	3.0%	No	3.0%	No
Worcester	3.5%	Yes	3.5%	Yes
Number Granting	21	21	23	22

Source: Department of Legislative Services

Comments

¹Allegany County road and nursing home employees received a 5.0% COLA, and E-9-1-1 communications, animal control, detention center, and sheriff's employees received a 5.5% COLA.

²Anne Arundel County teaching assistants and board of education secretaries, operations, maintenance, transportation, and food service employees received a 3.0% COLA; while school administrators received a 6.0% COLA.

³Baltimore City fire officers received a 3.0% COLA and managerial employees received a 2.0% COLA. Nurses and general, police, and technical employees received a 3.0% COLA.

⁴Garrett County employees received a \$750 across-the-board increase; however, employees represented by AFSCME received a 4.0% COLA.

⁵Harford County employees received a 3.0% COLA and a 3.0% market adjustment.

⁶Howard County police personnel received a 5.0% COLA and fire personnel received a 6.0% COLA. Corrections, blue collar, and dispatchers received a 3.0% COLA. School administrators received a 4.75% COLA.

⁷Montgomery County police and fire personnel received a 4.0% COLA.

⁸Prince George's County police, corrections, and sheriff personnel received a 3.0% COLA.

⁹Queen Anne's County school administrators and support staff received a 2.0% COLA.

¹⁰Somerset County school administrators and classified employees received a 3.5% COLA.

¹¹Talbot County school administrators received a 2.5% COLA.

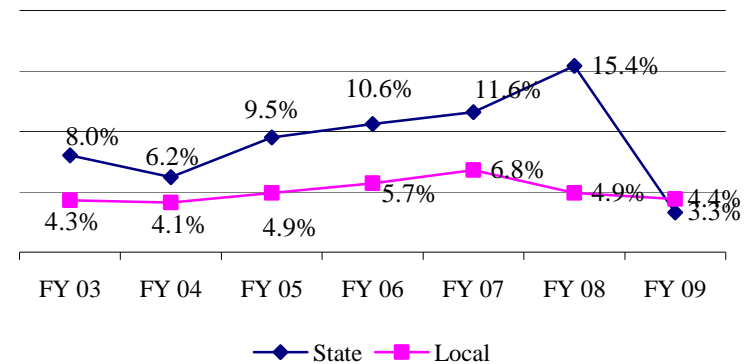
Chapter 7. Public School Funding

Public schools are funded from federal, State, and local sources. Approximately 48 percent of public school funding in Maryland comes from local sources, and 47 percent comes from the State. The federal government provides only 5 percent of public school funding. As shown in **Exhibit 7.1**, the reliance on local funding varies across the State. Local revenue as a percent of total public school funding ranges from 17.3 percent in Baltimore City to 72.1 percent in Worcester County. State funding as a percent of public school revenues ranges from 22.7 percent in Worcester County to 74.8 percent in Caroline County. Seven local school systems, Baltimore City and Allegany, Caroline, Dorchester, Somerset, Washington, and Wicomico counties, receive over 60 percent of their revenue from the State.

State Commitment to Public Schools

State education aid increased from \$2.9 billion in fiscal 2002, the year before the Bridge to Excellence Act, to \$5.3 billion in fiscal 2009, representing an 85.0 percent increase in State support for public education and an average annual increase of 8.7 percent over the seven years. As a result of the large increases in aid, the percentage of ongoing general fund revenues devoted to State education aid has increased from 30.8 percent in fiscal 2002 to 39.0 percent in fiscal 2009. **Table 7.1** compares the increases in State and local funding for public schools since fiscal 2003.

Table 7.1
State and Local Funding for Public Schools
Annual Percent Growth



Source: Department of Legislative Services

Per Pupil Funding

Public schools in Maryland received about \$13,800 in total funding for each pupil in fiscal 2009. Worcester County had the highest per pupil revenues at \$15,922, while Baltimore City had the second highest at \$15,621. Montgomery County had the third highest at \$15,511. Queen Anne's County, had the

lowest per pupil revenues at \$11,511. **Exhibit 7.2** shows the per pupil revenues for public schools in fiscal 2009 by revenue source.

Per pupil federal funding in fiscal 2009 averaged \$647 statewide, ranging from \$328 in Howard County to \$1,447 in Baltimore City, as shown in **Exhibit 7.3**. Federal funding is targeted to disadvantaged students through Title 1 grants and students with disabilities through special education basic state grants.

Per pupil State funding in fiscal 2009 averaged \$6,542 statewide, ranging from \$3,149 in Talbot County to \$11,520 in Baltimore City, as shown in **Exhibit 7.4**. The majority of State aid to public schools is distributed inversely to local wealth, whereby the less affluent school systems receive relatively more State aid. In addition, State funding is targeted to local school systems based on enrollments of at-risk student groups including students who receive free and reduced-price meals, students who are limited English proficient, and students receiving special education services.

Per pupil local funding in fiscal 2009 averaged \$6,597 statewide, ranging from \$2,354 in Caroline County to \$11,475 in Worcester County, as shown in **Exhibit 7.5**. Montgomery, Howard, Kent, Talbot, and Anne Arundel counties had the next highest per pupil local funding.

Local Appropriations

Local appropriations to the boards of education totaled \$5.4 billion in fiscal 2009, representing a 4.4 percent increase from the prior year. Increases in local appropriations range from less than 1.0 percent in Allegany County to 9.5 percent in Worcester County. Local funding remained constant in Baltimore City, but decreased in Prince George's County.

Since fiscal 2002, local appropriations have increased by 5.0 percent annually. The local appropriation in Somerset County increased by less than 1.0 percent annually, while in Charles County, the local appropriation increased by 8.0 percent annually, the highest growth rate in the State. In Baltimore City, however, the local appropriation actually decreased during this period. **Exhibit 7.6** shows the local appropriations to the boards of education for fiscal 2002 through 2009, and **Exhibit 7.7** shows the annual percent increase in the local appropriation.

Public School Construction

State funding for public school construction projects remains a high priority for elected officials. Over the last six years (fiscal 2004 through 2009), State officials have provided almost \$1.6 billion for local school construction projects. As shown in **Exhibit 7.8**, cumulative State funding for school construction projects over the last six years has ranged from \$6.9 million in Talbot County to \$188.7 million in Montgomery County.

Exhibit 7.1
Revenue Sources for Public Schools in Fiscal 2009

County	Federal	State	Local	Ranking by Percent State			Ranking by Percent Local		
Allegany	6.4%	71.4%	22.2%	1.	Caroline	74.8%	1.	Worcester	72.1%
Anne Arundel	4.0%	35.9%	60.2%	2.	Baltimore City	73.5%	2.	Montgomery	71.9%
Baltimore City	9.2%	73.5%	17.3%	3.	Allegany	71.4%	3.	Talbot	68.8%
Baltimore	5.0%	45.0%	50.0%	4.	Somerset	67.1%	4.	Howard	64.4%
Calvert	3.1%	47.9%	49.1%	5.	Wicomico	66.2%	5.	Anne Arundel	60.2%
Caroline	4.7%	74.8%	20.5%	6.	Dorchester	61.0%	6.	Kent	55.8%
Carroll	3.0%	48.1%	49.0%	7.	Washington	60.4%	7.	Queen Anne's	54.7%
Cecil	4.3%	58.2%	37.6%	8.	Cecil	58.2%	8.	Baltimore	50.0%
Charles	3.8%	51.3%	44.8%	9.	Prince George's	58.1%	9.	Frederick	49.1%
Dorchester	6.2%	61.0%	32.8%	10.	St. Mary's	53.8%	10.	Calvert	49.1%
Frederick	3.6%	47.3%	49.1%	11.	Garrett	51.4%	11.	Carroll	49.0%
Garrett	6.6%	51.4%	42.0%	12.	Charles	51.3%	12.	Harford	45.8%
Harford	3.4%	50.8%	45.8%	13.	Harford	50.8%	13.	Charles	44.8%
Howard	2.2%	33.3%	64.4%	14.	Carroll	48.1%	14.	Garrett	42.0%
Kent	5.2%	39.0%	55.8%	15.	Calvert	47.9%	15.	St. Mary's	41.1%
Montgomery	3.1%	25.1%	71.9%	16.	Frederick	47.3%	16.	Cecil	37.6%
Prince George's	5.4%	58.1%	36.4%	17.	Baltimore	45.0%	17.	Prince George's	36.4%
Queen Anne's	5.0%	40.3%	54.7%	18.	Queen Anne's	40.3%	18.	Washington	34.9%
St. Mary's	5.1%	53.8%	41.1%	19.	Kent	39.0%	19.	Dorchester	32.8%
Somerset	8.6%	67.1%	24.3%	20.	Anne Arundel	35.9%	20.	Wicomico	28.6%
Talbot	4.4%	26.9%	68.8%	21.	Howard	33.3%	21.	Somerset	24.3%
Washington	4.8%	60.4%	34.9%	22.	Talbot	26.9%	22.	Allegany	22.2%
Wicomico	5.2%	66.2%	28.6%	23.	Montgomery	25.1%	23.	Caroline	20.5%
Worcester	5.1%	22.7%	72.1%	24.	Worcester	22.7%	24.	Baltimore City	17.3%
Total	4.7%	47.1%	48.2%						

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.2
Per Pupil Revenues for Public Schools in Fiscal 2009

County	Federal	State	Local	Total	Ranking by Total Per Pupil Funding	
Allegany	\$955	\$10,674	\$3,247	\$14,877	1.	Worcester \$15,922
Anne Arundel	511	4,612	7,657	12,780	2.	Baltimore City 15,621
Baltimore City	1,447	11,520	2,654	15,621	3.	Montgomery 15,511
Baltimore	658	5,924	6,481	13,064	4.	Kent 14,886
Calvert	377	5,910	6,015	12,303	5.	Allegany 14,877
Caroline	562	8,890	2,354	11,805	6.	Howard 14,502
Carroll	363	5,886	5,883	12,132	7.	Prince George's 14,064
Cecil	513	7,022	4,472	12,007	8.	Somerset 14,010
Charles	490	6,542	5,612	12,644	9.	Baltimore 13,064
Dorchester	791	7,801	4,034	12,627	10.	Garrett 12,906
Frederick	446	5,923	6,067	12,436	11.	Anne Arundel 12,780
Garrett	862	6,664	5,380	12,906	12.	Charles 12,644
Harford	423	6,295	5,590	12,307	13.	Dorchester 12,627
Howard	328	4,877	9,297	14,502	14.	Frederick 12,436
Kent	772	5,845	8,269	14,886	15.	Wicomico 12,394
Montgomery	478	3,913	11,119	15,511	16.	Harford 12,307
Prince George's	772	8,268	5,024	14,064	17.	Calvert 12,303
Queen Anne's	581	4,698	6,233	11,511	18.	St. Mary's 12,206
St. Mary's	628	6,598	4,980	12,206	19.	Carroll 12,132
Somerset	1,219	9,481	3,310	14,010	20.	Cecil 12,007
Talbot	514	3,149	7,992	11,655	21.	Washington 11,943
Washington	571	7,251	4,122	11,943	22.	Caroline 11,805
Wicomico	651	8,295	3,447	12,394	23.	Talbot 11,655
Worcester	819	3,628	11,475	15,922	24.	Queen Anne's 11,511
Total	\$647	\$6,542	\$6,597	\$13,785		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.3
Federal Funding for Public Schools in Fiscal 2009

County	Enrollment	Total Federal Aid	Per Pupil	Ranking by Per Pupil Aid	
Allegany	8,762	\$8,371,507	\$955	1.	Baltimore City \$1,447
Anne Arundel	71,986	36,752,900	511	2.	Somerset 1,219
Baltimore City	78,347	113,368,776	1,447	3.	Allegany 955
Baltimore	99,715	65,647,437	658	4.	Garrett 862
Calvert	16,733	6,313,144	377	5.	Worcester 819
Caroline	5,255	2,951,709	562	6.	Dorchester 791
Carroll	27,653	10,044,301	363	7.	Prince George's 772
Cecil	15,633	8,022,795	513	8.	Kent 772
Charles	25,894	12,691,757	490	9.	Baltimore 658
Dorchester	4,331	3,426,157	791	10.	Wicomico 651
Frederick	39,169	17,481,629	446	11.	St. Mary's 628
Garrett	4,305	3,712,936	862	12.	Queen Anne's 581
Harford	37,734	15,973,155	423	13.	Washington 571
Howard	48,918	16,037,990	328	14.	Caroline 562
Kent	2,082	1,606,548	772	15.	Talbot 514
Montgomery	136,124	65,115,337	478	16.	Cecil 513
Prince George's	122,317	94,393,717	772	17.	Anne Arundel 511
Queen Anne's	7,568	4,393,517	581	18.	Charles 490
St. Mary's	16,093	10,112,103	628	19.	Montgomery 478
Somerset	2,717	3,311,516	1,219	20.	Frederick 446
Talbot	4,261	2,192,225	514	21.	Harford 423
Washington	21,268	12,139,780	571	22.	Calvert 377
Wicomico	14,565	9,486,292	651	23.	Carroll 363
Worcester	6,328	5,184,172	819	24.	Howard 328
Total	817,758	\$528,731,400	\$647		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.4
State Funding for Public Schools in Fiscal 2009

County	Enrollment	Total State Aid	Per Pupil	Ranking by Per Pupil Aid	
Allegany	8,762	\$93,528,059	\$10,674	1.	Baltimore City \$11,520
Anne Arundel	71,986	331,997,891	4,612	2.	Allegany 10,674
Baltimore City	78,347	902,531,370	11,520	3.	Somerset 9,481
Baltimore	99,715	590,693,486	5,924	4.	Caroline 8,890
Calvert	16,733	98,900,090	5,910	5.	Wicomico 8,295
Caroline	5,255	46,717,173	8,890	6.	Prince George's 8,268
Carroll	27,653	162,760,948	5,886	7.	Dorchester 7,801
Cecil	15,633	109,771,958	7,022	8.	Washington 7,251
Charles	25,894	169,388,173	6,542	9.	Cecil 7,022
Dorchester	4,331	33,788,076	7,801	10.	Garrett 6,664
Frederick	39,169	231,978,624	5,923	11.	St. Mary's 6,598
Garrett	4,305	28,689,291	6,664	12.	Charles 6,542
Harford	37,734	237,521,446	6,295	13.	Harford 6,295
Howard	48,918	238,596,922	4,877	14.	Baltimore 5,924
Kent	2,082	12,168,425	5,845	15.	Frederick 5,923
Montgomery	136,124	532,712,729	3,913	16.	Calvert 5,910
Prince George's	122,317	1,011,318,802	8,268	17.	Carroll 5,886
Queen Anne's	7,568	35,554,720	4,698	18.	Kent 5,845
St. Mary's	16,093	106,182,718	6,598	19.	Howard 4,877
Somerset	2,717	25,760,618	9,481	20.	Queen Anne's 4,698
Talbot	4,261	13,415,807	3,149	21.	Anne Arundel 4,612
Washington	21,268	154,204,103	7,251	22.	Montgomery 3,913
Wicomico	14,565	120,821,594	8,295	23.	Worcester 3,628
Worcester	6,328	22,957,131	3,628	24.	Talbot 3,149
Unallocated		37,404,211	46		
Total	817,758	\$5,349,364,363	\$6,542		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.5
Local Funding for Public Schools in Fiscal 2009

County	Enrollment	Local Appropriation	Per Pupil	Ranking by Per Pupil	
Allegany	8,762	\$28,450,000	\$3,247	1.	Worcester \$11,475
Anne Arundel	71,986	551,206,500	7,657	2.	Montgomery 11,119
Baltimore City	78,347	207,940,795	2,654	3.	Howard 9,297
Baltimore	99,715	646,292,520	6,481	4.	Kent 8,269
Calvert	16,733	100,656,137	6,015	5.	Talbot 7,992
Caroline	5,255	12,367,678	2,354	6.	Anne Arundel 7,657
Carroll	27,653	162,678,900	5,883	7.	Baltimore 6,481
Cecil	15,633	69,915,162	4,472	8.	Queen Anne's 6,233
Charles	25,894	145,316,000	5,612	9.	Frederick 6,067
Dorchester	4,331	17,473,300	4,034	10.	Calvert 6,015
Frederick	39,169	237,631,364	6,067	11.	Carroll 5,883
Garrett	4,305	23,159,000	5,380	12.	Charles 5,612
Harford	37,734	210,914,800	5,590	13.	Harford 5,590
Howard	48,918	454,794,610	9,297	14.	Garrett 5,380
Kent	2,082	17,217,000	8,269	15.	Prince George's 5,024
Montgomery	136,124	1,513,555,147	11,119	16.	St. Mary's 4,980
Prince George's	122,317	614,502,036	5,024	17.	Cecil 4,472
Queen Anne's	7,568	47,168,270	6,233	18.	Washington 4,122
St. Mary's	16,093	80,138,192	4,980	19.	Dorchester 4,034
Somerset	2,717	8,994,324	3,310	20.	Wicomico 3,447
Talbot	4,261	34,053,966	7,992	21.	Somerset 3,310
Washington	21,268	87,659,650	4,122	22.	Allegany 3,247
Wicomico	14,565	50,204,655	3,447	23.	Baltimore City 2,654
Worcester	6,328	72,614,611	11,475	24.	Caroline 2,354
Total	817,758	\$5,394,904,617	\$6,597		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.6
Local Appropriations to the Boards of Education
(\$ in Thousands)

County	Budgeted FY 2002	Budgeted FY 2003	Budgeted FY 2004	Budgeted FY 2005	Budgeted FY 2006	Budgeted FY 2007	Budgeted FY 2008	Budgeted FY 2009
Allegany	\$25,030	\$25,530	\$25,930	\$25,630	\$26,630	\$27,380	\$28,380	\$28,450
Anne Arundel	362,680	383,840	390,600	414,261	449,214	486,604	512,114	551,207
Baltimore City	210,260	207,400	207,555	207,555	207,839	207,941	207,941	207,941
Baltimore	544,998	548,229	560,272	570,494	591,733	606,302	617,722	646,293
Calvert	68,900	73,413	76,413	80,913	85,713	90,379	98,438	100,656
Caroline	10,677	10,923	10,877	10,977	11,300	11,850	12,250	12,368
Carroll	105,968	111,428	118,061	125,158	135,585	143,167	150,927	162,679
Cecil	50,884	53,984	56,090	58,709	62,229	65,715	65,915	69,915
Charles	84,874	90,874	94,623	101,794	112,217	124,006	135,856	145,316
Dorchester	14,128	15,069	15,069	15,220	15,423	16,345	16,570	17,473
Frederick	142,610	150,627	168,753	175,397	189,208	205,381	228,207	237,631
Garrett	15,225	15,781	17,570	18,363	18,800	19,925	22,056	23,159
Harford	138,335	146,051	147,272	154,047	175,415	189,415	199,615	210,915
Howard	276,040	292,401	310,590	334,590	362,590	393,711	427,176	454,795
Kent	12,887	13,437	13,075	13,676	14,276	15,110	16,217	17,217
Montgomery	1,029,704	1,079,189	1,133,352	1,208,019	1,273,231	1,380,771	1,449,614	1,513,555
Prince George's	467,788	496,973	521,254	545,372	562,043	602,243	615,834	614,502
Queen Anne's	30,978	32,757	35,007	36,587	38,037	39,940	43,940	47,168
St. Mary's	52,511	54,511	56,125	58,900	62,634	67,811	76,000	80,138
Somerset	8,692	8,679	8,562	8,499	8,548	8,926	8,859	8,994
Talbot	24,019	25,744	25,835	26,360	27,898	29,849	31,729	34,054
Washington	68,203	70,143	74,798	77,886	81,986	83,303	85,564	87,660
Wicomico	43,744	44,665	45,680	46,125	46,925	48,330	49,443	50,205
Worcester	44,101	47,125	48,164	51,720	54,296	61,150	66,319	72,615
Total	\$3,833,237	\$3,998,774	\$4,161,528	\$4,366,253	\$4,613,769	\$4,925,554	\$5,166,687	\$5,394,905

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.7
Local Appropriations to the Boards of Education
Annual Percent Increases – Fiscal 2002-2009

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Allegany	4.2%	2.0%	1.6%	-1.2%	3.9%	2.8%	3.7%	0.2%
Anne Arundel	5.8%	5.8%	1.8%	6.1%	8.4%	8.3%	5.2%	7.6%
Baltimore City	3.1%	-1.4%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%
Baltimore	4.4%	0.6%	2.2%	1.8%	3.7%	2.5%	1.9%	4.6%
Calvert	9.9%	6.5%	4.1%	5.9%	5.9%	5.4%	8.9%	2.3%
Caroline	-1.1%	2.3%	-0.4%	0.9%	2.9%	4.9%	3.4%	1.0%
Carroll	8.6%	5.2%	6.0%	6.0%	8.3%	5.6%	5.4%	7.8%
Cecil	5.1%	6.1%	3.9%	4.7%	6.0%	5.6%	0.3%	6.1%
Charles	5.9%	7.1%	4.1%	7.6%	10.2%	10.5%	9.6%	7.0%
Dorchester	-1.6%	6.7%	0.0%	1.0%	1.3%	6.0%	1.4%	5.5%
Frederick	9.3%	5.6%	12.0%	3.9%	7.9%	8.5%	11.1%	4.1%
Garrett	4.8%	3.6%	11.3%	4.5%	2.4%	6.0%	10.7%	5.0%
Harford	8.0%	5.6%	0.8%	4.6%	13.9%	8.0%	5.4%	5.7%
Howard	11.2%	5.9%	6.2%	7.7%	8.4%	8.6%	8.5%	6.5%
Kent	5.3%	4.3%	-2.7%	4.6%	4.4%	5.8%	7.3%	6.2%
Montgomery	7.2%	4.8%	5.0%	6.6%	5.4%	8.4%	5.0%	4.4%
Prince George's	1.9%	6.2%	4.9%	4.6%	3.1%	7.2%	2.3%	-0.2%
Queen Anne's	5.9%	5.7%	6.9%	4.5%	4.0%	5.0%	10.0%	7.3%
St. Mary's	6.2%	3.8%	3.0%	4.9%	6.3%	8.3%	12.1%	5.4%
Somerset	-1.8%	-0.1%	-1.4%	-0.7%	0.6%	4.4%	-0.7%	1.5%
Talbot	7.9%	7.2%	0.4%	2.0%	5.8%	7.0%	6.3%	7.3%
Washington	6.9%	2.8%	6.6%	4.1%	5.3%	1.6%	2.7%	2.4%
Wicomico	0.0%	2.1%	2.3%	1.0%	1.7%	3.0%	2.3%	1.5%
Worcester	9.3%	6.9%	2.2%	7.4%	5.0%	12.6%	8.5%	9.5%
Total	6.0%	4.3%	4.1%	4.9%	5.7%	6.8%	4.9%	4.4%

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.8
State Funding for Public School Construction
(\$ in Thousands)

County	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	6-Year Total
Allegany	\$240	\$125	\$12,000	\$18,650	\$412	\$0	\$31,427
Anne Arundel	7,662	7,329	19,457	22,675	27,827	27,420	112,370
Baltimore City	11,151	11,483	21,523	39,436	52,665	41,000	177,258
Baltimore	11,541	11,563	25,218	35,053	52,250	41,000	176,625
Calvert	6,600	7,344	3,437	2,723	12,644	7,824	40,572
Caroline	1,175	269	4,699	2,935	2,426	8,100	19,604
Carroll	6,538	6,768	7,434	8,282	8,219	11,741	48,982
Cecil	5,023	8,246	8,656	8,271	9,533	2,674	42,403
Charles	6,463	6,400	8,267	10,200	13,170	11,704	56,204
Dorchester	177	991	656	872	6,137	10,400	19,233
Frederick	10,380	9,657	11,910	17,942	18,728	14,759	83,376
Garrett	984	1,098	1,507	1,235	6,243	3,020	14,087
Harford	5,356	7,439	8,287	11,096	16,238	14,751	63,167
Howard	9,254	8,800	15,273	17,808	23,206	18,265	92,606
Kent	345	555	2,000	3,479	1,335	0	7,714
Montgomery	10,584	9,036	30,431	40,040	52,297	46,323	188,711
Prince George's	12,763	10,174	29,833	37,425	52,250	41,000	183,445
Queen Anne's	3,004	338	6,897	3,000	3,925	4,951	22,115
St. Mary's	3,989	5,883	3,271	5,495	9,806	7,266	35,710
Somerset	163	3,612	14,300	12,022	5,153	0	35,250
Talbot	0	0	2,422	2,405	2,038	0	6,865
Washington	2,003	2,375	6,431	4,478	8,970	9,368	33,625
Wicomico	729	3,993	7,616	4,178	8,143	12,961	37,620
Worcester	376	2,400	2,241	6,872	8,213	5,483	25,585
Bond Premium	0	0	0	6,100	0	0	6,100
Total	\$116,500	\$125,878	\$253,766	\$322,672	\$401,828	\$340,010	\$1,560,654

Source: Public School Construction Program, Department of Legislative Services

Chapter 8. Local General Fund Balances

The Comprehensive Annual Financial Reports prepared by the counties show their fund balances for a given fiscal year. These fund balances include monies designated for use in a future period, such as the next fiscal year, as well as monies not reserved or designated for a specific purpose. In addition, many counties have “rainy day” funds set aside in the event of an economic downturn. A county’s general fund balance as a percent of general fund revenues is one indicator of a county’s fiscal health and the county’s ability to withstand an economic downturn. **Exhibit 8.1** shows the general fund balances and “rainy day” account balances at the end of fiscal 2008 for each county. **Exhibit 8.2** shows the combined general fund/“rainy day” balances for the last three fiscal years.

Local governments ended fiscal 2008 with general fund balances, including “rainy day” accounts, totaling \$1.7 billion. These balances decreased by \$240.1 million from the prior year, as illustrated in Exhibit 8.2. The general fund/“rainy day” balances as a percentage of general fund revenues decreased from 17.2 to 14.8 percent. In comparison, the State’s combined general fund/“rainy day” balances for fiscal 2008 were \$2.2 billion, a decrease of \$135.3 million from 2007. The State’s combined general fund/“rainy day” balances as a percentage of general fund revenues decreased from 11.6 to 10.3 percent.

It is important to note that fund balances for both local governments and the State comprise unreserved designated and undesignated balances as well as “rainy day” balances which may have been appropriated for the next year’s budget. Recognizing that utilizing a portion of a year’s fund balance for the subsequent year’s budget is a common practice, Exhibit 8.1 also shows fund balance less designated balances as a percentage of general fund revenue.

Ten counties reported an increase in their general fund/“rainy day” balances between fiscal 2007 and 2008; whereas, 14 counties experienced decreases in their general fund balances.

Exhibit 8.1
County Unreserved General Fund Balances and "Rainy Day" Funds
Fiscal 2008
(\$ in Thousands)

County	General Fund Revenues	(1) Unreserved Undesignated	(2) "Rainy Day" Fund	(3) Unreserved Designated	Total Unreserved and "Rainy Day"	Balance as a % of Revenues	Balance Less Unreserved Designated	Balance as a % of Revenues
Allegany (b)	\$75,430.4	\$1,744.5	\$7,500.0	\$2,647.9	\$11,892.4	15.8%	\$9,244.5	12.3%
Anne Arundel (c)	1,114,095.3	11,780.0	47,818.4	42,667.2	102,265.6	9.2%	59,598.4	5.3%
Baltimore City (c)	1,311,436.0	13,450.0	92,510.0	20,179.0	126,139.0	9.6%	105,960.0	8.1%
Baltimore (b)	1,622,733.0	118,530.0	82,943.0	56,457.0	257,930.0	15.9%	201,473.0	12.4%
Calvert (b)	206,457.2	17,710.0	21,582.1	16,357.0	55,649.1	27.0%	39,292.1	19.0%
Caroline	42,164.5	2,721.9	0.0	0.0	2,721.9	6.5%	2,721.9	6.5%
Carroll (b)	308,314.8	14,858.8	17,350.0	13,647.1	45,855.9	14.9%	32,208.8	10.4%
Cecil (c)	155,175.8	7,629.8	12,091.6	18,350.8	38,072.1	24.5%	19,721.4	12.7%
Charles	280,135.2	39,568.8	0.0	12,815.4	52,384.2	18.7%	39,568.8	14.1%
Dorchester (d) **	54,518.8	2,270.2	3,003.2	1,893.4	7,166.8	13.1%	5,273.3	9.7%
Frederick (a)	426,983.8	0.0	20,973.4	46,788.6	67,761.9	15.9%	20,973.4	4.9%
Garrett **	72,689.7	3,589.4	0.0	24,472.8	28,062.3	38.6%	3,589.4	4.9%
Harford (b)	412,286.3	7,275.1	24,366.3	37,656.7	69,298.1	16.8%	31,641.4	7.7%
Howard (c)	770,498.5	5,643.6	45,095.4	42,277.9	93,017.0	12.1%	50,739.1	6.6%
Kent (c)	41,523.5	4,650.7	0.0	236.6	4,887.3	11.8%	4,650.7	11.2%
Montgomery (d)	2,607,087.8	83,580.6	119,647.6	80,767.1	283,995.3	10.9%	203,228.2	7.8%
Prince George's (c)	1,457,593.8	65,020.3	133,396.9	88,481.0	286,898.2	19.7%	198,417.3	13.6%
Queen Anne's (c)**	96,884.6	2,724.9	7,144.0	1,248.0	11,116.9	11.5%	9,868.9	10.2%
St. Mary's (b)	177,419.1	11,088.4	13,015.8	11,842.2	35,946.4	20.3%	24,104.2	13.6%
Somerset	32,188.5	547.3	0.0	10,200.0	10,747.3	33.4%	547.3	1.7%
Talbot	81,278.7	25,439.9	0.0	15,353.6	40,793.5	50.2%	25,439.9	31.3%
Washington (b)**	204,378.4	0.0	34,785.2	492.6	35,277.8	17.3%	34,785.2	17.0%
Wicomico (b)	122,648.4	15,137.5	9,939.1	9,187.0	34,263.6	27.9%	25,076.6	20.4%
Worcester (d)**	175,691.0	500.0	17,870.0	27,991.5	46,361.5	26.4%	18,370.0	10.5%
Total	\$11,849,613.3	\$455,461.6	\$711,032.1	\$582,010.3	\$1,748,504.0	14.8%	\$1,166,493.7	9.8%
State of Maryland (c)	\$21,148,954.0	\$959,412.0	\$684,752.0	\$537,984.0	\$2,182,148.0	10.3%	\$1,644,164.0	7.8%

Notes: Although these balances represent available resources at June 30, 2007, the county may have appropriated a portion of these amounts for the next year's budget.

1) Represents the portion of the fund balance that is unreserved and undesignated for utilization in a future period.

2) Rainy Day Funds represent amounts set aside in the event of an economic downturn. Counties label these funds a variety of names, including revenue stabilization, contingency funds, and cash reserves.

3) Represents the portion of the fund balance that is unreserved but designated for utilization in a future period. Such designations represent only tentative plans or intent.

The following categories describe where the rainy day fund is reported in the county comprehensive annual financial report. In instances where the rainy day fund is reported in either the unreserved undesignated or unreserved designated, the rainy day amount was removed from columns (1) or (3) above.

a) Unreserved Undesignated

b) Unreserved Designated

c) Reserved

d) Special Revenue Fund

**Unaudited information. The audited financial statements were not available.

Source: County Audit Reports, Fiscal 2008; additional information concerning rainy day funds obtained from county finance offices

Exhibit 8.2
County Combined Unreserved General Fund Balances and "Rainy Day" Funds
Fiscal 2006 through 2008
(\$ in Thousands)

County	FY 2006 Balances	Percent of General Fund	FY 2007 Balances	Percent of General Fund	FY 2008 Balances	Percent of General Fund
Allegany	\$10,361.3	14.6%	\$11,676.0	15.9%	\$11,892.4	15.8%
Anne Arundel	131,394.0	12.5%	148,793.6	13.4%	102,265.6	9.2%
Baltimore City	148,204.0	12.3%	144,207.0	11.5%	126,139.0	9.6%
Baltimore	279,665.0	18.8%	271,422.0	17.2%	257,930.0	15.9%
Calvert	56,039.8	34.3%	54,223.3	27.8%	55,649.1	27.0%
Caroline	6,912.7	17.2%	2,700.4	6.5%	2,721.9	6.5%
Carroll	44,760.5	17.1%	39,089.8	13.8%	45,855.9	14.9%
Cecil	39,472.0	28.8%	34,601.7	23.3%	38,072.1	24.5%
Charles	66,201.5	24.2%	70,845.8	25.8%	52,384.2	18.7%
Dorchester	10,656.8	22.4%	7,457.6	15.4%	7,166.8	13.1%
Frederick	105,743.1	27.4%	97,569.8	23.7%	67,761.9	15.9%
Garrett	25,687.8	41.2%	29,695.4	43.0%	28,062.3	38.6%
Harford	83,364.4	23.1%	91,179.7	23.0%	69,298.1	16.8%
Howard	104,117.0	15.2%	109,084.6	15.2%	93,017.0	12.1%
Kent	2,705.5	7.4%	4,837.2	12.7%	4,887.3	11.8%
Montgomery	389,556.8	16.0%	428,624.8	16.4%	283,995.3	10.9%
Prince George's	244,843.9	17.2%	209,847.8	14.4%	286,898.2	19.7%
Queen Anne's	20,973.0	23.2%	22,084.8	23.1%	11,116.9	11.5%
St. Mary's	45,501.3	27.4%	41,494.5	24.8%	35,946.4	20.3%
Somerset	9,704.9	35.8%	12,722.1	43.1%	10,747.3	33.4%
Talbot	32,673.1	45.7%	38,907.5	48.5%	40,793.5	50.2%
Washington	29,949.1	17.0%	33,971.7	17.2%	35,277.8	17.3%
Wicomico	32,092.8	27.1%	34,014.2	27.5%	34,263.6	27.9%
Worcester	52,027.2	33.5%	49,556.9	30.0%	46,361.5	26.4%
Total	\$1,972,607.4	18.0%	\$1,988,608.0	17.2%	\$1,748,504.0	14.8%
State of Maryland	\$2,800,667.0	14.6%	\$2,317,445.0	11.6%	\$2,182,148.0	10.3%

Notes: The balance figures above comprise: Unreserved Undesignated - fund balance that is not reserved or designated for utilization in a future period; Unreserved Designated - fund balance that is unreserved but designated for utilization in a future period

Source: County Audit Reports, Fiscal 2005 through 2007; additional information concerning rainy day funds obtained from county finance offices

Chapter 9. Local Debt Measures

County Debt

As of June 30, 2007, Maryland counties and Baltimore City had \$13.8 billion in outstanding debt, including general obligation bonds, revenue and enterprise debt, federal loans, State loans, capital leases, and short-term debt. Long-term debt generally serves as a funding source for capital projects such as highways, school facilities, sewer and water facilities, parking facilities, parks and recreation facilities, housing and urban development projects, and county buildings. Short-term debt usually serves as a cash management tool. **Exhibit 9.1** shows outstanding debt for each jurisdiction for fiscal 2003 through 2007.

Between fiscal 2003 and 2007, local debt for counties and Baltimore City increased by \$2.8 billion or 25 percent. This represents a 5.7 percent average annual increase over the five-year period. The Washington Suburban Sanitary Commission (WSSC) accounted for 11.4 percent of the total debt in fiscal 2007. In the exhibits, WSSC debt was apportioned equally between Montgomery and Prince George's counties. Montgomery County had \$3.7 billion in outstanding debt, while Prince George's County had \$2.0 billion in debt. In comparison, Dorchester and Kent counties were the smallest borrowers. Dorchester County had \$21.1 million in outstanding debt, while Kent County had \$23.2 million in debt.

As expected, a majority of the debt was located in areas having greater infrastructure needs and greater populations. With 71 percent of the State's population, Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George's counties accounted for approximately 82 percent of the total debt. One reason certain counties have less debt than other larger counties is the interrelationship between a county and its municipalities. Some municipalities bear the burden of maintaining a large portion of the infrastructure needs such as water and sewer systems.

For comparative purposes, municipalities and State-created special taxing districts had \$866 million outstanding debt as of June 30, 2007, and the State of Maryland had \$13.3 billion in debt. Municipal and special taxing district debt includes the same categories of debt as the counties and Baltimore City. State debt includes general obligation bonds, transportation bonds, Maryland Transportation Authority bonds, capital leases, and agency debt (Community Development Administration, Maryland Food Center Authority, and Higher Education Fund). Accrued workers' compensation and accrued annual leave costs are excluded from the figures.

Comparative Measures

Exhibits 9.2 and 9.3 present comparisons by jurisdiction through the utilization of common analytical measures: assessable base and population. Exhibit 9.2 compares county debt to real and personal property assessable base for fiscal 1997, 2002, and 2007. County debt to assessable base decreased in the past five years. The high ratio in Baltimore City (9.9 percent) was attributed to slower-than-average assessable base growth and debt for financing urban renewal and development projects, transportation projects, water projects, and wastewater facilities. Only three counties have remained below 1.5 percent over the decade (Kent, Talbot, and Worcester). For comparative purposes, in fiscal 2007 the State had a debt-to-assessable-base ratio of 2.4 percent that decreased from 2.7 percent in 1997. The municipalities/special taxing districts had a ratio of 1.1 percent in 2007.

Exhibit 9.3 shows debt per capita for the counties and Baltimore City. Based on U.S. Census Bureau population estimates, debt per capita increased from \$1,778 in fiscal 1997 to \$2,462 in fiscal 2007, a 38.4 percent increase over the decade. The largest increases in per capita debt were in Baltimore City, Charles, Frederick, and Worcester counties. Baltimore City and Howard, Montgomery, and Prince George's counties had the highest debt per capita.

The high ratios in Montgomery and Prince George's counties were attributed to the inclusion of WSSC's debt. Howard County's high ratio resulted from debt for financing general county improvement projects, storm drain projects,

housing projects, community renewal projects, and parks and recreation projects. Allegany, Dorchester, Talbot, and Wicomico counties had the lowest debt per capita. For comparative purposes, the State's debt in fiscal 2007 amounted to \$2,381 per person, a 56 percent increase from \$1,522 per person in 1997. The municipalities/special taxing districts had a ratio of \$1,034 per person in 2007.

Local Debt Limitations

State and local laws provide several limitations on county debt. These limitations depend, to an extent, on the form of county government: charter, code, or commission. Commission counties do not have statutory debt limitations. However, the necessity for General Assembly authorization to create debt serves as a limitation on commission county debt creation.

Under State law, charter county debt is limited to 6 percent of real property assessable base and 15 percent of personal property and operating real property assessable base of the county. Certain types of debt, however, are excluded from this limitation: tax anticipation bonds and notes having a maturity not in excess of 12 months; special taxing district debt; and self-liquidating debt. In addition, charter counties may adopt lower limitations, and four have done so:

- Anne Arundel – 5.6 percent of real property and 14.0 percent of personal property and certain operating real property for water and sewer bonds, and 5.2 percent of real

property and 13.0 percent of personal property and certain operating real property for other debt;

- Baltimore – 4 percent of real property and 10 percent of personal property;
- Howard – 4.8 percent of real property and 12.0 percent of personal property; and
- Wicomico – 3.2 percent of real property and 8.0 percent of personal property.

Unlike charter counties, code counties do not have statutory debt limitations although the General Assembly may limit their property tax rates and regulate the maximum amount of indebtedness. To date, the General Assembly has not exercised these powers for any code county.

While Baltimore City does not have a statutory general obligation debt limitation, the General Assembly may fix a limit on the amount of debt the city has outstanding at any one time. To date, the General Assembly has not set a limitation on the city's debt.

Municipal debt limitations may be set under two provisions. The General Assembly may adopt, amend, or repeal a local law regulating the maximum amount of debt a municipal corporation may create. The voters of the applicable municipal corporation must subsequently approve this limitation. In addition, through its legislative powers, a

municipal corporation may establish a debt limitation in its charter, provided that the voters approve this limitation.

Bond Ratings

Nearly all this debt is given a credit rating by the major rating houses. **Exhibit 9.4** shows the credit rating for each county for general obligation bonds by the three major rating agencies: Standard & Poor's, Moody's Investors Service, and Fitch Ratings, as of November 1, 2007. Bond ratings range from "AAA" for the best quality and smallest investment risk to "C" for the poorest quality and highest risk. Specific classifications are used by each of the rating agencies, but the letter grade systems generally follow these norms. The ratings are assigned based upon the overall creditworthiness of the issuer. For county government, measurements such as size and growth in tax bases are key factors in determining the bond rating.

The highest bond rating issued by Moody's to Maryland counties is Aaa while the lowest is Baa1. For Standard & Poor's, the highest rating among Maryland counties is AAA while the lowest is A-; and for Fitch, the highest rating is AAA and the lowest is A+.

Exhibit 9.1
Maryland County Debt
Fiscal 2003 - 2007
(\$ in Thousands)

County	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Average Annual Change
Allegany	\$46,395	\$53,843	\$54,480	\$50,558	\$60,965	3.8%
Anne Arundel	830,063	744,837	798,865	805,441	852,644	2.5%
Baltimore City	1,599,069	1,708,014	1,864,149	2,249,279	2,503,671	10.9%
Baltimore	1,124,932	1,307,770	1,239,763	1,220,143	1,358,981	6.6%
Calvert	101,143	105,554	103,499	105,874	126,293	10.9%
Caroline	31,246	29,703	27,321	25,383	36,429	2.6%
Carroll	208,802	204,173	229,758	249,218	253,415	3.9%
Cecil	72,500	86,589	94,605	120,395	138,746	13.9%
Charles	135,427	199,902	240,755	263,690	295,090	20.4%
Dorchester	26,202	30,136	27,269	23,484	21,138	-5.8%
Frederick	359,150	376,180	357,595	441,806	524,052	11.5%
Garrett	30,344	29,289	25,481	38,590	37,146	12.9%
Harford	285,511	285,534	313,580	279,635	251,248	-2.3%
Howard	683,524	705,554	755,668	873,013	987,698	10.7%
Kent	17,019	19,052	19,288	25,163	23,220	11.2%
Montgomery	3,164,498	3,182,429	3,258,839	3,459,678	3,685,125	3.2%
Prince George's	1,729,623	1,894,509	1,895,713	2,062,435	1,982,007	2.6%
Queen Anne's	66,294	74,083	69,744	74,879	90,714	5.2%
St. Mary's	145,296	161,749	173,517	164,283	155,113	2.8%
Somerset	15,560	14,701	16,309	20,024	26,030	8.1%
Talbot	30,197	28,661	27,092	30,302	34,099	1.3%
Washington	150,407	147,505	147,885	162,899	172,246	2.1%
Wicomico	77,196	77,057	78,392	79,358	83,722	1.5%
Worcester	60,455	54,747	70,132	67,099	91,637	9.6%
Total	\$10,990,853	\$11,521,572	\$11,889,699	\$12,892,628	\$13,791,431	5.7%

Note: The Washington Suburban Sanitary Commission's (WSSC) debt is allocated to both Montgomery and Prince George's counties on a 50/50 basis.

Source: Uniform Financial Reports and Audited Financial Statements, Department of Legislative Services

Exhibit 9.2
Maryland County Debt
Percent of Assessable Base
(in Thousands)

County	County Assessable Base			Total County Debt			Total County Debt as Percent of Assessable Base		
	FY 1997	FY 2002	FY 2007	FY 1997	FY 2002	FY 2007	FY 1997	FY 2002	FY 2007
Allegany	\$2,238,093	\$2,619,721	\$2,926,109	\$49,069	\$50,481	\$60,965	2.2%	1.9%	2.1%
Anne Arundel	29,877,593	35,718,709	60,826,688	622,430	752,629	852,644	2.1%	2.1%	1.4%
Baltimore City	18,176,923	19,135,706	25,256,648	965,149	1,491,796	2,503,671	5.3%	7.8%	9.9%
Baltimore	38,642,524	44,461,844	62,365,607	882,936	989,183	1,358,981	2.3%	2.2%	2.2%
Calvert	5,191,357	5,994,754	9,742,417	75,984	75,282	126,293	1.5%	1.3%	1.3%
Caroline	1,031,049	1,315,136	2,089,016	19,308	32,092	36,429	1.9%	2.4%	1.7%
Carroll	7,685,538	9,613,245	15,453,866	183,949	209,490	253,415	2.4%	2.2%	1.6%
Cecil	4,005,898	4,898,286	7,932,003	57,133	72,386	138,746	1.4%	1.5%	1.7%
Charles	6,580,546	8,196,799	13,304,605	129,711	116,843	295,090	2.0%	1.4%	2.2%
Dorchester	1,359,173	1,561,926	2,400,917	22,183	28,563	21,138	1.6%	1.8%	0.9%
Frederick	10,407,683	13,153,137	22,292,911	161,151	304,167	524,052	1.5%	2.3%	2.4%
Garrett	1,567,061	1,983,077	3,371,967	22,728	20,224	37,146	1.5%	1.0%	1.1%
Harford	10,100,507	12,853,978	19,926,361	198,352	282,963	251,248	2.0%	2.2%	1.3%
Howard	16,375,306	21,634,597	36,224,837	686,302	593,725	987,698	4.2%	2.7%	2.7%
Kent	1,228,123	1,384,894	2,181,116	10,668	13,650	23,220	0.9%	1.0%	1.1%
Montgomery	70,376,973	81,979,029	145,815,228	2,757,739	3,154,483	3,685,125	3.9%	3.8%	2.5%
Prince George's	38,310,448	41,781,816	62,726,164	1,839,361	1,742,513	1,982,007	4.8%	4.2%	3.2%
Queen Anne's	2,591,331	3,324,736	6,174,441	54,996	70,544	90,714	2.1%	2.1%	1.5%
St. Mary's	4,089,059	5,223,319	8,227,294	91,343	135,401	155,113	2.2%	2.6%	1.9%
Somerset	648,667	730,901	1,180,315	15,496	17,630	26,030	2.4%	2.4%	2.2%
Talbot	3,003,143	3,740,071	6,749,460	13,508	31,929	34,099	0.4%	0.9%	0.5%
Washington	5,403,932	6,855,806	10,114,171	138,713	154,942	172,246	2.6%	2.3%	1.7%
Wicomico	3,250,855	3,948,655	5,617,482	53,098	77,799	83,722	1.6%	2.0%	1.5%
Worcester	5,558,467	6,670,953	14,483,821	38,684	57,834	91,637	0.7%	0.9%	0.6%
Total	\$287,700,244	\$338,781,095	\$547,383,444	\$9,089,994	\$10,476,550	\$13,791,431	3.2%	3.1%	2.5%

Note: The Washington Suburban Sanitary Commission's (WSSC) debt is allocated to both Montgomery and Prince George's counties on a 50/50 basis.

Source: Uniform Financial Reports and Audited Financial Statements, Department of Legislative Services

Exhibit 9.3
Maryland County Debt Per Capita

County	County Population			Total County Debt (\$ in Thousands)			Debt Per Capita		
	July 1996	July 2001	July 2006	FY 1997	FY 2002	FY 2007	FY 1997	FY 2002	FY 2007
Allegany	75,132	74,336	72,613	\$49,069	\$50,481	\$60,965	\$653	\$679	\$840
Anne Arundel	467,286	497,017	510,230	622,430	752,629	852,644	1,332	1,514	1,671
Baltimore City	688,542	645,253	640,961	965,149	1,491,796	2,503,671	1,402	2,312	3,906
Baltimore	734,981	762,536	787,762	882,936	989,183	1,358,981	1,201	1,297	1,725
Calvert	66,189	77,348	87,582	75,984	75,282	126,293	1,148	973	1,442
Caroline	29,172	29,906	32,278	19,308	32,092	36,429	662	1,073	1,129
Carroll	141,438	154,474	168,403	183,949	209,490	253,415	1,301	1,356	1,505
Cecil	79,441	88,271	98,674	57,133	72,386	138,746	719	820	1,406
Charles	111,641	124,715	139,302	129,711	116,843	295,090	1,162	937	2,118
Dorchester	30,733	30,607	31,417	22,183	28,563	21,138	722	933	673
Frederick	179,284	201,993	221,953	161,151	304,167	524,052	899	1,506	2,361
Garrett	29,656	29,729	29,639	22,728	20,224	37,146	766	680	1,253
Harford	207,877	222,293	239,569	198,352	282,963	251,248	954	1,273	1,049
Howard	223,681	255,149	270,505	686,302	593,725	987,698	3,068	2,327	3,651
Kent	18,864	19,367	19,829	10,668	13,650	23,220	566	705	1,171
Montgomery	819,613	892,818	925,327	2,757,739	3,154,483	3,685,125	3,365	3,533	3,983
Prince George's	779,187	815,203	834,660	1,839,361	1,742,513	1,982,007	2,361	2,138	2,375
Queen Anne's	37,648	41,298	45,856	54,996	70,544	90,714	1,461	1,708	1,978
St. Mary's	80,633	87,471	98,605	91,343	135,401	155,113	1,133	1,548	1,573
Somerset	24,748	25,169	25,814	15,496	17,630	26,030	626	700	1,008
Talbot	32,578	34,103	36,077	13,508	31,929	34,099	415	936	945
Washington	129,382	133,008	143,334	138,713	154,942	172,246	1,072	1,165	1,202
Wicomico	81,813	85,293	92,465	53,098	77,799	83,722	649	912	905
Worcester	42,467	47,599	49,162	38,684	57,834	91,637	911	1,215	1,864
Total	5,111,986	5,374,956	5,602,017	\$9,089,994	\$10,476,550	\$13,791,431	\$1,778	\$1,949	\$2,462

Note: The Washington Suburban Sanitary Commission's (WSSC) debt is allocated to both Montgomery and Prince George's counties on a 50/50 basis.

Source: Uniform Financial Reports and Audited Financial Statements, Department of Legislative Services

Exhibit 9.4
Maryland County Debt
Bond Ratings – November 2007

County	Standard & Poor's	Moody's	Fitch
Allegany	A-	Baa1	-
Anne Arundel	AAA	Aa1	AA+
Baltimore City	AA-	Aa3	A+
Baltimore	AAA	Aaa	AAA
Calvert	AA	Aa2	AA+
Caroline	A	A2	-
Carroll	AA	Aa2	AA+
Cecil	AA-	Aa3	-
Charles	AA	Aa2	AA+
Dorchester	A	A2	-
Frederick	AA	Aa2	AA+
Garrett ¹	AAA	Aaa	-
Harford	AA+	Aa1	AA+
Howard	AAA	Aaa	AAA
Kent	-	A	-
Montgomery	AAA	Aaa	AAA
Prince George's	AA+	Aa1	AA+
Queen Anne's	-	A1	AA
St. Mary's	AA	Aa3	AA
Somerset	-	-	-
Talbot	-	Aa3	AA+
Washington	AA-	Aa3	AA-
Wicomico	A+	A2	A+
Worcester	-	Aa3	AA-

¹ MBIA insured for specific projects; not county rating.

Note: (-) means not rated.

Source: Maryland Association of Counties

Chapter 10. Balance of State Payments

The *Balance Sheet*, a report published annually by the Department of Legislative Services, provides a comparison of State revenues collected to State financial assistance received for each county. State financial assistance includes direct payments by the State to a local government as well as payments made by the State on behalf of a local government, such as teachers' retirement payments. State revenue collections represent most general fund tax revenues, certain special fund tax revenues, and lottery receipts allocated to counties, primarily by point of collection.

The *Balance Sheet* is not an analysis of the "fairness" of State aid distributions to local governments. Counties in which taxpayers contribute relatively more State revenues should not necessarily receive more State aid. In fact, several State aid formulas distribute aid inversely to local property and income wealth whereby jurisdictions with greater capacity to raise revenues from local sources receive less State aid (see **Table 10.1**). Such aid programs accounted for about 70 percent of the State aid to local governments included in the *Balance Sheet* analysis.

Calculating the Index

The *Balance Sheet* compares on a county-by-county basis State aid to State revenue collections as allocated among the

counties. **Exhibits 10.1** and **10.2** show the two aid-to-revenue ratios over a 10-year period.

The first is the ratio of direct State aid to State revenues generated from a county, exclusive of State property tax receipts. For example, a ratio of 0.71 for Allegany County in 2006 indicates that, for every dollar of fiscal 2006 State tax revenues allocated to Allegany County, the county received \$0.71 in direct State aid. The amount of direct grants received for each \$1.00 of taxes paid ranged from \$0.11 in Talbot County to \$1.04 in Somerset County in fiscal 2006. Statewide, the weighted average for this measure was \$0.35, and the county mean was \$0.45. The amount for Baltimore City includes State-assumed functions.

Table 10.1
Counties with the Highest and Lowest
State Aid Amounts

<u>Highest</u> <u>State Aid</u>	<u>Wealth</u> <u>Ranking</u>	<u>Lowest</u> <u>State Aid</u>	<u>Wealth</u> <u>Ranking</u>
1. Baltimore City	23 rd	24. Talbot	2 nd
2. Caroline	21 st	23. Worcester	1 st
3. Allegany	22 nd	22. Montgomery	3 rd
4. Wicomico	20 th	21. Anne Arundel	6 th
5. Somerset	24 th	20. Kent	9 th

Source: Department of Legislative Services

The second ratio compares direct State aid and payments-on-behalf to total revenue allocations. Again, using Allegany County as the example, in fiscal 2006 the county received \$0.73 in State assistance for every \$1.00 of State revenues allocated to it. On this measure, State assistance received for each \$1.00 of taxes paid in fiscal 2006 varied from \$0.12 for Talbot County to \$1.05 for Somerset County. Statewide, the weighted average was \$0.37, and the county mean was \$0.47.

Dividing each county's aid-to-revenue ratios by the statewide weighted averages indexes the county aid-to-revenue ratios to the State average. In fiscal 2006 for example, Allegany County's direct aid index is \$2.02. In other words, Allegany's ratio was 102 percent above the State average. Including payments-on-behalf lowers Allegany's ratio to \$1.99 or 99 percent above the statewide average. **Exhibits 10.3 and 10.4** show State aid received as a percent of the statewide average over a 10-year period.

Findings

In fiscal 2006, State aid (direct grants and payments-on-behalf) represented about 37 percent of the State revenue collections (including property taxes) allocated on a county-by-county basis in this report. The remaining revenues funded State programs. The ratios for 15 counties matched or exceeded this statewide weighted average. State assistance to revenue allocation ratios for four of Maryland's largest jurisdictions (Anne Arundel, Baltimore, Howard, and

Montgomery counties) was considerably below the statewide average. Consequently, the county average ratio of \$0.45, calculated by summing the county ratios and dividing by 24, is somewhat higher than the statewide weighted average.

In terms of total State aid received for each \$1.00 in taxes paid, Talbot, Worcester, and Montgomery counties had the lowest ratios in fiscal 2006 (received the least amount of State aid in relation to the collection of allocated State tax revenues); while Somerset County, Baltimore City, and Caroline County had the highest ratios (received the greatest amount of State aid in relation to the collection of allocated State tax revenues). Over the last 10 years, the amount of State aid to State revenue collections has increased significantly for Baltimore City while increasing slightly for Somerset County. The ratios for Caroline, Montgomery, Talbot, and Worcester counties have remained relatively constant over this period.

During this 10-year period, the "balance sheet index" as a percent of the statewide average increased in 4 jurisdictions, decreased in 11 counties, and remained relatively constant in 9 counties as shown in **Table 10.2**.

In fiscal 2006, Baltimore City received the greatest amount of State aid (including assumed functions) at \$990.0 million followed by Prince George's County at \$852.8 million. On a per capita basis, these amounts translate into \$1,547 for Baltimore City (the greatest per capita amount for any jurisdiction) and \$1,018 for Prince George's County. Kent and Talbot counties, on the other hand, received the least amount of State aid at \$12.2 million and \$15.1 million, respectively. On a per capita basis, Kent County received \$617 while

Talbot County received \$423 – the least amount per capita for any jurisdiction.

Exhibit 10.5 compares the allocation of State tax revenues and State grants with each county’s share of the State’s population. Montgomery County is the most populous county in Maryland and generates the greatest share of State tax revenues; however, it ranks fourth in the amount of State aid that it receives. Baltimore City, the fourth most populous jurisdiction, receives the largest percentage of State grants, followed by Prince George’s County, the second most populous jurisdiction.

Table 10.2
Change in “Balance Sheet Index”
During 10-year Period

<u>Higher Average</u>	<u>Lower Average</u>	<u>Relatively Constant</u>
Allegany	Anne Arundel	Baltimore
Baltimore City	Caroline	Cecil
Calvert	Carroll	Charles
Prince George’s	Dorchester	Howard
	Frederick	Montgomery
	Garrett	Somerset
	Harford	Talbot
	Kent	Wicomico
	Queen Anne’s	Worcester
	St. Mary’s	
	Washington	

Exhibit 10.6 shows the allocation of State tax revenues and State grants on a per capita basis. The five counties that generate the most State tax revenues in fiscal 2006 as measured on a per capita basis include Talbot, Worcester, Montgomery, Howard, and Anne Arundel. The counties that generate the least State tax revenues include Somerset, Caroline, Cecil, Allegany, and Baltimore City. It is important to note that State residents are subject to the same State tax rates regardless of the locality in which they reside. Jurisdictions that generate more State tax revenue per capita typically have a greater proportion of residents with higher incomes.

Jurisdictions that received the greatest amount of State aid in fiscal 2006 as measured on a per capita basis include Baltimore City, Caroline, Allegany, Wicomico, and Somerset. Counties receiving the least amount of State aid include Talbot, Worcester, Montgomery, Anne Arundel, and Kent. As stated earlier, counties in which taxpayers contribute relatively more State revenues should not necessarily receive more State aid. In fact, several State aid formulas distribute aid inversely to local property and income wealth whereby jurisdictions with greater capacity to raise revenues from local sources receive less State aid. Such aid programs accounted for about 70 percent of State aid to local governments included in the *Balance Sheet*.

Exhibit 10.1
State Financial Assistance Received for Each \$1.00 of Taxes Paid
Direct Aid

10 Fiscal Year Summary

County	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Allegany	0.52	0.54	0.57	0.54	0.56	0.64	0.70	0.67	0.65	0.71
Anne Arundel	0.22	0.22	0.22	0.21	0.21	0.24	0.24	0.22	0.22	0.21
Baltimore City	0.74	0.80	0.88	0.86	0.87	0.98	1.05	0.98	0.94	0.95
Baltimore	0.19	0.20	0.21	0.20	0.20	0.23	0.24	0.23	0.24	0.24
Calvert	0.34	0.34	0.35	0.35	0.38	0.44	0.46	0.46	0.45	0.46
Caroline	0.83	0.88	0.93	0.89	0.88	0.95	1.03	0.97	0.90	0.90
Carroll	0.35	0.36	0.37	0.35	0.34	0.35	0.37	0.35	0.35	0.36
Cecil	0.56	0.57	0.58	0.56	0.56	0.63	0.65	0.62	0.62	0.65
Charles	0.35	0.35	0.36	0.35	0.35	0.39	0.40	0.39	0.40	0.43
Dorchester	0.57	0.60	0.59	0.56	0.59	0.65	0.65	0.61	0.57	0.60
Frederick	0.32	0.32	0.32	0.29	0.29	0.31	0.32	0.31	0.31	0.33
Garrett	0.72	0.74	0.76	0.67	0.65	0.70	0.70	0.67	0.59	0.58
Harford	0.36	0.35	0.37	0.35	0.34	0.37	0.39	0.38	0.37	0.39
Howard	0.18	0.18	0.19	0.18	0.18	0.21	0.22	0.22	0.22	0.22
Kent	0.32	0.32	0.32	0.33	0.29	0.34	0.35	0.30	0.28	0.28
Montgomery	0.11	0.10	0.11	0.11	0.12	0.14	0.16	0.15	0.15	0.14
Prince George's	0.36	0.38	0.42	0.41	0.42	0.47	0.52	0.49	0.50	0.54
Queen Anne's	0.28	0.28	0.28	0.28	0.29	0.27	0.31	0.29	0.27	0.28
St. Mary's	0.41	0.40	0.41	0.38	0.37	0.39	0.40	0.39	0.40	0.42
Somerset	0.92	0.94	0.93	0.86	0.93	1.04	1.11	1.05	0.96	1.04
Talbot	0.10	0.09	0.10	0.09	0.09	0.11	0.10	0.12	0.12	0.11
Washington	0.36	0.37	0.37	0.35	0.35	0.37	0.38	0.36	0.36	0.39
Wicomico	0.39	0.40	0.41	0.38	0.38	0.41	0.45	0.44	0.44	0.45
Worcester	0.08	0.07	0.09	0.09	0.09	0.10	0.10	0.11	0.12	0.12
Total (Weighted Avg)	0.29	0.30	0.32	0.30	0.31	0.35	0.37	0.35	0.34	0.35
County Mean (Simple Avg)	0.40	0.41	0.42	0.40	0.41	0.45	0.47	0.45	0.43	0.45
Standard Deviation	0.22	0.24	0.25	0.23	0.24	0.26	0.28	0.26	0.24	0.25

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations.
Source: Department of Legislative Services

Exhibit 10.2
State Financial Assistance Received for Each \$1.00 of Taxes Paid
Direct Aid and Payments-on-behalf

10 Fiscal Year Summary

County	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Allegany	0.59	0.61	0.62	0.58	0.59	0.67	0.73	0.69	0.67	0.73
Anne Arundel	0.27	0.26	0.26	0.24	0.24	0.26	0.27	0.24	0.23	0.23
Baltimore City	0.81	0.86	0.93	0.90	0.91	1.01	1.08	1.00	0.95	0.96
Baltimore	0.24	0.25	0.25	0.23	0.23	0.25	0.27	0.26	0.26	0.26
Calvert	0.41	0.41	0.40	0.40	0.42	0.47	0.50	0.48	0.47	0.48
Caroline	0.92	0.97	1.00	0.95	0.93	0.99	1.07	0.99	0.92	0.91
Carroll	0.41	0.41	0.41	0.39	0.37	0.38	0.39	0.37	0.37	0.38
Cecil	0.64	0.64	0.64	0.62	0.61	0.66	0.69	0.64	0.64	0.66
Charles	0.40	0.41	0.40	0.39	0.38	0.42	0.43	0.42	0.42	0.44
Dorchester	0.64	0.66	0.65	0.61	0.63	0.67	0.68	0.63	0.59	0.61
Frederick	0.37	0.37	0.36	0.33	0.32	0.33	0.35	0.33	0.33	0.35
Garrett	0.80	0.80	0.81	0.72	0.69	0.72	0.72	0.67	0.60	0.58
Harford	0.42	0.41	0.42	0.39	0.38	0.40	0.42	0.40	0.39	0.40
Howard	0.24	0.23	0.23	0.22	0.22	0.24	0.25	0.25	0.25	0.25
Kent	0.38	0.38	0.37	0.36	0.32	0.37	0.38	0.32	0.30	0.30
Montgomery	0.16	0.15	0.15	0.15	0.15	0.17	0.19	0.19	0.18	0.17
Prince George's	0.42	0.43	0.47	0.45	0.45	0.50	0.55	0.51	0.52	0.55
Queen Anne's	0.34	0.33	0.32	0.32	0.32	0.29	0.34	0.31	0.29	0.29
St. Mary's	0.47	0.46	0.46	0.42	0.41	0.41	0.43	0.41	0.42	0.43
Somerset	1.00	1.01	0.99	0.91	0.97	1.07	1.14	1.06	0.97	1.05
Talbot	0.13	0.13	0.13	0.11	0.11	0.13	0.12	0.14	0.14	0.12
Washington	0.42	0.42	0.42	0.40	0.38	0.40	0.41	0.34	0.38	0.40
Wicomico	0.45	0.46	0.46	0.42	0.42	0.44	0.49	0.47	0.46	0.47
Worcester	0.12	0.11	0.12	0.12	0.11	0.12	0.13	0.13	0.13	0.13
Total (Weighted Avg)	0.35	0.35	0.36	0.34	0.34	0.37	0.40	0.37	0.37	0.37
County Mean (Simple Avg)	0.46	0.46	0.47	0.44	0.44	0.47	0.50	0.47	0.45	0.47
Standard Deviation	0.23	0.25	0.26	0.24	0.25	0.26	0.28	0.26	0.24	0.25

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations.

Source: Department of Legislative Services

Exhibit 10.3
State Financial Assistance Received as a Percent of the Statewide Average
Direct Aid

10 Fiscal Year Summary

County	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Allegany	1.77	1.80	1.79	1.77	1.81	1.84	1.89	1.90	1.87	2.02
Anne Arundel	0.73	0.72	0.69	0.69	0.69	0.70	0.66	0.63	0.63	0.60
Baltimore City	2.53	2.65	2.78	2.85	2.84	2.83	2.85	2.79	2.74	2.70
Baltimore	0.65	0.67	0.65	0.65	0.65	0.66	0.66	0.67	0.68	0.68
Calvert	1.16	1.14	1.10	1.16	1.23	1.26	1.26	1.30	1.30	1.30
Caroline	2.80	2.93	2.92	2.92	2.88	2.75	2.81	2.76	2.60	2.56
Carroll	1.19	1.18	1.16	1.15	1.11	1.01	1.00	0.99	1.02	1.02
Cecil	1.91	1.89	1.81	1.86	1.83	1.81	1.78	1.76	1.79	1.85
Charles	1.18	1.17	1.12	1.15	1.14	1.14	1.09	1.13	1.17	1.21
Dorchester	1.92	1.98	1.87	1.86	1.93	1.87	1.76	1.75	1.66	1.71
Frederick	1.08	1.07	1.00	0.97	0.93	0.89	0.87	0.88	0.90	0.94
Garrett	2.46	2.45	2.39	2.23	2.13	2.02	1.92	1.91	1.72	1.64
Harford	1.23	1.18	1.16	1.14	1.11	1.08	1.05	1.07	1.08	1.10
Howard	0.62	0.60	0.59	0.59	0.60	0.62	0.60	0.64	0.64	0.64
Kent	1.09	1.08	1.02	1.07	0.94	0.98	0.96	0.87	0.82	0.81
Montgomery	0.36	0.34	0.35	0.36	0.38	0.41	0.42	0.43	0.43	0.40
Prince George's	1.21	1.25	1.32	1.36	1.36	1.35	1.41	1.40	1.45	1.53
Queen Anne's	0.96	0.92	0.88	0.92	0.93	0.77	0.86	0.83	0.78	0.79
St. Mary's	1.40	1.34	1.30	1.26	1.22	1.12	1.08	1.11	1.15	1.18
Somerset	3.11	3.12	2.92	2.85	3.03	3.01	3.03	2.99	2.77	2.97
Talbot	0.34	0.31	0.31	0.29	0.29	0.32	0.27	0.36	0.36	0.31
Washington	1.23	1.23	1.18	1.17	1.13	1.08	1.03	1.02	1.04	1.10
Wicomico	1.32	1.32	1.28	1.25	1.25	1.18	1.24	1.25	1.27	1.27
Worcester	0.28	0.22	0.28	0.29	0.29	0.29	0.28	0.33	0.34	0.35
Total (Weighted Avg)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
County Mean (Simple Avg)	1.36	1.36	1.33	1.32	1.32	1.29	1.28	1.28	1.26	1.28
Standard Deviation	0.75	0.78	0.78	0.77	0.79	0.77	0.78	0.76	0.71	0.73

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations.

Source: Department of Legislative Services

Exhibit 10.4
State Financial Assistance Received as a Percent of the Statewide Average
Direct Aid and Payments-on-behalf

10 Fiscal Year Summary

County	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Allegany	1.68	1.72	1.72	1.71	1.75	1.79	1.84	1.86	1.84	1.99
Anne Arundel	0.76	0.75	0.71	0.70	0.71	0.71	0.67	0.64	0.64	0.62
Baltimore City	2.30	2.43	2.58	2.66	2.68	2.70	2.73	2.67	2.61	2.60
Baltimore	0.69	0.70	0.68	0.67	0.67	0.68	0.68	0.69	0.70	0.70
Calvert	1.17	1.16	1.12	1.18	1.23	1.26	1.26	1.29	1.29	1.30
Caroline	2.62	2.75	2.77	2.78	2.75	2.65	2.70	2.64	2.50	2.47
Carroll	1.17	1.17	1.15	1.14	1.11	1.01	1.00	0.99	1.02	1.02
Cecil	1.83	1.82	1.76	1.81	1.79	1.77	1.73	1.71	1.74	1.78
Charles	1.15	1.16	1.11	1.14	1.13	1.13	1.09	1.12	1.16	1.20
Dorchester	1.82	1.88	1.80	1.80	1.87	1.81	1.70	1.69	1.61	1.66
Frederick	1.07	1.07	1.00	0.98	0.94	0.89	0.87	0.89	0.91	0.94
Garrett	2.28	2.28	2.24	2.11	2.03	1.93	1.83	1.80	1.64	1.56
Harford	1.21	1.17	1.16	1.13	1.11	1.08	1.05	1.07	1.07	1.10
Howard	0.68	0.66	0.64	0.64	0.65	0.66	0.64	0.68	0.68	0.67
Kent	1.10	1.08	1.02	1.07	0.94	0.98	0.97	0.87	0.81	0.81
Montgomery	0.46	0.43	0.43	0.43	0.44	0.47	0.48	0.50	0.48	0.45
Prince George's	1.19	1.23	1.30	1.33	1.33	1.33	1.38	1.38	1.42	1.50
Queen Anne's	0.97	0.93	0.89	0.93	0.94	0.78	0.86	0.83	0.78	0.80
St. Mary's	1.36	1.31	1.28	1.24	1.21	1.11	1.08	1.11	1.15	1.17
Somerset	2.85	2.89	2.73	2.69	2.88	2.87	2.88	2.84	2.65	2.83
Talbot	0.38	0.36	0.35	0.33	0.33	0.35	0.30	0.38	0.37	0.33
Washington	1.20	1.20	1.17	1.16	1.12	1.07	1.03	0.91	1.04	1.09
Wicomico	1.29	1.29	1.27	1.25	1.24	1.17	1.23	1.25	1.26	1.27
Worcester	0.35	0.30	0.34	0.34	0.33	0.32	0.32	0.35	0.36	0.36
Total (Weighted Avg)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
County Mean (Simple Avg)	1.32	1.32	1.30	1.30	1.30	1.27	1.26	1.26	1.24	1.26
Standard Deviation	0.67	0.70	0.71	0.71	0.73	0.72	0.72	0.70	0.70	0.69

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations.

Source: Department of Legislative Services

Exhibit 10.5
Comparison of State Tax Revenues and State Aid
Fiscal 2006

County	<u>Share of Population</u>			<u>Share of State Tax Revenues</u>			<u>Share of State Aid</u>		
	Population	Percent of Total	Ranking	Total Revenues	Percent of Total	Ranking	Total State Aid	Percent of Total	Ranking
Allegany	72,777	1.3%	16	\$109,610,975	0.9%	18	\$80,464,745	1.7%	16
Anne Arundel	510,088	9.2	5	1,295,789,133	10.2	4	296,181,606	6.3	5
Baltimore City	640,064	11.5	4	1,031,662,104	8.1	5	989,955,141	21.1	1
Baltimore	782,885	14.0	3	1,947,568,684	15.3	2	501,011,371	10.7	3
Calvert	86,813	1.6	15	177,288,806	1.4	14	84,917,211	1.8	14
Caroline	31,531	0.6	20	43,132,785	0.3	22	39,378,350	0.8	17
Carroll	166,961	3.0	9	361,329,363	2.8	9	136,545,407	2.9	9
Cecil	96,706	1.7	13	137,825,611	1.1	16	90,782,846	1.9	13
Charles	137,273	2.5	11	307,835,715	2.4	10	136,517,865	2.9	10
Dorchester	31,140	0.6	21	50,739,280	0.4	21	31,185,218	0.7	18
Frederick	219,443	3.9	8	524,802,483	4.1	7	182,538,827	3.9	8
Garrett	29,681	0.5	22	52,270,989	0.4	20	30,095,874	0.6	20
Harford	237,317	4.3	7	495,633,674	3.9	8	200,707,876	4.3	6
Howard	267,779	4.8	6	754,815,933	5.9	6	187,903,523	4.0	7
Kent	19,778	0.4	24	40,759,157	0.3	23	12,205,931	0.3	24
Montgomery	921,016	16.5	1	2,758,521,024	21.7	1	460,756,330	9.8	4
Prince George's	838,156	15.0	2	1,541,147,954	12.1	3	852,848,273	18.1	2
Queen Anne's	45,050	0.8	18	102,635,026	0.8	19	30,174,330	0.6	19
St. Mary's	96,967	1.7	12	192,403,279	1.5	13	83,311,216	1.8	15
Somerset	25,564	0.5	23	24,989,651	0.2	24	26,144,164	0.6	21
Talbot	35,639	0.6	19	124,772,679	1.0	17	15,077,339	0.3	23
Washington	141,252	2.5	10	290,544,542	2.3	11	117,318,254	2.5	11
Wicomico	90,450	1.6	14	197,157,780	1.5	12	92,632,155	2.0	12
Worcester	48,833	0.9	17	168,880,471	1.3	15	22,579,362	0.5	22
Total	5,573,163	100.0%		\$12,732,117,098	100.0%		\$4,701,233,214	100.0%	

Source: Department of Legislative Services

Exhibit 10.6
Per Capita Allocation of State Tax Revenues and State Aid
Fiscal 2006

<u>Allocation of State Tax Revenues</u>					<u>State Aid to Local Governments</u>		
County	Population	Total Revenues	Per Capita Amount	Ranking	Total State Aid	Per Capita Amount	Ranking
Allegany	72,777	\$109,610,975	\$1,506	21	\$80,464,745	\$1,106	3
Anne Arundel	510,088	1,295,789,133	2,540	5	296,181,606	581	21
Baltimore City	640,064	1,031,662,104	1,612	20	989,955,141	1,547	1
Baltimore	782,885	1,947,568,684	2,488	6	501,011,371	640	19
Calvert	86,813	177,288,806	2,042	15	84,917,211	978	10
Caroline	31,531	43,132,785	1,368	23	39,378,350	1,249	2
Carroll	166,961	361,329,363	2,164	11	136,545,407	818	16
Cecil	96,706	137,825,611	1,425	22	90,782,846	939	11
Charles	137,273	307,835,715	2,243	9	136,517,865	994	9
Dorchester	31,140	50,739,280	1,629	19	31,185,218	1,001	8
Frederick	219,443	524,802,483	2,392	7	182,538,827	832	14
Garrett	29,681	52,270,989	1,761	18	30,095,874	1,014	7
Harford	237,317	495,633,674	2,088	12	200,707,876	846	13
Howard	267,779	754,815,933	2,819	4	187,903,523	702	17
Kent	19,778	40,759,157	2,061	13	12,205,931	617	20
Montgomery	921,016	2,758,521,024	2,995	3	460,756,330	500	22
Prince George's	838,156	1,541,147,954	1,839	17	852,848,273	1,018	6
Queen Anne's	45,050	102,635,026	2,278	8	30,174,330	670	18
St. Mary's	96,967	192,403,279	1,984	16	83,311,216	859	12
Somerset	25,564	24,989,651	978	24	26,144,164	1,023	5
Talbot	35,639	124,772,679	3,501	1	15,077,339	423	24
Washington	141,252	290,544,542	2,057	14	117,318,254	831	15
Wicomico	90,450	197,157,780	2,180	10	92,632,155	1,024	4
Worcester	48,833	168,880,471	3,458	2	22,579,362	462	23
Total	5,573,163	\$12,732,117,098	\$2,285		\$4,701,233,214	\$844	

Source: Department of Legislative Services

Chapter 11. Tax Capacity and Effort

Local governments in Maryland exercise broad control over taxing practices and are responsible for providing a wide range of services. Given this role, it is important to analyze fiscal disparity – an imbalance of revenue raising ability among subdivisions. Disparity exists when a given level of taxation yields varying revenues among the subdivisions. The extent of disparity is often analyzed in terms of local governments' tax capacity and effort – the subdivisions' taxing potential and practice.

The State takes into account a jurisdiction's revenue capacity when allocating State funding. Over 65 percent of State assistance is distributed inversely to local wealth. Utilizing local wealth measures to distribute State assistance attempts to offset the inequalities in the revenue capacity among local jurisdictions.

To measure and compare the taxing ability of Maryland's local governments, the Department of Legislative Services calculates two indices: (1) tax capacity, which reflects the potential tax base of a local government; and (2) tax effort, which measures the extent to which the local tax base is actually taxed. The indices are derived from revenue data of the 23 counties and Baltimore City. Municipal figures are included with county numbers to reflect the total local fiscal picture. **Table 11.1** shows the counties with the highest and lowest tax capacity as well as those with the highest and lowest tax effort.

Table 11.1
Counties with the Highest and Lowest
Tax Capacity and Effort
Fiscal 2001-2003

Highest Tax Capacity

Worcester
Talbot
Montgomery
Howard
Queen Anne's

Lowest Tax Capacity

Somerset
Baltimore City
Allegany
Caroline
Wicomico

Highest Tax Effort

Baltimore City
Allegany
Prince George's
Wicomico
Somerset

Lowest Tax Effort

Talbot
Worcester
Queen Anne's
Kent
Calvert

Source: Department of Legislative Services

Calculating the Index

The tax capacity index is calculated for each county by computing the hypothetical yield from each of several tax sources using the statewide average tax rate. This yield is put on per capita terms and indexed to the State average. Thus, a county with a tax capacity index greater than 100 has above average revenue raising potential, while an index value below 100 would indicate below average potential.

It is important to note that the tax capacity and effort indices measure the relative, not the absolute, revenue raising potential and tax base utilization of the local jurisdictions. They compare local governments with one another using statewide averages rather than an ideal or abstract number. The tax effort is not a measure of what the tax level should be; therefore, it should not be used to judge whether local governments are taxing too little or too much.

Findings

Exhibit 11.1 shows the average tax capacity and effort of the local jurisdictions for fiscal 2001 through 2003, the most recent years available. The tax capacity index is highly influenced by the property tax and income tax, the two largest taxes at the local level. Those jurisdictions with high property valuations and income wealth, therefore, tend to be among those with the highest capacity. Worcester County has the highest capacity due to the large property assessable base and hotel/motel room rentals in the resort town of Ocean City. In

contrast, Somerset County has the lowest capacity due to its low income levels and property assessable base.

The tax effort index is skewed by the very high value for Baltimore City, which has the State's highest property tax rate. Allegany, Prince George's, and Wicomico counties are the only other jurisdictions that have an effort above the State average. Tax effort reflects many things such as constituent demands, population needs and characteristics, and cost differentials. Tax effort also reflects the fact that jurisdictions with high capacity can raise higher revenues with lower rates. Thus, it is not surprising that some of the subdivisions with high capacities have low efforts (Calvert, Kent, Queen Anne's, Talbot, and Worcester counties), while some of the lowest wealth subdivisions have high effort (Allegany and Wicomico counties and Baltimore City).

Over the past decade, the relative revenue raising capacity of eight jurisdictions declined (Allegany, Baltimore City, Baltimore, Calvert, Montgomery, Prince George's, Wicomico, and Worcester) and 15 increased (Anne Arundel, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Queen Anne's, St. Mary's, Talbot, and Washington). Somerset County's revenue capacity remained stable. Among the five lowest wealth subdivisions, three decreased (Allegany, Baltimore City, and Wicomico), one increased (Caroline), and one remained constant (Somerset).

The combined capacity index is calculated by adding State aid as another revenue source. In fiscal 2003, the State provided \$4.1 billion in aid to local governments, much of it distributed inversely to wealth. State aid raises the index for

low capacity jurisdictions and reduces it for wealthier ones. **Exhibit 11.2** shows the impact State aid has in reducing fiscal disparities. Seven subdivisions fall within 10 points of the State average when State aid is excluded. However, when State aid is added to the index, that number rises to 11 subdivisions.

State aid raised the relative capacity of low-wealth subdivisions by an average of 13 points and, conversely,

lowered the relative capacity of the medium- to high-wealth subdivisions by an average of 14 points. For example, due to State aid, Baltimore City has a higher combined capacity than several urbanized counties such as Baltimore and Prince George's counties, which have higher tax capacity than the city. In addition, with State aid, Charles and Garrett counties' combined capacity is above the State average, while their tax capacity is below average.

Exhibit 11.1
Tax Capacity and Tax Effort
(Fiscal 2001-2003 Average)

County	Tax Capacity		Tax Effort	
	Index	Rank	Index	Rank
Allegany	55	22	126	2
Anne Arundel	115	6	88	13
Baltimore City	52	23	174	1
Baltimore	95	13	94	8
Calvert	115	7	81	20
Caroline	67	21	83	18
Carroll	98	11	86	14
Cecil	84	16	86	15
Charles	99	10	91	12
Dorchester	77	19	95	6
Frederick	103	9	94	9
Garrett	97	12	86	16
Harford	93	14	92	11
Howard	134	4	86	17
Kent	104	8	81	21
Montgomery	146	3	95	7
Prince George's	79	17	122	3
Queen Anne's	120	5	81	22
St. Mary's	89	15	82	19
Somerset	44	24	98	5
Talbot	160	2	54	24
Washington	79	18	93	10
Wicomico	72	20	104	4
Worcester	208	1	79	23
State Average	100		100	

Source: Department of Legislative Services

Exhibit 11.2
Impact of State Aid on Tax Capacity
(Fiscal 2001-2003 Averages)

County	Tax Capacity	Combined Capacity	Difference Between Index
Somerset	44	69	25
Baltimore City	52	94	42
Allegany	55	78	23
Caroline	67	95	28
Wicomico	72	86	14
Dorchester	77	94	17
Prince George's	79	88	9
Washington	79	84	5
Cecil	84	92	8
St. Mary's	89	93	4
Harford	93	95	2
Baltimore	95	89	-6
Garrett	97	113	16
Carroll	98	98	0
Charles	99	103	4
Frederick	103	101	-2
Kent	104	102	-2
Calvert	115	114	-1
Anne Arundel	115	104	-11
Queen Anne's	120	112	-8
Howard	134	118	-16
Montgomery	146	120	-26
Talbot	160	129	-31
Worcester	208	164	-44
State Average	100	100	0

Source: Department of Legislative Services

Appendices

Appendix 1

Number of Local Governments in the United States by Type

Rank	State	Total	County	Municipal	Townships	Special	Rank	State	Total	County	Municipal	Townships	Special
1	Illinois	6,994	102	1,299	1,432	4,161	26	Montana	1,273	54	129	0	1090
2	Pennsylvania	4,871	66	1,016	1,546	2,243	27	Idaho	1,240	44	200	0	996
3	Texas	4,835	254	1,209	0	3,372	28	Alabama	1,185	67	458	0	660
4	California	4,344	57	478	0	3,809	29	Mississippi	1,000	82	296	0	622
5	Kansas	3,931	104	627	1,353	1,847	30	North Carolina	963	100	548	0	315
6	Missouri	3,723	114	952	312	2,345	31	Tennessee	928	92	347	0	489
7	Ohio	3,702	88	938	1,308	1368	32	New Mexico	863	33	101	0	729
8	Minnesota	3,526	87	854	1788	797	33	Massachusetts	861	5	45	306	505
9	New York	3,403	57	618	929	1,799	34	Maine	850	16	22	466	346
10	Indiana	3,231	91	567	1,008	1,565	35	Vermont	733	14	45	237	437
11	Wisconsin	3,120	72	592	1,259	1,197	36	Wyoming	726	23	99	0	604
12	Michigan	2,893	83	533	1,242	1035	37	South Carolina	698	46	268	0	384
13	North Dakota	2,699	53	357	1320	969	38	West Virginia	663	55	232	0	376
14	Nebraska	2,659	93	530	454	1582	39	Connecticut	649	0	30	149	470
15	Colorado	2,416	62	270	0	2084	40	Arizona	645	15	90	0	540
16	South Dakota	1,983	66	309	916	692	41	Utah	599	29	242	0	328
17	Iowa	1,954	99	947	0	908	42	New Hampshire	545	10	13	221	301
18	Oklahoma	1,880	77	594	0	1,209	43	Louisiana	526	60	303	0	163
19	Washington	1,845	39	281	0	1,525	44	Virginia	511	95	229	0	187
20	Florida	1,623	66	411	0	1,146	45	Delaware	338	3	57	0	278
21	Arkansas	1,548	75	502	0	971	46	Maryland	256	23	157	0	76
22	Oregon	1,546	36	242	0	1268	47	Nevada	198	16	19	0	163
23	Georgia	1,439	154	535	0	750	48	Alaska	177	14	148	0	15
24	New Jersey	1,383	21	324	242	796	49	Rhode Island	134	0	8	31	95
25	Kentucky	1,346	118	419	0	809	50	Hawaii	19	3	1	0	15
District of Columbia		2	0	1	0	1	United States		89,476	3,033	19,492	16,519	50,432

Source: U.S. Census Bureau, 2007 *Census of Government*

Appendix 2

Incorporated Cities and Towns in Maryland

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>	<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Allegany			Carroll		
Barton	1900	Ch. 729	Hampstead	1888	Ch. 295
Cumberland	1815	Ch. 136	Manchester	1833	Ch. 193
Frostburg	1839	Ch. 179	Mount Airy (also in Frederick)	1894	Ch. 91
Lonaconing	1890	Ch. 132	New Windsor	1843	Ch. 47
Luke	1922	Ch. 73	Sykesville	1904	Ch. 256
Midland	1900	Ch. 681	Taneytown	1836	Ch. 309
Westernport	1858	Ch. 54	Union Bridge	1872	Ch. 174
			Westminster	1818	Ch. 128
Anne Arundel			Cecil		
Annapolis	1708	Ch. 7	Cecilton	1864	Ch. 353
Highland Beach	1922	Ch. 213	Charlestown	1786	Ch. 20
Baltimore County			Chesapeake City	1849	Ch. 271
None			Elkton	1821	Ch. 143
Calvert			North East	1849	Ch. 339
Chesapeake Beach	1886	Ch. 203	Perryville	1882	Ch. 212
North Beach	1910	Ch. 395	Port Deposit	1824	Ch. 33
			Rising Sun	1860	Ch. 383
Caroline			Charles		
Denton	1802	Ch. 25	Indian Head	1920	Ch. 590
Federalsburg	1823	Ch. 174	La Plata	1888	Ch. 325
Goldsboro	1906	Ch. 87	Port Tobacco	1888	Ch. 297
Greensboro	1826	Ch. 97			
Henderson	1949	Ch. 498			
Hillsboro	1853	Ch. 161			
Marydel	1929	Ch. 38			
Preston	1892	Ch. 689			
Ridgely	1896	Ch. 178			
Templeville (also in Queen Anne's)	1865	Ch. 86			

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Dorchester		
Brookview	1953	Ch. 704
Cambridge	1793	Ch. 66
Church Creek	1867	Ch. 53
East New Market	1832	Ch. 167
Eldorado	1947	Ch. 313
Galestown	1951	Ch. 92
Hurlock	1892	Ch. 249
Secretary	1900	Ch. 555
Vienna	1833	Ch. 216
Frederick		
Brunswick	1890	Ch. 577
Burkittsville	1894	Ch. 652
Emmitsburg	1824	Ch. 29
Frederick	1816	Ch. 74
Middletown	1833	Ch. 143
Mount Airy (also in Carroll)	1894	Ch. 91
Myersville	1904	Ch. 94
New Market	1878	Ch. 90
Rosemont	1953	Ch. 262
Thurmont	1894	Ch. 16
Walkersville	1892	Ch. 351
Woodsboro	1836	Ch. 299
Garrett		
Accident	1916	Ch. 514
Deer Park	1884	Ch. 519
Friendsville	1902	Ch. 477
Grantsville	1864	Ch. 99
Kitzmiller	1906	Ch. 285
Loch Lynn Heights	1896	Ch. 450
Mountain Lake Park	1931	Ch. 507
Oakland	1862	Ch. 250

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Harford		
Aberdeen	1892	Ch. 136
Bel Air	1874	Ch. 273
Havre de Grace	1785	Ch. 55
Howard		
None		
Kent		
Betterton	1906	Ch. 227
Chestertown	1805	Ch. 271
Galena	1858	Ch. 373
Millington (also in Queen Anne's)	1890	Ch. 386
Rock Hall	1908	Ch. 171
Montgomery		
Barnesville	1888	Ch. 254
Brookeville	1808	Ch. 90
Chevy Chase	1918	Ch. 177
Chevy Chase, Sec. 3	1982	Referendum
Chevy Chase, Sec. 5	1982	Referendum
Chevy Chase View	1993	Referendum
Chevy Chase Village	1910	Ch. 382
Gaithersburg	1878	Ch. 397
Garrett Park	1898	Ch. 453
Glen Echo	1904	Ch. 436
Kensington	1894	Ch. 621
Laytonsville	1892	Ch. 497
Martin's Additions	1985	Referendum
North Chevy Chase	1996	Referendum
Poolesville	1867	Ch. 174
Rockville	1860	Ch. 373
Somerset	1906	Ch. 795
Takoma Park	1890	Ch. 480
Washington Grove	1937	Ch. 372

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Prince George's		
Berwyn Heights	1896	Ch. 267
Bladensburg	1854	Ch. 137
Bowie	1882	Ch. 488
Brentwood	1912	Ch. 401
Capitol Heights	1910	Ch. 513
Cheverly	1931	Ch. 200
College Park	1945	Ch. 1051
Colmar Manor	1927	Ch. 178
Cottage City	1924	Ch. 390
District Heights	1936	Ch. 61
Eagle Harbor	1929	Ch. 397
Edmonston	1924	Ch. 154
Fairmount Heights	1935	Ch. 199
Forest Heights	1949	Ch. 142
Glenarden	1939	Ch. 650
Greenbelt	1937	Ch. 532
Hyattsville	1886	Ch. 424
Landover Hills	1945	Ch. 465
Laurel	1870	Ch. 260
Morningside	1949	Ch. 589
Mount Rainier	1910	Ch. 514
New Carrollton	1953	Ch. 441
North Brentwood	1924	Ch. 508
Riverdale Park	1920	Ch. 731
Seat Pleasant	1931	Ch. 197
University Park	1936	Ch. 132
Upper Marlboro	1870	Ch. 363

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Queen Anne's		
Barclay	1931	Ch. 483
Centreville	1794	Ch. 23
Church Hill	1876	Ch. 201
Millington (also in Kent)	1890	Ch. 386
Queen Anne (also in Talbot)	1953	Ch. 17
Queenstown	1892	Ch. 542
Sudlersville	1870	Ch. 313
Templeville (also in Caroline)	1865	Ch. 86
St. Mary's		
Leonardtown	1858	Ch. 73
Somerset		
Crisfield	1872	Ch. 151
Princess Anne	1894	Ch. 543
Talbot		
Easton	1790	Ch. 14
Oxford	1852	Ch. 367
Queen Anne (also in Queen Anne's)	1953	Ch. 17
St. Michaels	1804	Ch. 82
Trappe	1827	Ch. 103
Washington		
Boonsboro	1831	Ch. 139
Clear Spring	1836	Ch. 141
Funkstown	1840	Ch. 78
Hagerstown	1813	Ch. 121
Hancock	1853	Ch. 319
Keedysville	1872	Ch. 251
Sharpsburg	1832	Ch. 28
Smithsburg	1841	Ch. 284
Williamsport	1823	Ch. 125

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Wicomico		
Delmar	1888	Ch. 167
Fruitland	1947	Ch. 662
Hebron	1931	Ch. 90
Mardela Springs	1906	Ch. 325
Pittsville	1906	Ch. 499
Salisbury	1854	Ch. 287
Sharptown	1874	Ch. 465
Willards	1906	Ch. 195

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Worcester		
Berlin	1868	Ch. 424
Ocean City	1880	Ch. 209
Pocomoke City	1878	Ch. 253
Snow Hill	1812	Ch. 72

Source: Maryland State Archives, Department of Legislative Services

Appendix 3
Residents Residing in Municipalities
July 2007

County	County Population	Municipal Population	Percent of County	Rank
Allegany	72,594	32,560	44.9%	3
Anne Arundel	512,154	36,713	7.2%	19
Baltimore City	637,455	0	0.0%	24
Baltimore	788,994	1	0.0%	22
Calvert	88,223	5,263	6.0%	20
Caroline	32,910	11,253	34.2%	9
Carroll	169,220	43,290	25.6%	12
Cecil	99,695	26,358	26.4%	11
Charles	140,444	12,582	9.0%	18
Dorchester	31,846	15,120	47.5%	2
Frederick	224,705	89,182	39.7%	5
Garrett	29,627	6,486	21.9%	14
Harford	239,993	36,726	15.3%	16
Howard	273,669	0	0.0%	24
Kent	19,987	7,537	37.7%	6
Montgomery	930,813	153,353	16.5%	15
Prince George's	828,770	221,912	26.8%	10
Queen Anne's	46,571	5,307	11.4%	17
St. Mary's	100,378	2,218	2.2%	21
Somerset	26,016	5,710	21.9%	13
Talbot	36,193	17,426	48.1%	1
Washington	145,113	52,855	36.4%	7
Wicomico	93,600	39,540	42.2%	4
Worcester	49,374	17,297	35.0%	8
Statewide	5,618,344	838,689	14.9%	

Source: Maryland Department of Planning, Department of Legislative Services

Appendix 4
United States and States – Racial Composition as of July 2007

State	White	African American	Hispanic/ Latino	Asian	Other
Alabama	68.6%	26.3%	2.7%	0.9%	1.5%
Alaska	66.1%	3.8%	5.9%	4.4%	19.8%
Arizona	59.1%	3.4%	29.6%	2.3%	5.6%
Arkansas	76.0%	15.6%	5.3%	1.0%	2.1%
California	42.7%	6.1%	36.2%	12.1%	2.8%
Colorado	71.3%	3.8%	19.9%	2.6%	2.4%
Connecticut	74.4%	9.3%	11.5%	3.4%	1.4%
Delaware	68.7%	20.4%	6.5%	2.8%	1.6%
District of Columbia	32.5%	54.1%	8.3%	3.3%	1.7%
Florida	60.8%	15.0%	20.6%	2.2%	1.4%
Georgia	58.5%	29.6%	7.8%	2.8%	1.4%
Hawaii	24.7%	2.6%	8.2%	39.1%	25.4%
Idaho	85.6%	0.7%	9.8%	1.1%	2.8%
Illinois	65.0%	14.6%	14.9%	4.2%	1.2%
Indiana	83.5%	8.8%	5.0%	1.3%	1.3%
Iowa	90.6%	2.5%	4.0%	1.6%	1.3%
Kansas	80.7%	5.8%	8.8%	2.2%	2.5%
Kentucky	88.0%	7.6%	2.2%	1.0%	1.2%
Louisiana	62.3%	31.6%	3.2%	1.4%	1.5%
Maine	95.5%	0.9%	1.2%	0.9%	1.5%
Maryland	58.1%	28.9%	6.3%	5.0%	1.7%
Massachusetts	79.7%	5.9%	8.2%	4.8%	1.3%
Michigan	77.6%	14.1%	4.0%	2.3%	2.0%
Minnesota	85.7%	4.3%	4.0%	3.5%	2.5%

State	White	African American	Hispanic/ Latino	Asian	Other
Mississippi	58.9%	37.0%	2.1%	0.8%	1.2%
Missouri	82.3%	11.4%	3.0%	1.4%	1.8%
Montana	88.2%	0.5%	2.8%	0.6%	7.8%
Nebraska	84.5%	4.2%	7.5%	1.7%	2.0%
Nevada	58.0%	7.3%	25.1%	6.0%	3.7%
New Hampshire	93.4%	1.1%	2.5%	1.9%	1.2%
New Jersey	62.2%	13.3%	15.9%	7.4%	1.2%
New Mexico	42.3%	2.1%	44.4%	1.2%	9.9%
New York	60.3%	15.0%	16.4%	6.8%	1.5%
North Carolina	67.5%	21.4%	7.0%	1.8%	2.2%
North Dakota	89.9%	1.0%	1.9%	0.8%	6.5%
Ohio	82.7%	11.8%	2.5%	1.6%	1.4%
Oklahoma	71.8%	7.7%	7.2%	1.7%	11.6%
Oregon	80.5%	1.7%	10.6%	3.6%	3.6%
Pennsylvania	81.8%	10.3%	4.5%	2.4%	1.1%
Rhode Island	79.3%	5.0%	11.2%	2.7%	1.7%
South Carolina	65.3%	28.4%	3.8%	1.2%	1.3%
South Dakota	86.4%	1.0%	2.3%	0.7%	9.5%
Tennessee	77.2%	16.7%	3.5%	1.3%	1.3%
Texas	47.9%	11.4%	36.0%	3.3%	1.4%
Utah	82.3%	1.0%	11.6%	1.9%	3.2%
Vermont	95.3%	0.8%	1.3%	1.1%	1.5%
Virginia	67.3%	19.5%	6.6%	4.8%	1.9%
Washington	76.1%	3.4%	9.4%	6.5%	4.6%
West Virginia	93.6%	3.5%	1.1%	0.7%	1.1%
Wisconsin	85.4%	5.9%	4.9%	2.0%	1.9%
Wyoming	87.3%	1.0%	7.3%	0.7%	3.6%
United States	66.0%	12.3%	15.1%	4.3%	2.3%

Appendix 5
Washington and Baltimore Metropolitan Statistical Areas

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>Population Change</u>		<u>Percent Change</u>	
				<u>1990-2000</u>	<u>2000-2007</u>	<u>1990-2000</u>	<u>2000-2007</u>
Washington Metropolitan Area	4,122,199	4,796,183	5,306,565	673,984	510,382	16.4%	10.6%
District of Columbia	606,900	572,059	588,292	-34,841	16,233	-5.7%	2.8%
Maryland	1,788,314	2,065,242	2,212,955	276,928	147,713	15.5%	7.2%
Calvert	51,372	74,563	88,223	23,191	13,660	45.1%	18.3%
Charles	101,154	120,546	140,444	19,392	19,898	19.2%	16.5%
Frederick	150,208	195,277	224,705	45,069	29,428	30.0%	15.1%
Montgomery	762,875	873,341	930,813	110,466	57,472	14.5%	6.6%
Prince George's	722,705	801,515	828,770	78,810	27,255	10.9%	3.4%
Virginia	1,691,059	2,116,692	2,454,486	425,633	337,794	25.2%	16.0%
Alexandria City	111,183	128,283	140,024	17,100	11,741	15.4%	9.2%
Arlington	170,936	189,453	204,568	18,517	15,115	10.8%	8.0%
Clarke	12,101	12,652	14,361	551	1,709	4.6%	13.5%
Fairfax City	19,622	21,498	23,349	1,876	1,851	9.6%	8.6%
Fairfax	818,584	969,749	1,010,241	151,165	40,492	18.5%	4.2%
Falls Church City	9,578	10,377	10,948	799	571	8.3%	5.5%
Fauquier	48,741	55,139	66,328	6,398	11,189	13.1%	20.3%
Fredericksburg City	19,027	19,279	22,410	252	3,131	1.3%	16.2%
Loudoun	86,129	169,599	278,797	83,470	109,198	96.9%	64.4%
Manassas City	27,957	35,135	35,412	7,178	277	25.7%	0.8%
Manassas Park City	6,734	10,290	11,426	3,556	1,136	52.8%	11.0%
Prince William	215,686	280,813	360,411	65,127	79,598	30.2%	28.3%
Spotsylvania	57,403	90,395	119,194	32,992	28,799	57.5%	31.9%
Stafford	61,236	92,446	120,723	31,210	28,277	51.0%	30.6%
Warren	26,142	31,584	36,294	5,442	4,710	20.8%	14.9%
West Virginia	35,926	42,190	50,832	6,264	8,642	17.4%	20.5%
Jefferson	35,926	42,190	50,832	6,264	8,642	17.4%	20.5%

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>Population Change</u>		<u>Percent Change</u>	
				<u>1990-2000</u>	<u>2000-2007</u>	<u>1990-2000</u>	<u>2000-2007</u>
Baltimore Metropolitan Area	2,382,172	2,552,994	2,668,056	170,822	115,062	7.2%	4.5%
Baltimore City	736,014	651,154	637,455	-84,860	-13,699	-11.5%	-2.1%
Anne Arundel	427,239	489,656	512,154	62,417	22,498	14.6%	4.6%
Baltimore	692,134	754,292	788,994	62,158	34,702	9.0%	4.6%
Carroll	123,372	150,897	169,220	27,525	18,323	22.3%	12.1%
Harford	182,132	218,590	239,993	36,458	21,403	20.0%	9.8%
Howard	187,328	247,842	273,669	60,514	25,827	32.3%	10.4%
Queen Anne's	33,953	40,563	46,571	6,610	6,008	19.5%	14.8%

Source: United States Census Bureau

Appendix 6
Special County Property Tax Rates
Fiscal 2009

	<u>Real Property Tax Rate</u>	<u>Percent of Total</u>
Charles County		
General Tax	\$0.962	93.8%
Fire District Tax	0.064	6.2%
Total Rate	\$1.026	100.0%
Frederick County		
General Tax	\$0.936	88.0%
Fire District Tax (Urban)	0.128	12.0%
Total Rate	\$1.064	100.0%
Howard County		
General Tax	\$1.0140	88.2%
Fire District Tax (Metro)	0.1355	11.8%
Total Rate	\$1.1495	100.0%
Montgomery County		
General Tax	\$0.661	72.2%
Transit Tax	0.040	4.4%
Fire District Tax	0.116	12.7%
M-NCPPC	0.073	8.0%
Recreation Tax	0.022	2.4%
Storm Drainage Tax	0.003	0.3%
Total Rate	\$0.915	100.0%
Prince George's County		
General Tax	\$0.960	72.8%
M-NCPPC	0.279	21.2%
WSTC	0.026	2.0%
Stormwater	0.054	4.1%
Total Rate	\$1.319	100.0%

Source: Department of Legislative Services

Appendix 7
County and Municipal Real Property Tax Rates
Fiscal 2009

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Allegany	72,594	\$0.9829			\$0.9829
Barton	457	0.9552	0.1981	-	1.1533
Cumberland	20,676	0.9074	0.9645	-	1.8719
Frostburg	7,804	0.9107	0.5540	-	1.4647
Lonaconing	1,138	0.9336	0.5000	-	1.4336
Luke	74	0.9304	0.5500	-	1.4804
Midland	445	0.9552	0.2800	-	1.2352
Westernport	1,966	0.9336	0.6000	-	1.5336
Anne Arundel	512,154	0.888			0.888
Annapolis	36,603	0.530	0.530	-	1.060
Highland Beach	110	0.880	0.416	-	1.296
Baltimore City	637,455	2.268			2.268
Baltimore	788,994	1.100			1.100
Calvert	88,223	0.892			0.892
Chesapeake Beach	3,394	0.556	0.370	-	0.926
North Beach	1,869	0.556	0.610	-	1.166

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Caroline	32,910	\$0.870			\$0.870
Denton	3,833	0.750	0.660	-	1.410
Federalsburg	2,611	0.750	0.640	-	1.390
Goldsboro	211	0.830	0.400	-	1.230
Greensboro	1,967	0.750	0.545	-	1.295
Henderson	121	0.830	0.300	-	1.130
Hillsboro	157	0.830	0.160	-	0.990
Marydel	142	0.830	0.300	-	1.130
Preston	671	0.750	0.360	-	1.110
Ridgely	1,514	0.750	0.530	-	1.280
Templeville*	26	0.830	0.252	-	1.082
Carroll	169,220	1.048			1.048
Hampstead	5,466	1.048	0.200	-	1.248
Manchester	3,548	1.048	0.184	-	1.232
Mount Airy*	4,288	1.048	0.165	-	1.213
New Windsor	1,353	1.048	0.200	-	1.248
Sykesville	4,417	1.048	0.330	-	1.378
Taneytown	5,424	1.048	0.320	-	1.368
Union Bridge	1,079	1.048	0.300	-	1.348
Westminster	17,715	1.048	0.440	-	1.488
Cecil	99,695	0.960			0.960
Cecilton	488	0.960	0.240	-	1.200
Charlestown	1,099	0.960	0.280	-	1.240
Chesapeake City	806	0.960	0.420	-	1.380
Elkton	14,825	0.960	0.504	-	1.464
North East	2,829	0.960	0.480	-	1.440
Perryville	3,801	0.960	0.362	-	1.322
Port Deposit	700	0.960	0.551	-	1.511
Rising Sun	1,810	0.960	0.360	-	1.320

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Charles	140,444	\$0.9620		\$0.0640	\$1.0260
Indian Head	3,776	0.9270	0.3100	0.0640	1.3010
La Plata	8,787	0.8840	0.3200	0.0640	1.2680
Port Tobacco	19	0.9620	0.0400	0.0640	1.0660
Dorchester	31,846	0.896			0.896
Brookview	62	0.896	0.260	-	1.156
Cambridge	11,796	0.850	0.676	-	1.526
Church Creek	78	0.896	0.170	-	1.066
East New Market	256	0.896	0.540	-	1.436
Eldorado	57	0.896	0.180	-	1.076
Galestown	97	0.896	0.280	-	1.176
Hurlock	1,975	0.850	0.720	-	1.570
Secretary	488	0.896	0.320	-	1.216
Vienna	311	0.896	0.480	-	1.376
Frederick	224,705	0.936		0.128	1.064
Brunswick	5,231	0.936	0.422	0.080	1.438
Burkittsville	186	0.936	0.140	0.080	1.156
Emmitsburg	2,366	0.936	0.360	0.128	1.424
Frederick City	59,220	0.936	0.650	0.128	1.714
Middletown	2,858	0.936	0.232	0.080	1.248
Mount Airy*	4,490	0.936	0.165	0.000	1.101
Myersville	1,510	0.936	0.274	0.080	1.290
New Market	465	0.936	0.120	0.128	1.184
Rosemont	309	0.936	0.040	0.080	1.056
Thurmont	6,035	0.936	0.270	0.080	1.286
Walkersville	5,599	0.936	0.156	0.080	1.172
Woodsboro	913	0.936	0.120	0.080	1.136

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Garrett	29,627	\$1.000			\$1.000
Accident	332	1.000	0.224	-	1.224
Deer Park	384	1.000	0.300	-	1.300
Friendsville	505	1.000	0.240	-	1.240
Grantsville	578	1.000	0.260	-	1.260
Kitzmiller	280	1.000	0.360	-	1.360
Loch Lynn Heights	437	1.000	0.270	-	1.270
Mountain Lake Park	2,114	0.942	0.326	-	1.268
Oakland	1,856	1.000	0.480	-	1.480
Harford	239,993	1.082			1.082
Aberdeen	13,984	0.926	0.700	-	1.626
Bel Air	9,884	0.926	0.500	-	1.426
Havre de Grace	12,858	0.926	0.630	-	1.556
Howard	273,669	1.014		0.1355	1.150
Kent	19,987	0.972			0.972
Betterton	354	0.972	0.320	-	1.292
Chestertown	4,899	0.972	0.370	-	1.342
Galena	502	0.972	0.240	-	1.212
Millington*	360	0.972	0.280	-	1.252
Rock Hall	1,422	0.972	0.320	-	1.292

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Montgomery	930,813	\$0.661		\$0.289	\$0.950
Barnesville	191	0.661	0.054	0.179	0.894
Battery Park		0.661	0.050	0.254	0.965
Brookeville	128	0.661	0.150	0.179	0.990
Chevy Chase, Sec. 3	781	0.661	0.020	0.254	0.935
Chevy Chase, Sec. 5	649	0.661	0.000	0.254	0.915
Chevy Chase	2,758	0.661	0.021	0.254	0.936
Chevy Chase View	885	0.661	0.022	0.254	0.937
Chevy Chase Village	2,075	0.661	0.103	0.254	1.018
Drummond		0.661	0.048	0.254	0.963
Friendship Heights		0.661	0.040	0.251	0.952
Gaithersburg	57,670	0.661	0.212	0.157	1.030
Garrett Park	939	0.661	0.190	0.251	1.102
Glen Echo	250	0.661	0.130	0.254	1.045
Kensington	1,913	0.661	0.130	0.251	1.042
Laytonsville	341	0.661	0.120	0.179	0.960
Martin's Additions	886	0.661	0.008	0.254	0.923
North Chevy Chase	476	0.661	0.052	0.254	0.967
Oakmont		0.661	0.040	0.254	0.955
Poolesville	5,543	0.661	0.160	0.179	1.000
Rockville	58,706	0.661	0.292	0.157	1.110
Somerset	1,149	0.661	0.040	0.254	0.955
Takoma Park	17,477	0.661	0.605	0.251	1.517
Washington Grove	537	0.661	0.181	0.157	0.999

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Prince George's	828,770	\$0.960		\$0.359	\$1.319
Berwyn Heights	2,973	0.797	0.486	0.359	1.642
Bladensburg	7,676	0.788	0.740	0.359	1.887
Bowie	53,193	0.909	0.380	0.306	1.595
Brentwood	2,837	0.936	0.443	0.359	1.738
Capitol Heights	4,152	0.812	0.412	0.359	1.583
Cheverly	6,463	0.805	0.480	0.359	1.644
College Park	26,607	0.945	0.322	0.359	1.626
Colmar Manor	1,273	0.921	1.000	0.359	2.280
Cottage City	1,139	0.810	0.600	0.359	1.769
District Heights	6,120	0.802	0.730	0.187	1.719
Eagle Harbor	57	0.957	0.292	0.359	1.608
Edmonston	1,348	0.803	0.600	0.359	1.762
Fairmount Heights	1,516	0.872	0.550	0.359	1.781
Forest Heights	2,591	0.841	0.530	0.359	1.730
Glenarden	6,391	0.825	0.296	0.359	1.480
Greenbelt	21,559	0.784	0.786	0.187	1.757
Hyattsville	15,598	0.788	0.630	0.359	1.777
Landover Hills	1,537	0.797	0.480	0.359	1.636
Laurel	21,619	0.756	0.710	0.141	1.607
Morningside	1,323	0.811	0.800	0.359	1.970
Mt. Rainier	8,448	0.790	0.790	0.359	1.939
New Carrollton	12,635	0.862	0.500	0.359	1.721
North Brentwood	471	0.950	0.347	0.359	1.656
Riverdale Park	6,507	0.786	0.641	0.359	1.786
Seat Pleasant	4,898	0.802	0.580	0.359	1.741
University Park	2,316	0.801	0.600	0.359	1.760
Upper Marlboro	665	0.834	0.240	0.359	1.433

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Queen Anne's	46,571	\$0.770			\$0.770
Barclay	146	0.770	0.100	-	0.870
Centreville	3,322	0.770	0.395	-	1.165
Church Hill	631	0.770	0.340	-	1.110
Millington*	36	0.770	0.280	-	1.050
Queen Anne*	92	0.770	0.180	-	0.950
Queenstown	633	0.770	0.000	-	0.770
Sudlersville	391	0.770	0.167	-	0.937
Templeville*	56	0.770	0.360	-	1.130
 St. Mary's	 100,378	 0.857			 0.857
Leonardtwn	2,218	0.857	0.150	-	1.007
 Somerset	 26,016	 0.940			 0.940
Crisfield	2,792	0.940	0.700	-	1.640
Princess Anne	2,918	0.940	0.854	-	1.794
 Talbot	 36,193	 0.449			 0.449
Easton	14,379	0.321	0.520	-	0.841
Oxford	722	0.337	0.256	-	0.593
Queen Anne*	76	0.393	0.180	-	0.573
St. Michaels	1,092	0.327	0.640	-	0.967
Trappe	1,157	0.368	0.300	-	0.668

Jurisdiction	Population July 2007	County Rate	Municipal Rate	County Special Rate	Total Rate
Washington	145,113	\$0.948			\$0.948
Boonsboro	3,379	0.948	0.300	-	1.248
Clear Spring	464	0.948	0.190	-	1.138
Funkstown	942	0.948	0.220	-	1.168
Hagerstown	39,640	0.948	0.788	-	1.736
Hancock	1,741	0.948	0.395	-	1.343
Keedysville	840	0.948	0.180	-	1.128
Sharpsburg	662	0.948	0.176	-	1.124
Smithsburg	2,902	0.948	0.280	-	1.228
Williamsport	2,285	0.948	0.405	-	1.353
Wicomico	93,600	0.814			0.814
Delmar	3,193	0.814	0.676	-	1.490
Fruitland	4,336	0.814	0.700	-	1.514
Hebron	1,048	0.814	0.400	-	1.214
Mardela Springs	358	0.814	0.200	-	1.014
Pittsville	1,185	0.814	0.360	-	1.174
Salisbury	27,833	0.814	0.819	-	1.633
Sharptown	621	0.814	0.600	-	1.414
Willards	966	0.814	0.460	-	1.274
Worcester	49,374	0.700			0.700
Berlin	3,971	0.700	0.730	-	1.430
Ocean City	7,100	0.700	0.380	-	1.080
Pocomoke City	3,895	0.700	0.750	-	1.450
Snow Hill	2,331	0.700	0.860	-	1.560

Note: (-) means that a county special rate is not imposed in the municipality.

Note: * means the municipality is in two counties.

Source: State Department of Assessments and Taxation, Department of Legislative Services