

OVERVIEW OF MARYLAND LOCAL GOVERNMENTS

Finances and Demographic Information



DEPARTMENT OF LEGISLATIVE SERVICES 2010

Overview of Maryland Local Governments

Finances and Demographic Information

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

January 2010

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Warren G. Deschenaux
Director

January 2010

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

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

Contents

Letter of Transmittal	iii
Executive Summary	ix
Chapter 1. Structure of Local Governments	1
Counties	1
Baltimore City	2
Municipalities	2
Special Taxing Districts	4
Chapter 2. Demographic Indicators	7
Land Area and Population	7
Racial Composition	7
Population Growth	8
Washington and Baltimore Metropolitan Areas	9
Social and Economic Indicators	10
Chapter 3. Local Government Finances	27
County Level	27
Municipal Level	31
Chapter 4. Tax Rates for Local Governments	45
County Taxes	45
Property Tax Limitation Measures	47
Municipal Property Tax Rates	48

Property Tax Differentials and Rebates	48
Development Impact Fees and Excise Taxes.....	49
Adequate Public Facilities Ordinances	51
Chapter 5. Local Revenue Growth.....	63
Property Taxation.....	64
Assessable Base Growth	64
One-cent Yield on the Property Tax Rate.....	65
Property Tax Relief Measures	65
Homestead Tax Credit Program.....	65
Net Taxable Income.....	67
Chapter 6. County Salary Actions	81
Chapter 7. Public School Funding	85
State Commitment to Public Schools	85
Per Pupil Funding	85
Local Appropriations	86
Public School Construction.....	86
Chapter 8. Local General Fund Balances	97
Chapter 9. Local Debt Measures.....	101
County Debt.....	101
Comparative Measures.....	102
Local Debt Limitations	102
Bond Ratings.....	103

Chapter 10. Balance of State Payments	109
Calculating the Index	109
Findings.....	110
Appendices.....	119
1. Number of Local Governments in the United States by Type.....	121
2. Incorporated Cities and Towns in Maryland	122
3. Residents Residing in Municipalities.....	126
4. United States and States – Racial Composition as of July 2008.....	127
5. Washington and Baltimore Metropolitan Statistical Areas	129
6. Special County Property Tax Rates	131
7. County and Municipal Real Property Tax Rates	132

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 42.3% of the State's population compared to 34.4% nationally. Racial minorities accounted for 100% 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 19.3%; whereas, the white population decreased by 1.5%. The State's Hispanic population increased by 64.9%, with the Asian population increasing by 32.0% and African Americans by 9.9%.

Maryland is also one of the most affluent states in the nation with the highest median household income and the second 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 \$25 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 2007, expenditures at the county government level totaled \$23.9 billion, which accounted for 95.3% of total local government expenditures.

Municipal governments spent \$1.2 billion, which accounted for 4.7% of total local government expenditures in fiscal 2007. 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

Eight counties changed their local property tax rates in fiscal 2010, with seven counties decreasing rates and one county increasing its rate. Local income tax rates remained constant for tax year 2010. Local recordation, transfer, admissions and amusement, and hotel/motel rates also remained the same in 2010.

Individuals and businesses residing in incorporated areas are subject to municipal property taxes in addition to county property taxes. To compensate municipalities 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), 18 counties provided property tax set-offs totaling \$94.6 million in fiscal 2009, through either a tax rate differential or tax rebate.

Sixteen counties impose either a development impact fee or excise tax, which generated approximately \$62.2 million in revenues in fiscal 2009. 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 6.1% in fiscal 2010, a slowdown in growth compared to previous years. In fiscal 2011, county assessable base is projected to decrease by 2.5%. Likewise, net taxable income decreased by 7.5% in tax year 2008. On a positive note, the downward slide in local recordation and transfer tax revenues appears to have ended in fiscal 2010, with projected revenues leveling off at \$512.1 million.

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. In fiscal 2010, assessment caps reduced the amount of the county assessable base that is taxable by almost 17%.

County Salary Actions

Fewer Maryland jurisdictions provided salary enhancements to their employees in fiscal 2010 than the previous year, with many jurisdictions implementing furlough and salary reduction plans to constrain personnel costs. Only

six county governments provided employees with a cost-of-living adjustment (COLA) in fiscal 2010, compared to 21 counties in fiscal 2009; 8 counties provided step increases in fiscal 2010, compared to 20 counties in fiscal 2009. Moreover, 10 boards of education provided COLAs and 14 boards provided step increases for teachers in fiscal 2010 while 23 boards provided COLAs and all 24 boards provided step increases in 2009.

Public School Funding

Public schools are funded from federal, State, and local sources. Approximately 47% of public school funding in Maryland comes from local sources, and 47% comes from the State. The federal government provides only 6% of public school funding. Public schools in Maryland received about \$14,400 in total funding for each pupil in fiscal 2010. Baltimore City had the highest per pupil revenues at \$16,619, while Montgomery County had the second highest at \$16,310. St. Mary's County had the lowest per pupil revenues at \$12,240.

State education aid increased from \$2.9 billion in fiscal 2002, the year before the Bridge to Excellence Act, to \$5.5 billion in fiscal 2010, representing an increase of 90.8% in State support for public education and an average annual increase of 8.4% over the eight-year period.

Local General Fund Balances

Local governments ended fiscal 2009 with general fund balances, including "rainy day" accounts, totaling \$1.5 billion. These balances decreased by \$296.2 million from the prior year. The general fund/"rainy day" balances as a percentage of general fund revenues decreased from 14.8 to 12.1%. Six counties reported an increase in their general fund/"rainy day" balances between fiscal 2008 and 2009; whereas, 18 counties experienced decreases in their general fund balances.

Local Debt Measures

As of June 30, 2008, Maryland counties and Baltimore City had \$14.3 billion in outstanding debt. Between fiscal 2004 and 2008, local debt for counties and Baltimore City increased by \$2.7 billion or 23.7%. This represents a 5.3% average annual increase over the five-year period. For comparative purposes, municipalities and State-created special taxing districts had \$930 million outstanding debt as of June 30, 2008, and the State of Maryland had \$15.6 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 2007, State aid (direct grants and payments-on-behalf) represented about 40% 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 2007 (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.

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.

Rockville is the largest municipality in Maryland followed by Frederick 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 (220,438), municipal residents account for only 26.9% of the county population. Talbot County has the highest percentage of residents who reside within a municipality (48.8%). In contrast, in St. Mary's County, 2.2% 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>
Rockville	Montgomery	60,734
Frederick	Frederick	59,213
Gaithersburg	Montgomery	58,744
Bowie	Prince George's	52,544
Hagerstown	Washington	39,728
Annapolis	Anne Arundel	36,524
Salisbury	Wicomico	28,200
College Park	Prince George's	26,925
Laurel	Prince George's	22,329
Greenbelt	Prince George's	21,098

Source: U.S. Census Bureau

Table 1.3
Maryland Municipalities by Size

<u>Population Range</u>	<u>Number</u>	<u>Percent of Total</u>
25,000 - 60,000	8	5.1%
10,000 - 24,999	12	7.7%
5,000 - 9,999	17	10.9%
2,500 - 4,999	25	16.0%
Less than 2,500	94	60.3%
Total	156	100.0%

Source: U.S. Census Bureau

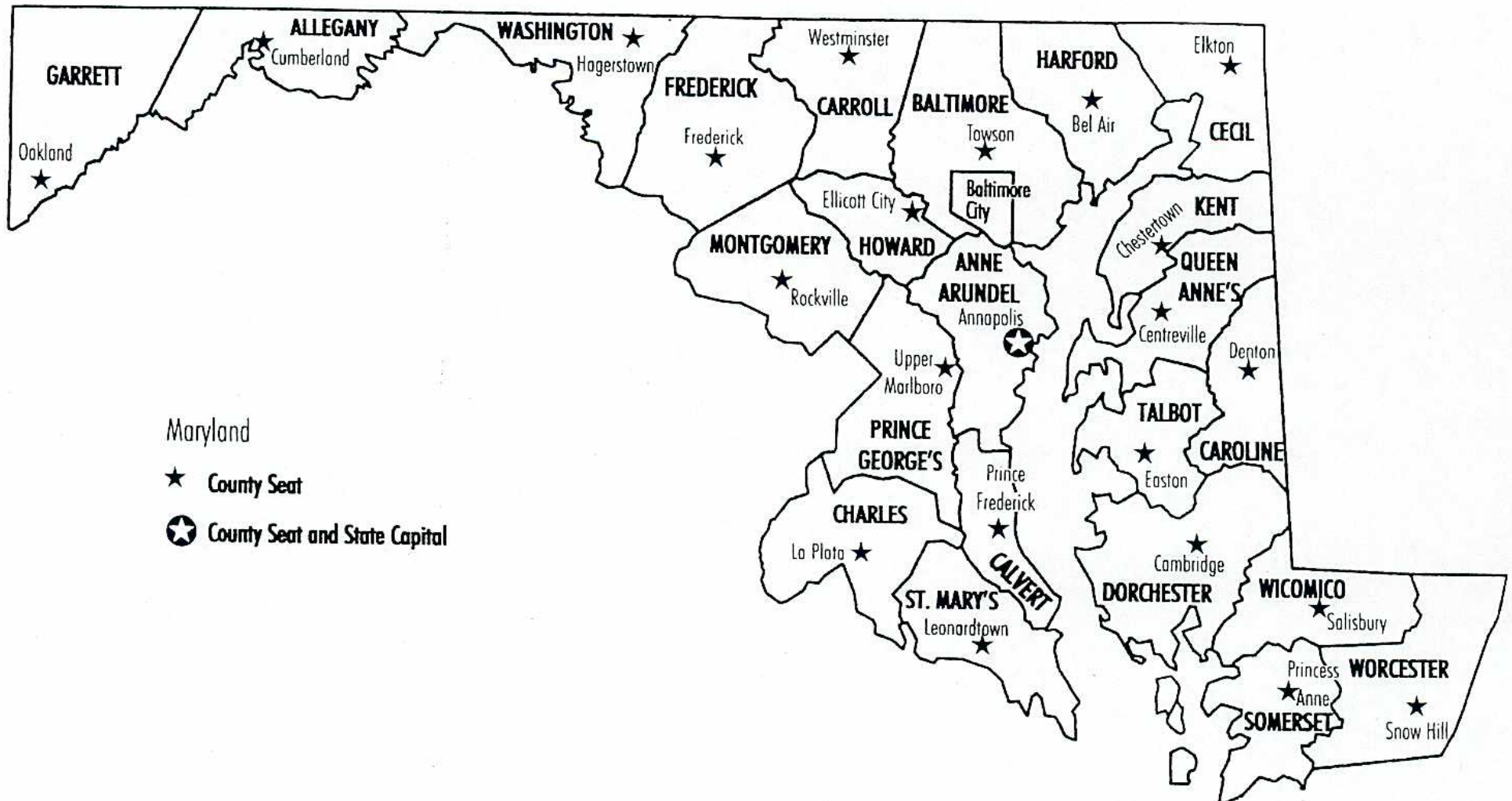
Municipalities in Maryland operate under home rule authority. With limited exceptions, the authority granted to municipalities under the State constitution and public general laws is uniform throughout the State. The express grant of authority to the municipalities is found in Article 23A, Section 2 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 951,000 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, while 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 42.3% of the State's population compared to 34.4% nationally as shown in **Table 2.1**. African Americans are the largest racial minority in Maryland comprising 28.8% of the State's population; whereas Hispanics/Latinos account for 6.7%, followed by Asians at 5.0%. 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% 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 U.S. state.

Table 2.1
Maryland Racial Composition – 2008

	Maryland	United States
White	57.7%	65.6%
African American	28.8%	12.2%
Hispanic/Latino	6.7%	15.4%
Asian	5.0%	4.4%
American Indian	0.3%	0.8%
Native Hawaiian	0.1%	0.1%
Multiracial	1.5%	1.5%

Source: U.S. Census Bureau

Over the last eight years of available data (2000-2008), 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 19.3%; whereas, the white population decreased by 1.5%. The State's Hispanic population increased by 64.9% during this period, with the Asian population increasing by 32.0% and African Americans by 9.9%. **Exhibit 2.3** shows the change in minority population by county and **Exhibit 2.4** shows the growth in the minority share of a county's population.

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 337,100 people (**Table 2.2**). This represents a 6.4% 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% during this same period.

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 fifth consecutive year. This decline was offset by a high level of international immigration. Over the last eight years, nearly 137,100 foreign-born individuals have entered the State, residing primarily in Montgomery and Prince George's counties.

Table 2.2
Maryland Population Growth

<u>April 2000</u>	<u>July 2007</u>	<u>July 2008</u>
5,296,516	5,618,899	5,633,597

Source: U.S. Census Bureau

International immigration has helped to offset the sizable decreases in internal migration within both jurisdictions. From 2000 through 2008, Montgomery County realized a net loss of 68,500 residents due to internal migration, and Prince George's County realized a net loss of 66,800 residents. The only other jurisdictions in Maryland with a net decrease in internal migration are Baltimore City (net loss of 71,100 residents), Allegany County (net loss of 700 residents), Anne Arundel County (net loss of 3,400 residents), and Garrett County (net loss of 200 residents). **Exhibit 2.5** shows the growth in population for each jurisdiction since 2000, and **Exhibit 2.6** 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
2000-2008

Net Natural Increase	256,285	76.0%
Net Migration		
Domestic Migration	-86,033	-25.5%
International Immigration	<u>137,096</u>	<u>40.7%</u>
Subtotal	51,063	15.1%
Residual	29,733	8.8%
Total Increase	337,081	100.0%

Source: U.S. Census Bureau

Calvert County led the State in the pace of population growth between 2000 and 2008 with a growth rate of 19.0%. Five other counties, St. Mary's, Charles, Cecil, Queen Anne's, and Frederick, had growth rates above 15%. Baltimore City and Allegany and Garrett counties were the only jurisdictions that lost population since 2000. From 2007 to 2008, Kent County led the State in population growth rate, followed by St. Mary's and Queen Anne's counties. Baltimore City and Allegany County continue to experience population losses, with Prince George's and Somerset counties 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 ninth with approximately 5.4 million residents, while the Baltimore metropolitan statistical area ranks twentieth with approximately 2.7 million residents. Combined, these two metropolitan statistical areas hold approximately 8.0 million residents.

Approximately 87% 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 951,000 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 786,000 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 continues to be one of the most affluent states in the nation with a high median household income and a low poverty rate as of 2008. 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 2008, 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, educational attainment, foreign-born population, and individuals with disabilities is provided in **Exhibit 2.7**. Crime rate statistics for counties and

the 20 largest municipalities in the State are provided in **Exhibits 2.8** and **2.9**. Information on average weekly wage, unemployment rate, median household income, and median home prices is provided in **Exhibit 2.10**. **Exhibits 2.11** through **2.13** provide information on employment growth.

Poverty Rates

Maryland continues to have one of the lowest poverty rates in the nation. In 2008, the poverty rate in Maryland was 8.1%, the second lowest rate in the nation. Other states with low poverty rates included Alaska, Connecticut, Hawaii, Minnesota, New Jersey, Utah, and Wyoming. Nationally, 13.2% of the U.S. population had income below the poverty threshold in the past 12 months (2008). The poverty threshold for a family of three was \$17,163 in 2008.

Poverty rates for Maryland counties range from 3.6% in Howard County to 19.3% in Baltimore City. For children, the poverty rate ranges from 3.7% in Howard County to 25.0% in Baltimore City, while the poverty rate among senior citizens ranges from 2.3% in Calvert County to 18.9% in Baltimore City.

Crime Rates

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 2008, Maryland had the tenth highest violent crime rate, the third highest murder rate, and the third highest robbery rate. The FBI recorded 493 murders in Maryland compared to 368 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 North Dakota and New Hampshire had the lowest. **Table 2.4** compares the crime rates in Maryland with neighboring Virginia for calendar 2008.

Table 2.4
Comparison of Crimes Rates in 2008¹

	Maryland		Virginia	
Violent Crime	628.2	10 th	255.9	42 nd
Murder	8.8	3 rd	4.7	25 th
Rape	20.0	46 th	22.6	44 th
Robbery	234.4	3 rd	95.7	30 th
Assault ²	365.1	11 th	132.8	46 th
Vehicle Theft	449.7	5 th	170.7	41 st

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

Source: FBI *Uniform Crime Report*, 2008

Among the state's 24 subdivisions, Baltimore City had the highest crime rate in 2008, followed closely by Prince George's County. Calvert, Carroll, Frederick, Garrett, Queen Anne's, and Washington counties had the lowest crime rates. Crime rate statistics are from the *Uniform Crime Report* for 2008.

Baltimore City and Prince George's County continue to be plagued with a high murder rate, with the two jurisdictions accounting for 72.2% of the State's murders. However, the number of murders in 2008 was down by 17.0% in Baltimore City and 13.5% in Prince George's County.

Prince George's County also continues to be inundated with motor vehicle thefts, despite a 25% reduction in 2006, a 10% reduction in 2007, and a 16% reduction in 2008. Approximately 40% of motor vehicle thefts in the State occur in Prince George's County. In 2008, 9,700 vehicles were reported stolen in Prince George's County compared to 2,400 in neighboring Montgomery County. Baltimore City had the second highest number of vehicle thefts at 5,500.

As illustrated in **Exhibit 2.9**, several municipalities have crime rates that exceed those in Baltimore City. In 2008, the City of Hyattsville had the State's highest crime rate, followed closely by Salisbury and Elkton. Other municipalities with a high level of criminal activity include Annapolis which led in the number of murders in 2007 and 2008. Annapolis also led in the numbers of robberies in 2007; however, Salisbury took the lead in 2008. The City of Greenbelt led in the number of motor vehicle thefts in both 2007 and 2008. Of the state's 20 largest municipalities, the City of Bowie had the lowest crime rate, followed by Rockville, Frederick, and Havre de Grace.

In 2009, however, serious crime in Annapolis decreased to the lowest levels in 35 years. The total number of violent crimes decreased by 24% and property crimes fell 38% over the 2008 totals. The number of murders was down by 50%.

Average Weekly Wage

The average weekly wage calculation is based on an individual's place of employment rather than residence. In calendar 2008, the average weekly wage was \$953 statewide, ranging from \$530 in Worcester County to \$1,172 in

Montgomery County. Baltimore City had the second highest average weekly wage, followed by Howard and St. Mary's counties. 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 3.5% in calendar 2007, 4.4% in calendar 2008, and 7.1% in calendar 2009. Howard and Montgomery counties had the lowest unemployment rate at 5.2% in 2009, while Dorchester and Worcester counties had the highest at 11.0% and 11.2%, respectively. The unemployment rate in Maryland continues to be below the national average. The national unemployment rate averaged 4.6% in calendar 2007, 5.8% in calendar 2008, and 9.2% in calendar 2009.

Median Household Income

Maryland had the highest median income in the nation in 2008. **Table 2.5** lists the 10 states with the highest median household income. The median household income in 2008 for Maryland jurisdictions ranged from \$35,850 in Somerset County to \$99,800 in Howard County. Montgomery County had the second highest median income at \$94,200, and Calvert County had the third highest at \$92,150. Six counties (Allegany, Caroline, Dorchester, Garrett, Somerset, and Wicomico) and Baltimore City had income levels below 70% of the statewide average.

Table 2.5
Median Household Income in 2008

1. Maryland	\$70,545
2. New Jersey	70,378
3. Connecticut	68,595
4. Alaska	68,460
5. Hawaii	67,214
6. Massachusetts	65,401
7. New Hampshire	63,731
8. Virginia	61,233
9. California	61,021
10. Washington	58,078
National Average	\$52,029

Source: U.S. Census Bureau

Median Sale Price for Homes

The real estate market continues to decline, with the median sale price for owner-occupied real property decreasing by nearly 6% in fiscal 2009, from \$310,000 in fiscal 2008 to \$292,000 in fiscal 2009. The median sale price ranged from \$115,000 in Allegany County to \$385,000 in Howard and Montgomery counties. Median sale price statistics are from the Maryland State Department of Assessments and Taxation.

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 2008 was 5.5%. This represents a net increase of 133,300 jobs over the eight-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 seven counties and Baltimore City realized a decline in per capita employment.

Between calendar 2007 and 2008, the State lost nearly 10,000 jobs, with sizeable decreases occurring in Baltimore City and Prince George's County. On a per capita basis, the highest job losses occurred in Kent and Dorchester counties.

The decline in employment continued into calendar 2009, with average quarterly employment decreasing by over 70,000 from the first quarter of 2008 to the first quarter of 2009. The largest percent decreases occurred in Worcester, Talbot, Queen Anne's, and Garrett counties.

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 2008	Land Area Sq. Miles	Population Density	<u>Ranking by Population</u>		<u>Ranking by Density</u>	
Allegany	72,238	425.4	169.8	1. Montgomery	950,680	1. Baltimore City	7,882.7
Anne Arundel	512,790	415.9	1,233.0	2. Prince George's	820,852	2. Montgomery	1,918.6
Baltimore City	636,919	80.8	7,882.7	3. Baltimore	785,618	3. Prince George's	1,691.1
Baltimore	785,618	598.6	1,312.4	4. Baltimore City	636,919	4. Baltimore	1,312.4
Calvert	88,698	215.2	412.2	5. Anne Arundel	512,790	5. Anne Arundel	1,233.0
Caroline	33,138	320.1	103.5	6. Howard	274,995	6. Howard	1,091.3
Carroll	169,353	449.1	377.1	7. Harford	240,351	7. Harford	545.9
Cecil	99,926	348.1	287.1	8. Frederick	225,721	8. Calvert	412.2
Charles	140,764	461.0	305.3	9. Carroll	169,353	9. Carroll	377.1
Dorchester	31,998	557.5	57.4	10. Washington	145,384	10. Frederick	340.5
Frederick	225,721	662.9	340.5	11. Charles	140,764	11. Washington	317.4
Garrett	29,698	648.0	45.8	12. St. Mary's	101,578	12. Charles	305.3
Harford	240,351	440.3	545.9	13. Cecil	99,926	13. Cecil	287.1
Howard	274,995	252.0	1,091.3	14. Wicomico	94,046	14. St. Mary's	281.2
Kent	20,151	279.4	72.1	15. Calvert	88,698	15. Wicomico	249.3
Montgomery	950,680	495.5	1,918.6	16. Allegany	72,238	16. Allegany	169.8
Prince George's	820,852	485.4	1,691.1	17. Worcester	49,274	17. Talbot	134.6
Queen Anne's	47,091	372.2	126.5	18. Queen Anne's	47,091	18. Queen Anne's	126.5
St. Mary's	101,578	361.2	281.2	19. Talbot	36,215	19. Worcester	104.1
Somerset	26,119	327.2	79.8	20. Caroline	33,138	20. Caroline	103.5
Talbot	36,215	269.1	134.6	21. Dorchester	31,998	21. Somerset	79.8
Washington	145,384	458.1	317.4	22. Garrett	29,698	22. Kent	72.1
Wicomico	94,046	377.2	249.3	23. Somerset	26,119	23. Dorchester	57.4
Worcester	49,274	473.2	104.1	24. Kent	20,151	24. Garrett	45.8
Maryland	5,633,597	9,773.4	576.4				

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

Exhibit 2.2
Racial Composition in Maryland Counties as of July 2008

County	White	African American	Hispanic/Latino	Asian	Other
Allegany	90.8%	6.4%	1.1%	0.6%	1.1%
Anne Arundel	75.3%	15.2%	4.5%	3.1%	2.0%
Baltimore City	30.8%	63.0%	2.7%	2.0%	1.5%
Baltimore	66.2%	24.8%	3.1%	4.2%	1.7%
Calvert	80.0%	14.3%	2.5%	1.3%	1.9%
Caroline	79.0%	13.9%	4.8%	0.7%	1.5%
Carroll	91.4%	3.9%	1.9%	1.6%	1.2%
Cecil	89.4%	5.7%	2.4%	1.0%	1.5%
Charles	52.0%	38.7%	3.9%	2.4%	3.0%
Dorchester	68.5%	27.2%	2.2%	1.0%	1.1%
Frederick	79.8%	8.6%	6.0%	3.5%	1.9%
Garrett	97.7%	0.9%	0.7%	0.2%	0.5%
Harford	81.3%	12.1%	2.7%	2.1%	1.7%
Howard	63.9%	16.9%	5.0%	11.8%	2.4%
Kent	79.2%	15.4%	3.6%	0.8%	1.0%
Montgomery	53.9%	15.9%	14.8%	13.4%	2.0%
Prince George's	17.6%	63.8%	12.8%	3.9%	1.8%
Queen Anne's	87.6%	8.1%	2.1%	0.9%	1.3%
St. Mary's	78.1%	14.7%	2.9%	2.2%	2.2%
Somerset	54.2%	41.0%	2.4%	0.9%	1.5%
Talbot	81.4%	13.5%	3.2%	0.8%	1.0%
Washington	84.8%	9.6%	2.7%	1.4%	1.5%
Wicomico	70.0%	23.4%	3.4%	1.7%	1.4%
Worcester	81.2%	14.2%	2.4%	0.9%	1.2%
Maryland	57.7%	28.8%	6.7%	5.0%	1.8%
United States	65.6%	12.2%	15.4%	4.4%	2.4%

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

Exhibit 2.3
Growth in Minority Population by County

County	Population			Percent	Highest to Lowest		Highest to Lowest	
	2000	2008	Change	Change	Population Change		Percent Change	
Allegany	5,528	6,616	1,088	19.7%	1. Montgomery	88,825	1. Carroll	100.8%
Anne Arundel	98,113	126,883	28,770	29.3%	2. Prince George's	70,998	2. Frederick	98.4%
Baltimore City	447,821	440,807	-7,014	-1.6%	3. Baltimore	66,594	3. Charles	72.4%
Baltimore	198,666	265,260	66,594	33.5%	4. Howard	32,279	4. Cecil	69.3%
Calvert	12,587	17,730	5,143	40.9%	5. Anne Arundel	28,770	5. Washington	55.3%
Caroline	5,693	6,948	1,255	22.0%	6. Charles	28,371	6. Garrett	54.3%
Carroll	7,243	14,542	7,299	100.8%	7. Frederick	22,562	7. Howard	48.1%
Cecil	6,265	10,607	4,342	69.3%	8. Harford	14,216	8. Harford	46.4%
Charles	39,192	67,563	28,371	72.4%	9. Washington	7,866	9. Calvert	40.9%
Dorchester	9,545	10,072	527	5.5%	10. Carroll	7,299	10. Baltimore	33.5%
Frederick	22,935	45,497	22,562	98.4%	11. St. Mary's	5,543	11. St. Mary's	33.1%
Garrett	444	685	241	54.3%	12. Calvert	5,143	12. Anne Arundel	29.3%
Harford	30,663	44,879	14,216	46.4%	13. Cecil	4,342	13. Queen Anne's	26.1%
Howard	67,042	99,321	32,279	48.1%	14. Wicomico	4,259	14. Montgomery	25.4%
Kent	4,127	4,192	65	1.6%	15. Caroline	1,255	15. Caroline	22.0%
Montgomery	349,090	437,915	88,825	25.4%	16. Queen Anne's	1,211	16. Allegany	19.7%
Prince George's	605,102	676,100	70,998	11.7%	17. Allegany	1,088	17. Wicomico	17.8%
Queen Anne's	4,637	5,848	1,211	26.1%	18. Somerset	1,060	18. Prince George's	11.7%
St. Mary's	16,739	22,282	5,543	33.1%	19. Dorchester	527	19. Somerset	9.7%
Somerset	10,906	11,966	1,060	9.7%	20. Talbot	396	20. Talbot	6.3%
Talbot	6,323	6,719	396	6.3%	21. Garrett	241	21. Dorchester	5.5%
Washington	14,227	22,093	7,866	55.3%	22. Worcester	192	22. Worcester	2.1%
Wicomico	23,981	28,240	4,259	17.8%	23. Kent	65	23. Kent	1.6%
Worcester	9,056	9,248	192	2.1%	24. Baltimore City	-7,014	24. Baltimore City	-1.6%
Maryland	1,995,925	2,382,013	386,088	19.3%				

Source: U.S. Census Bureau

Exhibit 2.4
Growth in Minority Share of Population by County

County	2000	2008	Percentage Point Change	Highest to Lowest Minority Share of Population		Highest to Lowest Percentage Point Change	
Allegany	7.4%	9.2%	1.8%	1. Prince George's	82.4%	1. Charles	15.7%
Anne Arundel	20.0%	24.7%	4.8%	2. Baltimore City	69.2%	2. Howard	9.2%
Baltimore City	69.0%	69.2%	0.2%	3. Charles	48.0%	3. Frederick	8.5%
Baltimore	26.3%	33.8%	7.5%	4. Montgomery	46.1%	4. Baltimore	7.5%
Calvert	16.7%	20.0%	3.2%	5. Somerset	45.8%	5. Prince George's	7.0%
Caroline	19.1%	21.0%	1.9%	6. Howard	36.1%	6. Montgomery	6.3%
Carroll	4.8%	8.6%	3.8%	7. Baltimore	33.8%	7. Anne Arundel	4.8%
Cecil	7.2%	10.6%	3.4%	8. Dorchester	31.5%	8. Harford	4.7%
Charles	32.3%	48.0%	15.7%	9. Wicomico	30.0%	9. Washington	4.4%
Dorchester	31.2%	31.5%	0.3%	10. Anne Arundel	24.7%	10. Carroll	3.8%
Frederick	11.7%	20.2%	8.5%	11. St. Mary's	21.9%	11. Cecil	3.4%
Garrett	1.5%	2.3%	0.8%	12. Caroline	21.0%	12. Calvert	3.2%
Harford	14.0%	18.7%	4.7%	13. Kent	20.8%	13. St. Mary's	2.6%
Howard	26.9%	36.1%	9.2%	14. Frederick	20.2%	14. Caroline	1.9%
Kent	21.4%	20.8%	-0.6%	15. Calvert	20.0%	15. Allegany	1.8%
Montgomery	39.8%	46.1%	6.3%	16. Worcester	18.8%	16. Wicomico	1.8%
Prince George's	75.3%	82.4%	7.0%	17. Harford	18.7%	17. Somerset	1.7%
Queen Anne's	11.4%	12.4%	1.0%	18. Talbot	18.6%	18. Queen Anne's	1.0%
St. Mary's	19.3%	21.9%	2.6%	19. Washington	15.2%	19. Garrett	0.8%
Somerset	44.1%	45.8%	1.7%	20. Queen Anne's	12.4%	20. Dorchester	0.3%
Talbot	18.7%	18.6%	-0.1%	21. Cecil	10.6%	21. Baltimore City	0.2%
Washington	10.8%	15.2%	4.4%	22. Allegany	9.2%	22. Talbot	-0.1%
Wicomico	28.3%	30.0%	1.8%	23. Carroll	8.6%	23. Worcester	-0.6%
Worcester	19.4%	18.8%	-0.6%	24. Garrett	2.3%	24. Kent	-0.6%
Maryland	37.6%	42.3%	4.7%				

Source: U.S. Census Bureau

Exhibit 2.5
Population Growth in Maryland by County

County	2000	2007	2008	Percent Change		Highest to Lowest Growth		Highest to Lowest Growth	
				2007-2008	2000-2008	<u>2007 to 2008</u>		<u>2000 to 2008</u>	
Allegany	74,930	72,603	72,238	-0.5%	-3.6%	1. Kent	1.4%	1. Calvert	19.0%
Anne Arundel	489,664	510,507	512,790	0.4%	4.7%	2. St. Mary's	1.3%	2. St. Mary's	17.8%
Baltimore City	651,154	640,150	636,919	-0.5%	-2.2%	3. Queen Anne's	1.2%	3. Charles	16.8%
Baltimore	754,292	785,830	785,618	0.0%	4.2%	4. Caroline	1.0%	4. Cecil	16.3%
Calvert	74,563	88,145	88,698	0.6%	19.0%	5. Montgomery	1.0%	5. Queen Anne's	16.1%
Caroline	29,772	32,797	33,138	1.0%	11.3%	6. Wicomico	0.9%	6. Frederick	15.6%
Carroll	150,897	168,786	169,353	0.3%	12.2%	7. Howard	0.9%	7. Carroll	12.2%
Cecil	85,951	99,368	99,926	0.6%	16.3%	8. Frederick	0.7%	8. Caroline	11.3%
Charles	120,546	140,169	140,764	0.4%	16.8%	9. Calvert	0.6%	9. Wicomico	11.1%
Dorchester	30,675	31,845	31,998	0.5%	4.3%	10. Cecil	0.6%	10. Howard	11.0%
Frederick	195,276	224,147	225,721	0.7%	15.6%	11. Washington	0.5%	11. Washington	10.2%
Garrett	29,846	29,641	29,698	0.2%	-0.5%	12. Dorchester	0.5%	12. Harford	10.0%
Harford	218,590	239,406	240,351	0.4%	10.0%	13. Anne Arundel	0.4%	13. Montgomery	8.9%
Howard	247,843	272,611	274,995	0.9%	11.0%	14. Charles	0.4%	14. Talbot	7.1%
Kent	19,200	19,879	20,151	1.4%	5.0%	15. Harford	0.4%	15. Worcester	5.9%
Montgomery	873,341	941,491	950,680	1.0%	8.9%	16. Carroll	0.3%	16. Somerset	5.5%
Prince George's	801,515	825,318	820,852	-0.5%	2.4%	17. Talbot	0.2%	17. Kent	5.0%
Queen Anne's	40,560	46,515	47,091	1.2%	16.1%	18. Garrett	0.2%	18. Anne Arundel	4.7%
St. Mary's	86,232	100,262	101,578	1.3%	17.8%	19. Worcester	0.0%	19. Dorchester	4.3%
Somerset	24,747	26,147	26,119	-0.1%	5.5%	20. Baltimore	0.0%	20. Baltimore	4.2%
Talbot	33,812	36,132	36,215	0.2%	7.1%	21. Somerset	-0.1%	21. Prince George's	2.4%
Washington	131,923	144,662	145,384	0.5%	10.2%	22. Allegany	-0.5%	22. Garrett	-0.5%
Wicomico	84,644	93,218	94,046	0.9%	11.1%	23. Baltimore City	-0.5%	23. Baltimore City	-2.2%
Worcester	46,543	49,270	49,274	0.0%	5.9%	24. Prince George's	-0.5%	24. Allegany	-3.6%
Maryland	5,296,516	5,618,899	5,633,597	0.3%	6.4%				

Source: U.S. Census Bureau

Exhibit 2.6
Components of Maryland Population Change – April 2000 to July 2008

County	Net Natural Increase	International Migration	Internal Migration	Residual	Total	Ranking by International Migration		Ranking by Internal Migration	
Allegany	-1,681	81	-734	-358	-2,692	1. Montgomery	66,678	1. Frederick	15,871
Anne Arundel	26,284	2,584	-3,428	-2,314	23,126	2. Prince George's	31,692	2. Carroll	12,949
Baltimore City	14,892	7,738	-71,097	34,232	-14,235	3. Baltimore	13,352	3. Charles	12,126
Baltimore	14,793	13,352	6,833	-3,652	31,326	4. Baltimore City	7,738	4. Harford	11,055
Calvert	3,707	266	10,431	-269	14,135	5. Howard	7,437	5. Calvert	10,431
Caroline	1,031	375	2,071	-111	3,366	6. Anne Arundel	2,584	6. Washington	10,015
Carroll	5,737	482	12,949	-712	18,456	7. Frederick	1,927	7. Cecil	9,856
Cecil	4,102	370	9,856	-353	13,975	8. Wicomico	1,050	8. St. Mary's	9,223
Charles	8,348	228	12,126	-484	20,218	9. Harford	963	9. Baltimore	6,833
Dorchester	-311	63	1,723	-152	1,323	10. Washington	517	10. Wicomico	5,766
Frederick	13,399	1,927	15,871	-752	30,445	11. Carroll	482	11. Queen Anne's	5,081
Garrett	134	33	-152	-163	-148	12. Worcester	415	12. Howard	3,178
Harford	10,682	963	11,055	-939	21,761	13. Caroline	375	13. Worcester	3,126
Howard	17,921	7,437	3,178	-1,384	27,152	14. Cecil	370	14. Talbot	2,789
Kent	-458	101	1,389	-81	951	15. Queen Anne's	285	15. Caroline	2,071
Montgomery	65,061	66,678	-68,545	14,145	77,339	16. Calvert	266	16. Dorchester	1,723
Prince George's	59,293	31,692	-66,782	-4,866	19,337	17. Talbot	236	17. Kent	1,389
Queen Anne's	1,275	285	5,081	-110	6,531	18. Charles	228	18. Somerset	1,223
St. Mary's	6,400	19	9,223	-296	15,346	19. Somerset	204	19. Garrett	-152
Somerset	63	204	1,223	-118	1,372	20. Kent	101	20. Allegany	-734
Talbot	-423	236	2,789	-199	2,403	21. Allegany	81	21. Anne Arundel	-3,428
Washington	3,480	517	10,015	-551	13,461	22. Dorchester	63	22. Prince George's	-66,782
Wicomico	3,126	1,050	5,766	-540	9,402	23. Garrett	33	23. Montgomery	-68,545
Worcester	-570	415	3,126	-240	2,731	24. St. Mary's	19	24. Baltimore City	-71,097
Maryland	256,285	137,096	-86,033	29,733	337,081				

Source: U.S. Census Bureau

Exhibit 2.7
Social Indicators for Maryland Counties
2008 American Community Survey

County	Poverty Level			Educational Attainment		Foreign Born	Disabled
	Percent of People Living in Poverty All People	Children	Senior Citizens	High School Graduate	Bachelor's Degree	Percent of Population	Percent of Population
Allegany	12.3%	14.4%	9.2%	87.5%	13.7%	1.6%	16.2%
Anne Arundel	4.1%	5.9%	4.3%	90.4%	36.8%	7.2%	9.9%
Baltimore City	19.3%	25.0%	18.9%	77.9%	24.7%	5.9%	15.6%
Baltimore	8.3%	10.4%	8.2%	89.2%	34.5%	9.3%	10.3%
Calvert	6.4%	6.5%	2.3%	89.0%	25.0%	3.4%	13.5%
Caroline ¹							
Carroll	7.1%	9.6%	6.0%	89.6%	29.2%	3.2%	9.4%
Cecil	5.3%	8.3%	5.9%	85.6%	20.0%	1.7%	13.0%
Charles	6.5%	9.5%	5.8%	93.6%	26.7%	4.2%	8.2%
Dorchester ¹							
Frederick	5.7%	7.4%	6.8%	92.2%	35.9%	8.3%	9.1%
Garrett ¹							
Harford	5.6%	7.1%	7.8%	91.5%	29.0%	4.3%	10.7%
Howard	3.6%	3.7%	5.4%	95.2%	59.6%	16.1%	6.7%
Kent ¹							
Montgomery	5.9%	7.7%	5.7%	90.9%	56.0%	30.2%	7.3%
Prince George's	6.5%	7.0%	6.9%	85.5%	28.8%	18.5%	7.5%
Queen Anne's ¹							
St. Mary's	6.3%	10.6%	7.6%	91.1%	26.6%	3.2%	11.7%
Somerset ¹							
Talbot ¹							
Washington	8.6%	11.1%	9.7%	81.4%	17.6%	3.2%	15.1%
Wicomico	13.2%	15.6%	8.4%	85.3%	23.2%	3.9%	11.0%
Worcester ¹							
Maryland	8.1%	10.2%	8.2%	88.0%	35.2%	12.4%	10.1%

¹Indicates that data from the 2008 American Community Survey is not available for this county.

Source: U.S. Census Bureau, 2008 American Community Survey

Exhibit 2.8
Crime Rates for Maryland Counties

County	Crime Rates Per 100,000 Residents			Crime Rates % of State Average		Murder Count		Robbery Count		Vehicle Theft Count	
	CY 2007	CY 2008	% Change	CY 2007	CY 2008	CY 2007	CY 2008	CY 2007	CY 2008	CY 2007	CY 2008
Allegany	3,502.5	3,430.1	-2.1%	86.0%	82.7%	0	1	35	34	92	49
Anne Arundel	4,219.5	4,349.6	3.1%	103.6%	104.9%	20	18	910	810	1,667	1,581
Baltimore City	6,497.2	6,487.3	-0.2%	159.5%	156.5%	282	234	3,926	4,058	5,821	5,518
Baltimore	4,112.8	4,060.7	-1.3%	101.0%	97.9%	36	31	1,787	1,730	3,372	2,940
Calvert	2,098.3	2,507.5	19.5%	51.5%	60.5%	3	2	19	22	105	108
Caroline	3,272.9	3,660.8	11.9%	80.3%	88.3%	0	2	23	28	66	57
Carroll	1,809.8	1,909.6	5.5%	44.4%	46.1%	1	1	38	40	133	124
Cecil	3,939.2	4,318.1	9.6%	96.7%	104.2%	5	8	111	111	256	310
Charles	3,575.7	3,594.1	0.5%	87.8%	86.7%	4	10	198	187	438	387
Dorchester	4,292.1	4,436.8	3.4%	105.4%	107.0%	5	1	49	50	56	61
Frederick	2,065.5	2,191.9	6.1%	50.7%	52.9%	7	4	134	154	247	239
Garrett	2,059.5	2,082.3	1.1%	50.6%	50.2%	0	2	2	5	26	29
Harford	2,450.4	2,531.5	3.3%	60.2%	61.1%	8	6	212	245	467	403
Howard	2,860.3	3,260.0	14.0%	70.2%	78.6%	5	4	247	259	551	534
Kent	2,178.1	2,658.5	22.1%	53.5%	64.1%	0	1	11	19	12	25
Montgomery	2,865.4	2,974.8	3.8%	70.3%	71.8%	20	21	1,189	1,192	2,634	2,384
Prince George's	6,149.8	6,206.1	0.9%	151.0%	149.7%	141	122	3,831	3,765	11,646	9,743
Queen Anne's	2,327.5	2,365.2	1.6%	57.1%	57.0%	0	1	18	13	49	56
St. Mary's	2,678.4	2,486.9	-7.1%	65.8%	60.0%	1	2	45	44	128	135
Somerset	3,339.6	3,069.7	-8.1%	82.0%	74.0%	0	2	21	20	29	35
Talbot	2,989.2	3,347.9	12.0%	73.4%	80.8%	0	2	29	34	37	46
Washington	2,609.2	2,485.2	-4.8%	64.1%	59.9%	7	3	137	116	240	246
Wicomico	5,226.3	5,315.7	1.7%	128.3%	128.2%	5	6	230	211	191	217
Worcester	5,262.5	5,353.1	1.7%	129.2%	129.1%	1	4	55	53	80	80
Maryland	4,073.4	4,145.9	1.8%	100.0%	100.0%	554	493	13,258	13,203	28,393	25,340

Source: *Uniform Crime Report*, Maryland State Police

Exhibit 2.9
Crime Rates for Maryland Largest Municipalities

Rank	Municipality	Crime Rates Per 100,000 Residents			Crime Rates % of State Average		Murder Count		Robbery Count		Vehicle Theft Count	
		CY 2007	CY 2008	% Change	CY 2007	CY 2008	CY 2007	CY 2008	CY 2007	CY 2008	CY 2007	CY 2008
1.	Hyattsville	12,856.4	11,942.8	-7.1%	315.6%	288.1%	2	6	127	128	197	151
2.	Salisbury	10,855.8	10,472.7	-3.5%	266.5%	252.6%	2	4	182	157	103	92
3.	Elkton	8,799.6	9,981.6	13.4%	216.0%	240.8%	1	1	63	71	90	105
4.	Cambridge	7,143.5	7,268.3	1.7%	175.4%	175.3%	3	1	39	40	15	25
5.	Greenbelt	6,423.7	7,061.4	9.9%	157.7%	170.3%	2	2	136	156	284	279
6.	Cumberland	7,035.0	6,805.1	-3.3%	172.7%	164.1%	0	1	35	27	38	21
7.	Laurel	6,144.2	6,301.9	2.6%	150.8%	152.0%	1	2	83	70	226	226
8.	College Park	5,536.7	5,764.1	4.1%	135.9%	139.0%	0	0	62	62	220	182
9.	New Carrollton	5,333.5	5,332.3	0.0%	130.9%	128.6%	0	0	56	51	154	119
10.	Annapolis	6,170.8	5,261.3	-14.7%	151.5%	126.9%	8	8	186	130	195	141
11.	Aberdeen	5,758.8	5,166.1	-10.3%	141.4%	124.6%	0	0	41	31	37	37
12.	Easton	4,821.4	4,535.0	-5.9%	118.4%	109.4%	0	1	15	24	11	15
13.	Westminster	4,884.7	4,503.9	-7.8%	119.9%	108.6%	0	0	15	8	38	21
14.	Gaithersburg	4,384.0	4,447.5	1.4%	107.6%	107.3%	1	2	104	86	173	152
15.	Hagerstown	4,688.9	4,272.3	-8.9%	115.1%	103.0%	2	3	99	84	119	130
16.	Takoma Park	4,477.0	4,213.1	-5.9%	109.9%	101.6%	1	0	83	79	127	99
17.	Havre de Grace	3,504.5	3,998.5	14.1%	86.0%	96.4%	0	2	9	15	20	13
18.	Frederick City	3,746.8	3,881.1	3.6%	92.0%	93.6%	5	2	104	126	116	144
19.	Rockville	2,728.7	2,988.0	9.5%	67.0%	72.1%	1	1	78	62	103	98
20.	Bowie	2,138.9	2,389.8	11.7%	52.5%	57.6%	2	0	48	75	154	138
	Baltimore City	6,497.2	6,487.3	-0.2%	159.5%	156.5%	282	234	3,926	4,058	5,821	5,518
	State Total	4,073.4	4,145.9	1.8%	100.0%	100.0%	554	493	13,258	13,203	28,393	25,340

Source: *Uniform Crime Report*, Maryland State Police

Exhibit 2.10
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>Percent Change</u>
	<u>CY 2008</u>	<u>Percent of State Average</u>	<u>CY 2007</u>	<u>CY 2008</u>	<u>CY 2009</u>	<u>CY 2008</u>	<u>Percent of State Average</u>	<u>FY 2008</u>	<u>FY 2009</u>	
Allegany	\$628	65.9%	5.2%	5.8%	8.7%	\$38,600	54.8%	\$113,150	\$115,000	1.6%
Anne Arundel	918	96.3%	3.0%	3.9%	6.5%	86,500	122.9%	339,000	313,745	-7.4%
Baltimore City	1,034	108.5%	5.6%	6.7%	10.4%	40,000	56.8%	175,000	177,750	1.6%
Baltimore	895	93.9%	3.6%	4.5%	7.5%	66,400	94.3%	261,000	249,900	-4.3%
Calvert	769	80.7%	2.9%	3.6%	5.9%	92,150	130.9%	340,000	300,000	-11.8%
Caroline	621	65.2%	4.2%	5.5%	9.1%	48,200	68.5%	240,750	207,200	-13.9%
Carroll	670	70.3%	3.0%	3.8%	6.5%	81,200	115.3%	325,000	297,000	-8.6%
Cecil	842	88.4%	3.9%	5.3%	9.3%	63,850	90.7%	254,450	249,900	-1.8%
Charles	740	77.6%	2.9%	3.7%	5.9%	80,750	114.7%	329,950	310,500	-5.9%
Dorchester	644	67.6%	5.9%	6.9%	11.0%	42,100	59.8%	199,500	196,750	-1.4%
Frederick	844	88.6%	2.9%	3.6%	6.1%	88,200	125.3%	310,068	295,000	-4.9%
Garrett	552	57.9%	4.4%	5.0%	7.9%	41,500	58.9%	149,500	138,000	-7.7%
Harford	804	84.4%	3.4%	4.2%	7.3%	79,550	113.0%	265,000	260,000	-1.9%
Howard	1,012	106.2%	2.6%	3.1%	5.2%	99,800	141.8%	394,995	385,000	-2.5%
Kent	662	69.5%	3.6%	4.8%	7.5%	54,950	78.1%	275,000	253,194	-7.9%
Montgomery	1,172	123.0%	2.7%	3.2%	5.2%	94,200	133.8%	430,000	385,000	-10.5%
Prince George's	941	98.7%	3.7%	4.4%	7.1%	70,050	99.5%	305,000	282,000	-7.5%
Queen Anne's	626	65.7%	3.2%	4.2%	6.8%	81,400	115.6%	369,450	329,990	-10.7%
St. Mary's	1,010	106.0%	3.0%	3.7%	5.7%	67,300	95.6%	306,000	285,000	-6.9%
Somerset	695	72.9%	5.4%	6.6%	9.4%	35,850	50.9%	137,450	149,998	9.1%
Talbot	673	70.6%	3.4%	4.3%	7.1%	57,850	82.2%	335,000	270,000	-19.4%
Washington	696	73.0%	4.4%	5.7%	9.9%	54,100	76.8%	229,000	200,000	-12.7%
Wicomico	690	72.4%	4.0%	5.4%	8.4%	48,550	69.0%	203,500	195,000	-4.2%
Worcester	530	55.6%	6.2%	7.8%	11.2%	57,850	82.2%	286,250	221,250	-22.7%
Maryland	\$953	100.0%	3.5%	4.4%	7.1%	\$70,400	100.0%	\$310,000	\$292,000	-5.8%

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

Exhibit 2.11
Employment Growth in Maryland Counties – Over Eight-year Period

County	<u>Annual Average Employment Within Jurisdiction</u>				<u>Jobs Per 1,000 Residents</u>		
	CY 2000	CY 2008	Difference	% Difference	CY 2000	CY 2008	% Difference
Allegany	30,100	29,374	-726	-2.4%	401.7	406.6	1.2%
Anne Arundel	193,411	233,955	40,544	21.0%	395.0	456.2	15.5%
Baltimore City	387,602	339,640	-47,962	-12.4%	595.3	533.3	-10.4%
Baltimore	358,013	375,186	17,173	4.8%	474.6	477.6	0.6%
Calvert	16,909	21,855	4,946	29.3%	226.8	246.4	8.7%
Caroline	8,853	8,891	38	0.4%	297.4	268.3	-9.8%
Carroll	46,716	57,082	10,366	22.2%	309.6	337.1	8.9%
Cecil	23,014	30,668	7,654	33.3%	267.8	306.9	14.6%
Charles	36,155	42,113	5,958	16.5%	299.9	299.2	-0.3%
Dorchester	11,189	11,396	207	1.9%	364.8	356.1	-2.4%
Frederick	77,120	93,971	16,851	21.9%	394.9	416.3	5.4%
Garrett	10,140	11,804	1,664	16.4%	339.7	397.5	17.0%
Harford	68,724	82,644	13,920	20.3%	314.4	343.8	9.4%
Howard	128,582	148,318	19,736	15.3%	518.8	539.3	4.0%
Kent	7,730	8,251	521	6.7%	402.7	409.5	1.7%
Montgomery	447,744	457,518	9,774	2.2%	512.2	481.3	-6.0%
Prince George's	303,060	313,396	10,336	3.4%	378.5	381.8	0.9%
Queen Anne's	10,742	14,109	3,367	31.3%	264.8	299.6	13.1%
St. Mary's	33,338	39,923	6,585	19.8%	386.6	393.0	1.7%
Somerset	6,979	7,075	96	1.4%	282.0	270.9	-3.9%
Talbot	18,227	19,594	1,367	7.5%	539.1	541.0	0.4%
Washington	62,915	66,074	3,159	5.0%	476.9	454.5	-4.7%
Wicomico	41,286	46,452	5,166	12.5%	487.8	493.9	1.3%
Worcester	23,437	24,096	659	2.8%	503.6	489.0	-2.9%
Unallocated	52,109	54,015	1,906	3.7%			
Maryland	2,404,095	2,537,400	133,305	5.5%	453.9	450.4	-0.8%

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

Exhibit 2.12
Employment Growth in Maryland Counties – Over One-year Period

County	<u>Annual Average Employment Within Jurisdiction</u>				<u>Jobs Per 1,000 Residents</u>		
	CY 2007	CY 2008	Difference	% Difference	CY 2007	CY 2008	% Difference
Allegany	29,393	29,374	-19	-0.1%	404.9	406.6	0.4%
Anne Arundel	232,706	233,955	1,249	0.5%	454.4	456.2	0.4%
Baltimore City	344,209	339,640	-4,569	-1.3%	540.0	533.3	-1.2%
Baltimore	376,715	375,186	-1,529	-0.4%	477.5	477.6	0.0%
Calvert	21,838	21,855	17	0.1%	247.5	246.4	-0.5%
Caroline	8,935	8,891	-44	-0.5%	271.5	268.3	-1.2%
Carroll	56,955	57,082	127	0.2%	336.6	337.1	0.1%
Cecil	30,755	30,668	-87	-0.3%	308.5	306.9	-0.5%
Charles	42,248	42,113	-135	-0.3%	300.8	299.2	-0.5%
Dorchester	11,772	11,396	-376	-3.2%	369.7	356.1	-3.7%
Frederick	94,913	93,971	-942	-1.0%	422.4	416.3	-1.4%
Garrett	11,867	11,804	-63	-0.5%	400.5	397.5	-0.8%
Harford	83,649	82,644	-1,005	-1.2%	348.5	343.8	-1.3%
Howard	147,143	148,318	1,175	0.8%	537.7	539.3	0.3%
Kent	8,581	8,251	-330	-3.8%	429.3	409.5	-4.6%
Montgomery	459,346	457,518	-1,828	-0.4%	493.5	481.3	-2.5%
Prince George's	315,696	313,396	-2,300	-0.7%	380.9	381.8	0.2%
Queen Anne's	14,285	14,109	-176	-1.2%	306.7	299.6	-2.3%
St. Mary's	39,241	39,923	682	1.7%	390.9	393.0	0.5%
Somerset	7,124	7,075	-49	-0.7%	273.8	270.9	-1.1%
Talbot	19,459	19,594	135	0.7%	537.6	541.0	0.6%
Washington	66,771	66,074	-697	-1.0%	460.1	454.5	-1.2%
Wicomico	46,933	46,452	-481	-1.0%	501.4	493.9	-1.5%
Worcester	24,605	24,096	-509	-2.1%	498.3	489.0	-1.9%
Unallocated	51,709	54,015	2,306	4.5%			
Maryland	2,546,848	2,537,400	-9,448	-0.4%	453.3	450.4	-0.6%

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

Exhibit 2.13
Employment Growth in Maryland Counties – First Quarter 2009

County	<u>Average Quarterly Employment Within Jurisdiction</u>				<u>Jobs Per 1,000 Residents</u>		
	1st Q 2008	1st Q 2009	Difference	% Difference	1st Q 2008	1st Q 2009	% Difference
Allegany	29,093	28,648	-445	-1.5%	402.7	396.6	-1.5%
Anne Arundel	231,277	224,856	-6,421	-2.8%	451.0	438.5	-2.8%
Baltimore City	339,310	326,644	-12,666	-3.7%	532.7	512.9	-3.7%
Baltimore	373,396	363,451	-9,945	-2.7%	475.3	462.6	-2.7%
Calvert	21,761	20,952	-809	-3.7%	245.3	236.2	-3.7%
Caroline	8,752	8,686	-66	-0.8%	264.1	262.1	-0.8%
Carroll	56,540	54,361	-2,179	-3.9%	333.9	321.0	-3.9%
Cecil	30,553	29,617	-936	-3.1%	305.8	296.4	-3.1%
Charles	41,654	40,384	-1,270	-3.0%	295.9	286.9	-3.0%
Dorchester	11,300	10,907	-393	-3.5%	353.1	340.9	-3.5%
Frederick	93,774	91,150	-2,624	-2.8%	415.4	403.8	-2.8%
Garrett	11,618	11,059	-559	-4.8%	391.2	372.4	-4.8%
Harford	81,823	79,642	-2,181	-2.7%	340.4	331.4	-2.7%
Howard	147,573	142,266	-5,307	-3.6%	536.6	517.3	-3.6%
Kent	7,992	7,736	-256	-3.2%	396.6	383.9	-3.2%
Montgomery	454,635	443,351	-11,284	-2.5%	478.2	466.4	-2.5%
Prince George's	311,680	303,413	-8,267	-2.7%	379.7	369.6	-2.7%
Queen Anne's	13,671	12,919	-752	-5.5%	290.3	274.3	-5.5%
St. Mary's	39,544	39,382	-162	-0.4%	389.3	387.7	-0.4%
Somerset	6,921	6,760	-161	-2.3%	265.0	258.8	-2.3%
Talbot	19,186	17,920	-1,266	-6.6%	529.8	494.8	-6.6%
Washington	65,918	63,427	-2,491	-3.8%	453.4	436.3	-3.8%
Wicomico	46,585	44,558	-2,027	-4.4%	495.3	473.8	-4.4%
Worcester	20,119	18,778	-1,341	-6.7%	408.3	381.1	-6.7%
Unallocated	52,212	55,904	3,692	7.1%			
Maryland	2,516,887	2,446,771	-70,116	-2.8%	446.8	434.3	-2.8%

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 \$25 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 2007, expenditures at the county government level totaled \$23.9 billion, which accounted for 95.3% 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 64.8% of municipal expenditures in fiscal 2007. In addition, municipal corporations do not fund local school systems and community colleges, which account for over 50% of local government expenditures. In fiscal 2007, expenditures at the municipal government level totaled \$1.2 billion, which accounted for only 4.7% of total local government expenditures. However, in six counties, municipal governments account for over 15% of local government expenditures.

Table 3.1 shows the amount of local government expenditures in fiscal 2007 by level of government. **Exhibit 3.1** shows local expenditures by county. **Exhibit 3.2** shows local government expenditures for counties and municipalities by category.

Table 3.1
Local Government Expenditures
Fiscal 2007 – \$ in Millions

	<u>Expenditures</u>	<u>Percent of Total</u>
County Level	\$23,870.0	95.3%
Municipal Level	1,177.8	4.7%
Total	\$25,047.8	100.0%

Source: Department of Legislative Services

County Level

In fiscal 2007, county governments and Baltimore City spent \$23.9 billion on public services. Local boards of education accounted for 50.6% of county expenditures, with \$11.4 billion going to the public schools systems. County government agencies accounted for 42.0% of expenditures or \$9.5 billion. Libraries, community colleges, and local health departments accounted for the remaining 7.4% of local expenditures. In addition, approximately \$1.4 billion was spent on debt service for the various units of county government. **Table 3.2** shows the distribution of county expenditures in fiscal 2007 by unit of county government.

Table 3.2
County Government Expenditures
Fiscal 2007 – \$ in Millions

	<u>Expenditures</u>	<u>Percent of Total</u>
Public Schools	\$11,387.8	50.6%
Libraries	270.8	1.2%
Community Colleges	942.1	4.2%
Health Departments	446.5	2.0%
County Government	9,452.9	42.0%
Subtotal	\$22,500.0	100.0%
Debt Service	1,370.0	
Total	\$23,870.0	

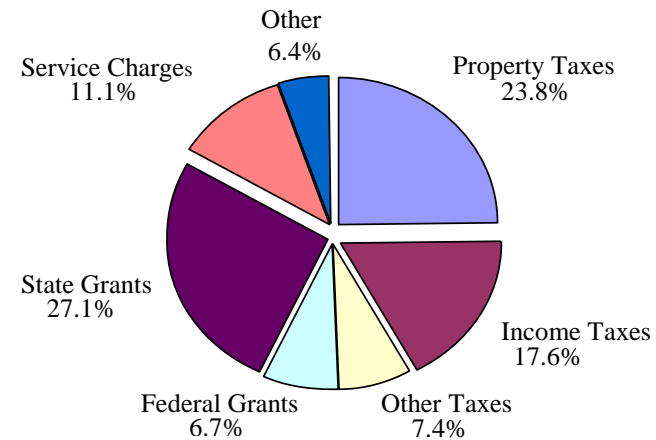
Source: Department of Legislative Services

County governments and Baltimore City collected \$24.9 billion in revenues in fiscal 2007. 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 66.2% of county revenues, and intergovernmental revenues account for 33.8% (Table 3.3).

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 33.1% of its revenue from local sources, 57.5% from the State, and 9.4% from the federal government. In comparison, Montgomery County, one of the more affluent counties in the State, receives 79.3% of its revenue from local sources, 14.9% from the State, and 5.8% from the federal government.

Table 3.3
Sources of Revenue – Counties and Baltimore City
Fiscal 2007



Source: Department of Legislative Services

Exhibit 3.3 shows county revenues by source for fiscal 2007, excluding debt proceeds. **Exhibit 3.4** shows county revenues on a per capita basis, and **Exhibit 3.5** 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 23.8% of total revenues in fiscal 2007. The reliance on property tax revenues ranges from 11.9% in Allegany County to 39.6% 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 2010 at \$391,538 which is 286% of the statewide average. Somerset County has the third lowest per capita assessable base at \$67,291 or 49%, 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 17.6% of total revenues in fiscal 2007, excluding debt proceeds. The reliance on income tax revenues ranges from 6.3% in Worcester County to 26.6% in Montgomery 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 \$22,166 in tax year 2008. Montgomery County had the highest per capita net taxable income at \$34,582, followed by Howard County at \$32,048, Talbot County at \$27,552, and Anne Arundel County at \$26,208. Somerset County had the lowest per capita net taxable income at \$8,036.

State Grants

State aid is the largest revenue source for most county governments in Maryland, accounting for 27.1% of total revenues in fiscal 2007. In four counties, however, State aid was either the second or third leading revenue source. In Anne Arundel and Worcester counties, State aid was the second largest revenue source after property taxes; whereas in Howard and Montgomery counties, State aid was the third largest revenue source after both property and income taxes.

State aid includes direct assistance to county governments, local school systems, libraries, community colleges, and local health departments. In fiscal 2007, local school systems received about 78% of total State aid. County and municipal governments received 17%, with most of the funds targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments accounted for the remaining 5%. Over 65% 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 6.7% of total revenues in fiscal 2007. The reliance on federal grants ranged from 2.4% in Howard County to 11.7% in Garrett 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 \$23.9 billion on public services in fiscal 2007. On a per capita basis, county expenditures averaged \$4,261. Montgomery County led the State with per capita expenditures totaling \$5,358, followed by Baltimore City with per capita expenditures totaling \$5,129. Washington County had the lowest per capita expenditures at \$2,787. **Exhibit 3.6** shows county expenditures by category. **Exhibit 3.7** shows county expenditures on a per capita basis. **Exhibit 3.8** 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 52.8% of total county spending in fiscal 2007. Education spending ranged from 39.3% of total spending in Baltimore City to 67.5% in Cecil County. Every jurisdiction, except for Baltimore City, Montgomery County, and Worcester County devoted at

least 50% 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 15.3% of its total spending. In addition, public works functions accounted for 15.5% 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 11.2% 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 (19.5%), followed by Baltimore City (15.5%).

Public safety is the third largest function of county governments, accounting for 10.8% of total spending. As noted earlier, Baltimore City led the State in the percentage expended on public safety, followed by Anne Arundel and Charles 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, health/social services, and debt service are accounting for a lower percentage. There has been relatively little change in the overall funding for public safety, and general government. **Table 3.4** shows the change in the composition of county expenditures over a 12-year period.

Table 3.4
County Expenditure Trends

<u>Category</u>	<u>FY 1995</u>	<u>FY 2000</u>	<u>FY 2007</u>
Education	49.1%	53.1%	52.8%
Public Works	14.1%	12.2%	11.2%
Public Safety	10.3%	10.6%	10.8%
Health/Social Services	5.4%	4.6%	4.0%
General Government	5.7%	6.0%	5.9%
Debt Service	6.7%	5.6%	5.7%

Source: Department of Legislative Services

Municipal Level

Municipalities in Maryland, excluding Baltimore City, collected \$1.3 billion in revenues in fiscal 2007. **Exhibit 3.9** shows municipal revenues by source for fiscal 2007.

Property Taxes

Property taxes are the largest revenue source for most municipalities, accounting for 30.5% of total revenues (**Table 3.5**). The dependence on property taxes ranges from 6.1% for the municipality in St. Mary's County to 50.1% for municipalities in Prince George's County.

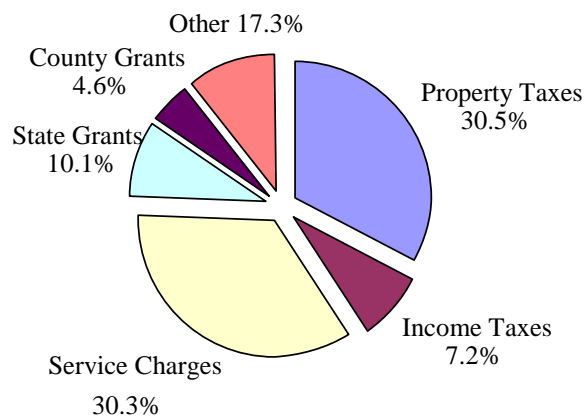
Service Charges

Service charges are the second largest revenue source for most municipalities, accounting for 30.3% of total revenues. 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 6.4% for municipalities in Prince George's County to 60.5% for municipalities in Queen Anne's County.

State Grants

State aid is the third largest revenue source for municipalities, accounting for 10.1% 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% of total revenues for municipalities in Talbot County to 47.3% for municipalities in Somerset County, where State aid is the largest revenue source for municipalities.

Table 3.5
Sources of Revenue – Municipalities
Fiscal 2007



Source: Department of Legislative Services

Income Taxes

Income taxes are the fourth largest revenue source for municipalities, accounting for 7.2% of total revenues in fiscal 2007. The reliance on income taxes ranges from 1.4% for municipalities in Worcester County to 17.0% for municipalities in Montgomery County. Municipal income taxes are calculated as 0.37% of Maryland taxable income or 17% of the county income tax liability for their residents, whichever is higher.

County Grants

County grants account for 4.6% of total revenues in fiscal 2007. Reliance on county grants is highest in Montgomery, St. Mary's, and Worcester counties. 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 \$1.2 billion in fiscal 2007. The two largest expenditures for municipalities are public works and public safety. Public works accounted for 43.1% of municipal spending in fiscal 2007 and public safety accounted for 21.7%. **Exhibit 3.10** shows municipal expenditures by category for fiscal 2007.

The composition of municipal expenditures has changed since fiscal 1995 (**Table 3.6**). 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 3.6
Municipal Expenditure Trends

<u>Category</u>	<u>FY 1995</u>	<u>FY 2000</u>	<u>FY 2007</u>
Public Works	43.7%	42.5%	43.1%
Public Safety	18.8%	20.4%	21.7%
General Government	11.3%	14.6%	12.3%
Parks and Recreation	8.9%	8.9%	8.3%
Debt Service	8.0%	6.9%	5.8%

Source: Department of Legislative Services

Exhibit 3.1
Local Government Expenditures
Fiscal 2007

County	County (\$ in Millions)	Municipal (\$ in Millions)	Total (\$ in Millions)	Percent County	Percent Municipal
Allegany	\$265.0	\$50.0	\$315.0	84.1%	15.9%
Anne Arundel	1,875.7	74.8	1,950.5	96.2%	3.8%
Baltimore City	3,287.5	0.0	3,287.5	100.0%	0.0%
Baltimore	2,913.6	0.0	2,913.6	100.0%	0.0%
Calvert	347.3	8.9	356.2	97.5%	2.5%
Caroline	121.7	16.8	138.5	87.9%	12.1%
Carroll	567.5	51.2	618.7	91.7%	8.3%
Cecil	340.0	29.1	369.1	92.1%	7.9%
Charles	649.3	12.7	662.0	98.1%	1.9%
Dorchester	111.9	32.0	143.9	77.8%	22.2%
Frederick	838.6	116.9	955.6	87.8%	12.2%
Garrett	125.8	7.0	132.8	94.7%	5.3%
Harford	892.2	47.0	939.1	95.0%	5.0%
Howard	1,313.8	0.0	1,313.8	100.0%	0.0%
Kent	70.7	8.2	78.9	89.6%	10.4%
Montgomery	5,015.6	174.0	5,189.6	96.6%	3.4%
Prince George's	3,484.4	159.5	3,644.0	95.6%	4.4%
Queen Anne's	192.0	7.8	199.8	96.1%	3.9%
St. Mary's	327.4	5.8	333.2	98.3%	1.7%
Somerset	86.9	7.5	94.4	92.0%	8.0%
Talbot	111.5	81.0	192.6	57.9%	42.1%
Washington	398.5	108.1	506.6	78.7%	21.3%
Wicomico	312.9	56.3	369.2	84.8%	15.2%
Worcester	220.1	123.2	343.4	64.1%	35.9%
Statewide	\$23,870.0	\$1,177.8	\$25,047.8	95.3%	4.7%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.2
Local Government Expenditures by Category
Fiscal 2007

Category	Total Local Expenditures	Percent of Total	County Expenditures	Municipal Expenditures	Percent County	Percent Municipal
General Government	\$1,555,012,189	6.2%	\$1,410,712,255	\$144,299,934	90.7%	9.3%
Public Safety						
Police	1,417,964,717	5.7%	1,233,099,171	184,865,546	87.0%	13.0%
Fire	810,477,316	3.2%	765,700,139	44,777,177	94.5%	5.5%
Corrections	315,308,588	1.3%	315,308,588	-	100.0%	0.0%
Other Public Safety	285,555,144	1.1%	259,821,532	25,733,612	91.0%	9.0%
Public Works						
Transportation	1,197,918,527	4.8%	1,042,392,993	155,525,534	87.0%	13.0%
Water/Sewer Services	1,880,783,265	7.5%	1,621,887,646	258,895,619	86.2%	13.8%
Other Public Works	100,010,614	0.4%	6,310,173	93,700,441	6.3%	93.7%
Education						
Public Schools	11,392,110,108	45.5%	11,392,110,108	-	100.0%	0.0%
Community Colleges	942,415,362	3.8%	942,415,362	-	100.0%	0.0%
Libraries	270,884,093	1.1%	270,884,093	-	100.0%	0.0%
Health/Social Services	958,419,754	3.8%	958,419,754	-	100.0%	0.0%
Parks and Recreation	698,587,156	2.8%	600,358,721	98,228,435	85.9%	14.1%
Community/Economic Development	720,143,440	2.9%	664,631,851	55,511,589	92.3%	7.7%
Miscellaneous	1,064,059,427	4.2%	1,015,951,837	48,107,590	95.5%	4.5%
Debt Service	1,438,200,251	5.7%	1,370,014,077	68,186,174	95.3%	4.7%
Total	\$25,047,849,951	100.0%	\$23,870,018,300	\$1,177,831,651	95.3%	4.7%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.3
County Revenues by Source – Fiscal 2007

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	Other
Allegany	11.9%	9.1%	1.8%	12.4%	10.4%	49.3%	5.1%
Anne Arundel	26.2%	20.0%	8.8%	12.7%	3.9%	22.0%	6.5%
Baltimore City	18.4%	7.3%	6.1%	13.1%	11.5%	37.4%	6.3%
Baltimore	24.5%	22.2%	6.2%	10.1%	7.1%	25.0%	4.9%
Calvert	28.1%	17.5%	3.7%	8.6%	3.5%	32.5%	6.1%
Caroline	15.8%	10.0%	3.9%	4.3%	8.3%	51.9%	5.7%
Carroll	27.7%	19.3%	4.2%	6.1%	4.3%	31.8%	6.6%
Cecil	25.1%	15.1%	3.3%	5.2%	5.6%	39.7%	6.0%
Charles	24.7%	13.8%	6.3%	9.6%	5.9%	31.4%	8.4%
Dorchester	20.3%	9.3%	6.5%	7.9%	9.7%	41.3%	4.9%
Frederick	25.7%	18.0%	5.1%	12.2%	4.2%	28.0%	6.7%
Garrett	25.0%	7.9%	6.4%	5.9%	11.7%	34.5%	8.6%
Harford	25.4%	19.0%	4.6%	6.7%	5.0%	30.5%	8.8%
Howard	30.3%	23.2%	7.4%	7.9%	2.4%	22.7%	6.1%
Kent	28.8%	15.7%	4.1%	4.3%	10.2%	30.9%	6.1%
Montgomery	24.9%	26.6%	9.3%	13.4%	5.8%	14.9%	5.2%
Prince George's	22.2%	11.0%	10.9%	12.1%	6.8%	29.0%	7.9%
Queen Anne's	23.5%	17.8%	5.1%	11.8%	6.5%	25.7%	9.7%
St. Mary's	20.8%	17.4%	6.9%	8.1%	5.8%	34.6%	6.5%
Somerset	13.9%	8.2%	1.5%	6.1%	9.4%	57.5%	3.5%
Talbot	19.7%	22.6%	9.4%	7.0%	6.8%	26.9%	7.6%
Washington	22.8%	14.8%	2.6%	7.5%	8.2%	36.2%	7.9%
Wicomico	17.6%	13.6%	2.8%	10.3%	9.8%	41.1%	4.7%
Worcester	39.6%	6.3%	12.0%	8.8%	5.5%	19.4%	8.3%
Statewide	23.8%	17.6%	7.4%	11.1%	6.7%	27.1%	6.4%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.4
Per Capita County Revenues by Source – Fiscal 2007

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	Other	Debt Proceeds	Total
Allegany	\$437	\$331	\$67	\$452	\$379	\$1,803	\$186	\$195	\$3,850
Anne Arundel	929	711	311	450	139	781	230	283	3,834
Baltimore City	935	374	311	665	584	1,904	319	168	5,261
Baltimore	853	774	217	350	246	871	170	263	3,745
Calvert	1,082	675	144	332	136	1,253	235	346	4,202
Caroline	554	350	137	150	292	1,819	200	401	3,904
Carroll	940	656	141	208	147	1,081	225	305	3,703
Cecil	792	476	103	165	178	1,252	190	45	3,200
Charles	1,032	575	263	401	247	1,311	352	289	4,469
Dorchester	713	326	230	279	342	1,453	173	7	3,522
Frederick	993	698	197	473	164	1,081	261	0	3,867
Garrett	1,157	364	294	272	541	1,595	399	101	4,724
Harford	913	682	166	241	179	1,094	317	88	3,679
Howard	1,424	1,088	347	369	111	1,067	288	17	4,711
Kent	1,036	564	147	156	367	1,112	219	0	3,601
Montgomery	1,261	1,352	472	678	295	755	262	645	5,720
Prince George's	938	467	458	511	289	1,224	335	360	4,583
Queen Anne's	1,008	763	218	507	278	1,103	416	507	4,800
St. Mary's	711	594	236	276	197	1,183	221	25	3,442
Somerset	459	271	48	201	309	1,897	116	211	3,513
Talbot	695	799	333	247	239	949	267	0	3,529
Washington	713	465	82	236	257	1,134	246	0	3,133
Wicomico	630	487	100	370	352	1,470	167	238	3,813
Worcester	2,016	323	613	451	280	988	424	577	5,671
Statewide	\$989	\$731	\$310	\$464	\$277	\$1,127	\$265	\$290	\$4,452

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.5
County Per Capita Rankings by Selected Revenue Sources – Fiscal 2007

Property Taxes		Income Taxes		State Grants		Total Revenues Excluding Debt Proceeds	
1. Worcester	\$2,016	1. Montgomery	\$1,352	1. Baltimore City	\$1,904	1. Worcester	\$5,094
2. Howard	1,424	2. Howard	1,088	2. Somerset	1,897	2. Baltimore City	5,093
3. Montgomery	1,261	3. Talbot	799	3. Caroline	1,819	3. Montgomery	5,075
4. Garrett	1,157	4. Baltimore	774	4. Allegany	1,803	4. Howard	4,694
5. Calvert	1,082	5. Queen Anne's	763	5. Garrett	1,595	5. Garrett	4,622
6. Kent	1,036	6. Anne Arundel	711	6. Wicomico	1,470	6. Queen Anne's	4,293
7. Charles	1,032	7. Frederick	698	7. Dorchester	1,453	7. Prince George's	4,223
8. Queen Anne's	1,008	8. Harford	682	8. Charles	1,311	8. Charles	4,180
9. Frederick	993	9. Calvert	675	9. Calvert	1,253	9. Frederick	3,867
10. Carroll	940	10. Carroll	656	10. Cecil	1,252	10. Calvert	3,856
11. Prince George's	938	11. St. Mary's	594	11. Prince George's	1,224	11. Allegany	3,654
12. Baltimore City	935	12. Charles	575	12. St. Mary's	1,183	12. Kent	3,601
13. Anne Arundel	929	13. Kent	564	13. Washington	1,134	13. Harford	3,592
14. Harford	913	14. Wicomico	487	14. Kent	1,112	14. Wicomico	3,576
15. Baltimore	853	15. Cecil	476	15. Queen Anne's	1,103	15. Anne Arundel	3,551
16. Cecil	792	16. Prince George's	467	16. Harford	1,094	16. Talbot	3,529
17. Washington	713	17. Washington	465	17. Carroll	1,081	17. Dorchester	3,515
18. Dorchester	713	18. Baltimore City	374	18. Frederick	1,081	18. Caroline	3,503
19. St. Mary's	711	19. Garrett	364	19. Howard	1,067	19. Baltimore	3,481
20. Talbot	695	20. Caroline	350	20. Worcester	988	20. St. Mary's	3,417
21. Wicomico	630	21. Allegany	331	21. Talbot	949	21. Carroll	3,398
22. Caroline	554	22. Dorchester	326	22. Baltimore	871	22. Somerset	3,302
23. Somerset	459	23. Worcester	323	23. Anne Arundel	781	23. Cecil	3,155
24. Allegany	437	24. Somerset	271	24. Montgomery	755	24. Washington	3,133
Statewide	\$989	Statewide	\$731	Statewide	\$1,127	Statewide	\$4,162

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.6
County Expenditures by Category – Fiscal 2007

County	General Government	Public Safety	Public Works	Health/ Social Serv.	Education/ Libraries	Parks and Recreation	Debt Service	Other
Allegany	3.0%	5.4%	9.9%	11.2%	63.6%	0.3%	2.3%	4.3%
Anne Arundel	6.2%	12.6%	10.5%	4.0%	56.7%	2.0%	6.8%	1.3%
Baltimore City	7.5%	15.3%	15.5%	4.7%	39.3%	1.8%	3.7%	12.2%
Baltimore	4.3%	11.1%	11.2%	2.5%	54.1%	1.5%	6.5%	8.8%
Calvert	5.0%	7.6%	11.4%	3.9%	58.6%	4.1%	3.6%	5.8%
Caroline	3.6%	7.9%	9.6%	4.8%	61.4%	2.1%	2.2%	8.4%
Carroll	4.9%	5.4%	7.7%	4.3%	63.5%	0.8%	5.4%	8.1%
Cecil	5.6%	8.0%	8.8%	3.9%	67.5%	0.3%	3.7%	2.4%
Charles	12.4%	12.4%	7.4%	2.9%	54.9%	1.4%	2.8%	5.9%
Dorchester	5.9%	11.5%	11.1%	6.2%	53.5%	2.0%	3.4%	6.4%
Frederick	5.1%	11.2%	8.6%	4.8%	61.5%	1.2%	4.0%	3.7%
Garrett	4.6%	6.1%	19.5%	5.5%	53.7%	0.8%	3.9%	6.0%
Harford	8.8%	8.6%	10.4%	3.0%	59.9%	2.7%	3.4%	3.1%
Howard	6.1%	10.7%	10.2%	2.8%	59.7%	2.6%	6.0%	1.9%
Kent	6.8%	11.2%	9.2%	9.1%	53.8%	1.7%	5.1%	3.0%
Montgomery	5.7%	9.8%	11.3%	4.8%	49.4%	3.5%	9.6%	5.8%
Prince George's	5.0%	10.2%	10.9%	2.5%	51.8%	4.1%	4.4%	11.1%
Queen Anne's	4.7%	9.5%	9.5%	5.1%	54.3%	3.2%	3.6%	10.2%
St. Mary's	6.9%	9.3%	7.5%	4.0%	59.9%	3.1%	4.4%	4.8%
Somerset	6.4%	6.3%	12.8%	7.0%	59.4%	1.8%	4.1%	2.2%
Talbot	5.2%	8.6%	8.8%	6.0%	60.2%	6.0%	0.7%	4.6%
Washington	5.5%	7.0%	10.9%	4.3%	67.2%	1.0%	3.2%	0.9%
Wicomico	2.8%	8.5%	7.0%	7.6%	63.9%	2.8%	3.4%	3.8%
Worcester	5.1%	8.5%	10.6%	9.6%	49.7%	1.0%	3.5%	12.0%
Statewide	5.9%	10.8%	11.2%	4.0%	52.8%	2.5%	5.7%	7.0%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.7
Per Capita County Expenditures by Category – Fiscal 2007

County	General Government	Public Safety	Public Works	Health/ Social Serv.	Education/ Libraries	Parks and Recreation	Debt Service	Other	Total
Allegany	\$110	\$199	\$361	\$410	\$2,327	\$11	\$84	\$157	\$3,659
Anne Arundel	227	463	389	147	2,090	74	249	47	3,685
Baltimore City	384	784	793	241	2,018	90	191	627	5,129
Baltimore	158	412	415	92	2,008	56	243	327	3,711
Calvert	197	303	454	155	2,323	162	144	230	3,968
Caroline	135	299	363	182	2,321	79	84	316	3,778
Carroll	166	182	261	144	2,141	26	181	272	3,374
Cecil	193	275	304	133	2,328	11	126	81	3,451
Charles	579	577	346	133	2,560	66	130	274	4,666
Dorchester	212	412	397	220	1,908	73	120	227	3,568
Frederick	193	422	326	180	2,327	46	153	139	3,786
Garrett	194	258	829	233	2,284	33	165	256	4,250
Harford	330	322	388	111	2,236	99	127	117	3,730
Howard	298	522	498	136	2,908	127	292	92	4,873
Kent	242	399	330	326	1,923	62	182	108	3,572
Montgomery	308	525	603	260	2,649	186	515	313	5,358
Prince George's	211	427	456	105	2,169	172	185	465	4,190
Queen Anne's	197	397	396	213	2,276	134	151	426	4,191
St. Mary's	229	308	250	133	1,992	104	147	160	3,323
Somerset	215	213	431	236	2,001	62	140	73	3,370
Talbot	162	265	272	185	1,865	184	20	143	3,095
Washington	152	196	303	121	1,872	29	88	26	2,787
Wicomico	97	288	237	259	2,173	97	117	130	3,398
Worcester	228	383	476	432	2,230	43	157	537	4,486
Statewide	\$252	\$459	\$477	\$171	\$2,250	\$107	\$245	\$300	\$4,261

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.8
County Per Capita Rankings by Expenditure Categories – Fiscal 2007

Education/Libraries		Public Works		Public Safety		Total Expenditures	
1. Howard	\$2,908	1. Garrett	\$829	1. Baltimore City	\$784	1. Montgomery	\$5,358
2. Montgomery	2,649	2. Baltimore City	793	2. Charles	577	2. Baltimore City	5,129
3. Charles	2,560	3. Montgomery	603	3. Montgomery	525	3. Howard	4,873
4. Cecil	2,328	4. Howard	498	4. Howard	522	4. Charles	4,666
5. Frederick	2,327	5. Worcester	476	5. Anne Arundel	463	5. Worcester	4,486
6. Allegany	2,327	6. Prince George's	456	6. Prince George's	427	6. Garrett	4,250
7. Calvert	2,323	7. Calvert	454	7. Frederick	422	7. Queen Anne's	4,191
8. Caroline	2,321	8. Somerset	431	8. Baltimore	412	8. Prince George's	4,190
9. Garrett	2,284	9. Baltimore	415	9. Dorchester	412	9. Calvert	3,968
10. Queen Anne's	2,276	10. Dorchester	397	10. Kent	399	10. Frederick	3,786
11. Harford	2,236	11. Queen Anne's	396	11. Queen Anne's	397	11. Caroline	3,778
12. Worcester	2,230	12. Anne Arundel	389	12. Worcester	383	12. Harford	3,730
13. Wicomico	2,173	13. Harford	388	13. Harford	322	13. Baltimore	3,711
14. Prince George's	2,169	14. Caroline	363	14. St. Mary's	308	14. Anne Arundel	3,685
15. Carroll	2,141	15. Allegany	361	15. Calvert	303	15. Allegany	3,659
16. Anne Arundel	2,090	16. Charles	346	16. Caroline	299	16. Kent	3,572
17. Baltimore City	2,018	17. Kent	330	17. Wicomico	288	17. Dorchester	3,568
18. Baltimore	2,008	18. Frederick	326	18. Cecil	275	18. Cecil	3,451
19. Somerset	2,001	19. Cecil	304	19. Talbot	265	19. Wicomico	3,398
20. St. Mary's	1,992	20. Washington	303	20. Garrett	258	20. Carroll	3,374
21. Kent	1,923	21. Talbot	272	21. Somerset	213	21. Somerset	3,370
22. Dorchester	1,908	22. Carroll	261	22. Allegany	199	22. St. Mary's	3,323
23. Washington	1,872	23. St. Mary's	250	23. Washington	196	23. Talbot	3,095
24. Talbot	1,865	24. Wicomico	237	24. Carroll	182	24. Washington	2,787
Statewide	\$2,250	Statewide	\$477	Statewide	\$459	Statewide	\$4,261

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.9
Municipal Revenues by Source – Fiscal 2007

County	Property Taxes	Income Taxes	Other Taxes	Service Charges	Federal Grants	State Grants	County Sources	Other
Allegany	21.2%	5.0%	0.2%	43.7%	10.2%	13.0%	1.1%	5.6%
Anne Arundel	37.7%	7.8%	2.2%	26.8%	2.8%	9.2%	4.3%	9.2%
Calvert	30.6%	1.7%	6.2%	37.9%	0.0%	11.8%	2.0%	9.7%
Caroline	25.5%	3.5%	0.3%	28.0%	17.4%	11.4%	0.2%	13.5%
Carroll	26.3%	9.8%	0.8%	29.9%	5.1%	11.6%	5.7%	10.8%
Cecil	25.4%	5.2%	0.8%	33.9%	0.3%	25.2%	1.9%	7.2%
Charles	18.1%	6.0%	0.0%	26.6%	0.8%	31.0%	0.1%	17.5%
Dorchester	26.2%	1.7%	0.5%	34.4%	6.1%	15.5%	5.8%	9.8%
Frederick	32.3%	6.4%	0.4%	31.2%	3.5%	9.7%	5.7%	10.8%
Garrett	16.0%	5.4%	0.6%	26.2%	10.9%	30.3%	1.6%	9.0%
Harford	37.6%	6.3%	0.6%	31.7%	0.0%	6.2%	3.5%	14.2%
Kent	19.5%	6.2%	1.0%	26.0%	3.6%	35.7%	1.8%	6.3%
Montgomery	32.9%	17.0%	1.2%	15.4%	2.1%	7.5%	8.2%	15.7%
Prince George's	50.1%	11.2%	1.3%	6.4%	1.1%	9.1%	3.1%	17.7%
Queen Anne's	18.5%	3.9%	0.0%	60.5%	0.0%	5.7%	1.8%	9.6%
St. Mary's	6.1%	5.2%	0.0%	25.2%	0.0%	20.3%	30.6%	12.6%
Somerset	23.5%	2.3%	0.3%	16.0%	5.7%	47.3%	0.1%	4.8%
Talbot	10.5%	2.1%	0.1%	57.2%	0.0%	2.2%	0.9%	27.1%
Washington	18.1%	2.9%	2.5%	52.8%	2.2%	5.3%	1.4%	14.8%
Wicomico	31.5%	3.8%	2.5%	28.7%	3.6%	19.8%	1.7%	8.4%
Worcester	34.6%	1.4%	2.8%	35.1%	1.1%	4.8%	11.1%	9.0%
Statewide	30.5%	7.2%	1.3%	30.3%	2.6%	10.1%	4.6%	13.4%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Exhibit 3.10
Municipal Expenditures by Category – Fiscal 2007

County	General Government	Public Safety	Public Works	Parks and Recreation	Community Develop.	Economic Develop.	Debt Service	Other
Allegany	7.4%	22.4%	49.1%	3.8%	7.5%	0.1%	7.9%	1.9%
Anne Arundel	12.8%	40.7%	34.0%	5.1%	0.9%	1.0%	5.6%	0.0%
Calvert	12.2%	11.3%	33.8%	13.6%	0.0%	1.3%	24.9%	2.9%
Caroline	9.9%	22.0%	40.2%	3.8%	14.6%	2.3%	5.5%	1.6%
Carroll	12.5%	14.0%	53.7%	4.1%	5.2%	0.0%	3.0%	7.4%
Cecil	12.6%	19.7%	51.9%	11.6%	0.0%	0.0%	4.0%	0.2%
Charles	15.4%	7.7%	59.9%	6.0%	0.0%	0.5%	5.6%	4.9%
Dorchester	6.7%	28.7%	49.0%	0.6%	0.4%	0.1%	5.0%	9.5%
Frederick	11.3%	21.2%	45.9%	8.8%	0.7%	2.4%	8.7%	1.0%
Garrett	20.8%	6.4%	51.1%	14.9%	0.0%	0.5%	4.1%	2.2%
Harford	14.8%	23.0%	45.4%	2.8%	0.0%	0.3%	4.9%	8.9%
Kent	14.5%	18.4%	53.9%	3.1%	1.1%	0.8%	4.9%	3.3%
Montgomery	19.8%	13.7%	25.8%	18.9%	2.7%	9.7%	5.3%	4.1%
Prince George's	19.1%	26.1%	33.0%	9.4%	1.6%	1.0%	4.8%	5.0%
Queen Anne's	41.0%	9.2%	39.3%	1.7%	0.0%	0.0%	2.5%	6.3%
St. Mary's	5.8%	0.7%	39.6%	52.3%	0.0%	0.5%	1.0%	0.1%
Somerset	9.9%	32.4%	29.0%	1.9%	2.0%	0.9%	16.3%	7.7%
Talbot	3.6%	8.9%	66.1%	1.3%	0.1%	0.3%	5.6%	14.1%
Washington	7.1%	17.5%	61.3%	3.7%	1.8%	1.0%	5.2%	2.3%
Wicomico	6.4%	37.2%	43.4%	5.0%	1.8%	0.0%	5.0%	1.3%
Worcester	6.4%	26.6%	40.7%	10.1%	0.2%	7.9%	6.0%	2.0%
Statewide	12.3%	21.7%	43.1%	8.3%	1.8%	2.9%	5.8%	4.1%

Source: *Local Government Finances Fiscal 2007*, Department of Legislative Services

Chapter 4. Tax Rates for Local Governments

County Taxes

Local tax rates remained relatively stable in fiscal 2010. As shown in **Table 4.1**, eight counties changed their local property tax rates, with seven counties decreasing their rates and one county increasing them. Local income tax rates remained constant for tax year 2010, with no county altering its rate. Local recordation, transfer, admission and amusement, and hotel/motel tax rates also remained the same in 2010.

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

	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010	
	▲	▼	▲	▼	▲	▼	▲	▼	▲	▼
Property	0	13	0	17	1	5	0	5	1	7
Income	0	1	0	1	1	0	1	0	0	0
Recordation	1	0	0	0	2	0	2	0	0	0
Transfer	1	0	0	0	0	0	0	0	0	0
A&A	0	0	0	1	0	0	0	0	0	0
Hotel/Motel	5	0	0	0	0	0	1	0	0	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 2010, seven jurisdictions – Anne Arundel, Cecil, Garrett, Harford, Somerset, Talbot, and Wicomico counties – decreased their property tax rates. Montgomery County increased its real property tax rate slightly. Real property tax rates range from \$0.432 per \$100 of assessed value in Talbot County to \$2.268 in Baltimore City.

Over the last five years, property tax rates have decreased in 19 jurisdictions¹ with 14 jurisdictions² lowering the rate multiple times. When comparing county property tax rates in fiscal 2010 to 2006, 19 counties³ have lower tax rates. Property tax rates in five counties⁴ 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 2001. These rates are based on property assessments at 100% of market valuation. Prior to fiscal 2002, real property tax rates were based on 40% of market valuation. **Appendix 6** shows the countywide special property tax rates for certain counties in fiscal 2010.

Table 4.2
Property Tax Notes

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

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

³Allegany, Anne Arundel, Baltimore City, Baltimore, Caroline, Cecil, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Montgomery, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester

⁴Calvert, 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, seven counties reduced their property tax rates in fiscal 2010; however, in comparison to the constant yield tax rate, every jurisdiction in Maryland, except Worcester, 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 \$346.5 million in fiscal 2010. **Exhibit 4.2** shows the property tax rate in excess of the constant yield rate for each county in fiscal 2010 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%.

No county changed its local income tax rate for calendar 2010. Three counties – Howard, Montgomery, and Prince George's – implement an income tax rate of 3.20%, which is the maximum

rate allowed by State law. Worcester County continues to have the lowest local income tax rate at 1.25%.

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 2001 through 2010.

Recordation Tax Rates

No county changed its recordation tax rates for fiscal 2010. 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 2009 and 2010.

Transfer Tax Rates

No county changed its transfer tax rate for fiscal 2010. Local transfer tax rates range from 0.5% in six counties (Allegany, Caroline, Kent, Queen Anne's, Washington, and Worcester) to 1.5% 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 2010. Admissions and amusement tax rates range from 0.5% in Dorchester County to 10.0% 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

No county changed its hotel and motel tax rate for fiscal 2010. Hotel and motel tax rates range from 3.0% in Frederick County to 8.0% 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% 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% 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 2010, among the State's 24 jurisdictions, Montgomery County has the fourteenth 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 \$1.038 in Colmar Manor (Prince George's County). Only Chevy Chase, Section 5 (Montgomery County) did not impose a local property tax in fiscal 2010. While only 15% of the State's population resides in incorporated areas (excluding

Baltimore City), there are nine counties where over 30% 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 municipalities 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), 18 counties provided property tax set-offs in fiscal 2009, 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 2009, municipal tax differentials and rebates totaled approximately \$94.6 million, a 17.0% increase over the prior year. **Exhibit 4.7** shows the amount of tax set-offs provided in fiscal 2009 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 2010.

Table 4.3
Municipalities with the Highest Combined Local
Property Tax Rates in Maryland
Fiscal 2010

<u>Municipality</u>	<u>County</u>	<u>Combined Tax Rate</u>
Colmar Manor	Prince George's	\$2.284
Baltimore City		2.268
Morningside	Prince George's	1.956
Mt. Rainier	Prince George's	1.938
Bladensburg	Prince George's	1.889
Cumberland	Allegany	1.867
Princess Anne	Somerset	1.854
Greenbelt	Prince George's	1.816
Riverdale Park	Prince George's	1.785
Hyattsville	Prince George's	1.777
Edmonston	Prince George's	1.768

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 (**Table 4.4**). Due to the downturn in the real estate market, impact fee and excise tax revenues declined by 30% in fiscal 2008 to \$90.7 million and by another 31% in fiscal 2009 to \$62.2 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.

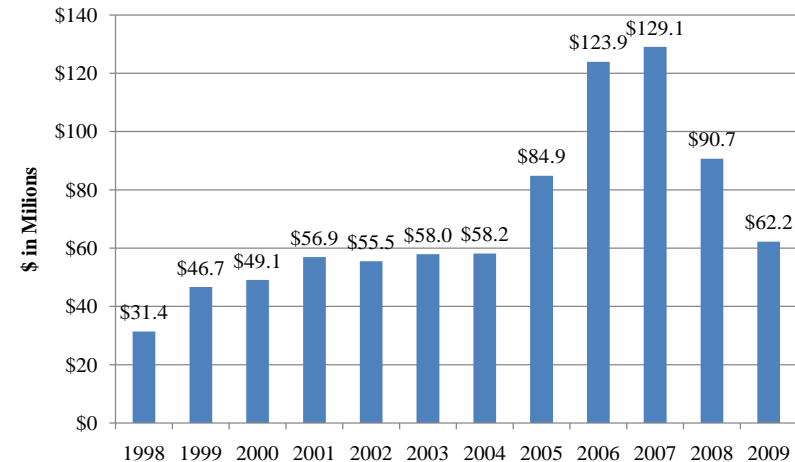
Development impact fees are imposed in eight counties – Anne Arundel, Carroll, Frederick, Harford, Queen Anne’s, St. Mary’s, Talbot, and Wicomico. Frederick County imposes both an impact fee and an excise tax on development. In fiscal 2009, the impact fees in these jurisdictions generated an estimated \$18.8 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 2009, the excise taxes in these jurisdictions generated an estimated \$43.4 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 2008 through 2010. **Exhibit 4.9** shows the revenue collections for fiscal 2008 and 2009. **Exhibit 4.10** shows the governmental uses for both development impact fees and building excise taxes for fiscal 2009.

Table 4.4
Development Impact Fees and Excise Taxes
Maryland Counties
Fiscal 1998-2009



Source: Maryland Association of Counties; Department of Legislative Services

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 4.5** 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 4.5
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 2001-2010
(per \$100 of assessed value)

County	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Allegany	\$0.984	\$0.984	\$0.984	\$1.000	\$1.001	\$1.001	\$0.983	\$0.983	\$0.983	\$0.983
Anne Arundel	0.960	0.960	0.950	0.955	0.941	0.931	0.918	0.891	0.888	0.876
Baltimore City	2.328	2.328	2.328	2.328	2.328	2.308	2.288	2.268	2.268	2.268
Baltimore	1.142	1.115	1.115	1.115	1.115	1.115	1.100	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	0.910	0.870	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	0.960	0.960	0.960	0.940
Charles	0.996	1.016	1.016	1.016	1.026	1.026	1.026	1.026	1.026	1.026
Dorchester	0.870	0.880	0.880	0.930	0.930	0.920	0.896	0.896	0.896	0.896
Frederick	1.000	1.000	1.100	1.135	1.135	1.135	1.064	1.064	1.064	1.064
Garrett	1.036	1.036	1.036	1.036	1.036	1.000	1.000	1.000	1.000	0.990
Harford	1.092	1.092	1.092	1.092	1.092	1.082	1.082	1.082	1.082	1.064
Howard	1.152	1.170	1.170	1.170	1.170	1.170	1.140	1.150	1.150	1.150
Kent	1.012	1.012	1.012	1.012	1.012	0.992	0.972	0.972	0.972	0.972
Montgomery	1.021	1.021	1.019	1.019	1.009	0.967	0.916	0.916	0.915	0.916
Prince George's	1.288	1.286	1.286	1.319	1.319	1.319	1.319	1.319	1.319	1.319
Queen Anne's	0.976	0.976	0.976	0.976	0.926	0.870	0.800	0.770	0.770	0.770
St. Mary's	0.908	0.908	0.908	0.908	0.878	0.872	0.857	0.857	0.857	0.857
Somerset	0.980	0.980	1.010	1.010	1.010	0.990	0.940	0.940	0.920	0.900
Talbot	0.556	0.556	0.553	0.553	0.540	0.520	0.500	0.475	0.449	0.432
Washington	0.948	0.948	0.948	0.948	0.948	0.948	0.948	0.948	0.948	0.948
Wicomico	1.084	1.070	1.047	1.041	1.025	0.993	0.942	0.881	0.814	0.759
Worcester	0.696	0.730	0.730	0.730	0.730	0.730	0.700	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 2010

County	Actual FY 2009	Actual FY 2010	Difference	Constant Yield Rate	Difference	Amount in Excess of Constant Yield Ranking by Highest to Lowest	
Allegany	\$0.983	\$0.983	\$0.000	\$0.915	\$0.068	1.	Baltimore City \$0.175
Anne Arundel	0.888	0.876	-0.012	0.861	0.015	2.	Prince George's 0.084
Baltimore City	2.268	2.268	0.000	2.093	0.175	3.	Carroll 0.070
Baltimore	1.100	1.100	0.000	1.046	0.054	4.	Allegany 0.068
Calvert	0.892	0.892	0.000	0.825	0.067	5.	Calvert 0.067
Caroline	0.870	0.870	0.000	0.816	0.054	6.	Harford 0.066
Carroll	1.048	1.048	0.000	0.978	0.070	7.	Kent 0.064
Cecil	0.960	0.940	-0.020	0.897	0.043	8.	Charles 0.060
Charles*	1.026	1.026	0.000	0.966	0.060	9.	Frederick 0.059
Dorchester	0.896	0.896	0.000	0.843	0.053	10.	St. Mary's 0.059
Frederick*	1.064	1.064	0.000	1.005	0.059	11.	Washington 0.056
Garrett	1.000	0.990	-0.010	0.946	0.044	12.	Baltimore 0.054
Harford	1.082	1.064	-0.018	0.998	0.066	13.	Caroline 0.054
Howard*	1.150	1.150	0.000	1.096	0.054	14.	Howard 0.054
Kent	0.972	0.972	0.000	0.908	0.064	15.	Dorchester 0.053
Montgomery*	0.915	0.916	0.001	0.869	0.047	16.	Montgomery 0.047
Prince George's*	1.319	1.319	0.000	1.235	0.084	17.	Queen Anne's 0.046
Queen Anne's	0.770	0.770	0.000	0.724	0.046	18.	Garrett 0.044
St. Mary's	0.857	0.857	0.000	0.798	0.059	19.	Cecil 0.043
Somerset	0.920	0.900	-0.020	0.874	0.026	20.	Somerset 0.026
Talbot	0.449	0.432	-0.017	0.422	0.010	21.	Anne Arundel 0.015
Washington	0.948	0.948	0.000	0.892	0.056	22.	Talbot 0.010
Wicomico	0.814	0.759	-0.055	0.758	0.001	23.	Wicomico 0.001
Worcester	0.700	0.700	0.000	0.738	-0.038	24.	Worcester -0.038

*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 2010

County	Assessable Base	Actual Rate	Constant Yield Rate	Difference	Estimated Revenue Yield	Per Capita Yield
Allegany	\$3,256,583,394	\$0.983	\$0.915	\$0.068	\$2,205,000	\$30.52
Anne Arundel	58,184,028,751	0.876	0.861	0.015	8,728,000	17.02
Baltimore City	28,840,751,965	2.268	2.093	0.175	50,471,000	79.24
Baltimore	66,644,815,040	1.100	1.046	0.054	35,988,000	45.81
Calvert	11,877,566,820	0.892	0.825	0.067	7,958,000	89.72
Caroline	2,548,765,015	0.870	0.816	0.054	1,376,000	41.52
Carroll	17,804,685,179	1.048	0.978	0.070	12,463,000	73.59
Cecil	9,827,415,634	0.940	0.897	0.043	4,226,000	42.29
Charles*	16,063,171,244	1.026	0.966	0.060	9,638,000	68.47
Dorchester	2,898,794,009	0.896	0.843	0.053	1,536,000	48.00
Frederick*	25,949,735,475	1.064	1.005	0.059	15,413,000	68.28
Garrett	4,296,831,406	0.990	0.946	0.044	1,891,000	63.67
Harford	25,085,794,713	1.064	0.998	0.066	16,557,000	68.89
Howard*	37,541,046,282	1.150	1.096	0.054	20,211,000	73.50
Kent	2,692,425,194	0.972	0.908	0.064	1,723,000	85.50
Montgomery*	167,265,836,070	0.916	0.869	0.047	79,208,000	83.32
Prince George's*	70,492,502,522	1.319	1.235	0.084	59,541,000	72.54
Queen Anne's	7,408,970,570	0.770	0.724	0.046	3,408,000	72.37
St. Mary's	10,109,769,194	0.857	0.798	0.059	5,965,000	58.72
Somerset	1,564,662,882	0.900	0.874	0.026	407,000	15.58
Talbot	7,068,267,861	0.432	0.422	0.010	707,000	19.52
Washington	12,156,731,558	0.948	0.892	0.056	6,808,000	46.83
Wicomico	6,777,978,384	0.759	0.758	0.001	68,000	0.72
Worcester	17,512,579,126	0.700	0.738	-0.038	0	0.00
Total	\$613,869,708,288				\$346,496,000	\$61.51

*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 2001-2010

County	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010
Allegany	2.87%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	3.05%	3.05%	3.05%
Anne Arundel	2.53%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%	2.56%
Baltimore City	2.51%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Baltimore	2.79%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
Calvert	2.55%	2.60%	2.60%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Caroline	2.57%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%
Carroll	2.80%	2.85%	2.85%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
Cecil	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Charles	2.85%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Dorchester	2.56%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%
Frederick	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%
Garrett	2.58%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%
Harford	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%
Howard	2.43%	2.45%	2.45%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Kent	2.54%	2.58%	2.58%	2.58%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Montgomery	2.92%	2.95%	2.95%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Prince George's	3.04%	3.10%	3.10%	3.20%	3.20%	3.20%	3.10%	3.10%	3.20%	3.20%
Queen Anne's	2.80%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
St. Mary's	3.10%	3.10%	3.10%	3.10%	3.05%	3.00%	3.00%	3.00%	3.00%	3.00%
Somerset	3.08%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%
Talbot	1.77%	1.79%	1.79%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Washington	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Wicomico	3.05%	3.10%	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 2009 and 2010

County	Recordation		Transfer		Admissions & Amusement		Hotel/Motel	
	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
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	2.50	2.50	1.4%	1.4%	10.0%	10.0%	5.0%	5.0%
Queen Anne's	4.95	4.95	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%	4.5%	4.5%

Source: Department of Legislative Services

Exhibit 4.6
Combined County and Municipal Real Property Tax Rates in Fiscal 2010
20 Largest Municipalities – Ranked by Total Tax Rate

Rank	Municipality	County	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
1.	Cumberland	Allegany	20,495	\$0.9016	\$0.9654	-	\$1.8670
2.	Greenbelt	Prince George's	21,098	0.7840	0.7860	0.2463	1.8163
3.	Hyattsville	Prince George's	15,376	0.7880	0.6300	0.3590	1.7770
4.	Hagerstown	Washington	39,728	0.9480	0.7880	-	1.7360
5.	Frederick City	Frederick	59,213	0.9360	0.6500	0.1280	1.7140
6.	New Carrollton	Prince George's	12,460	0.8460	0.5000	0.3590	1.7050
7.	Laurel	Prince George's	22,329	0.7550	0.7100	0.1997	1.6647
8.	College Park	Prince George's	26,925	0.9460	0.3220	0.3590	1.6270
9.	Aberdeen	Harford	13,993	0.9080	0.6875	-	1.5955
10.	Salisbury	Wicomico	28,200	0.7590	0.8190	-	1.5780
11.	Bowie	Prince George's	52,544	0.8660	0.3800	0.3059	1.5519
12.	Cambridge	Dorchester	11,752	0.8500	0.6760	-	1.5260
13.	Havre de Grace	Harford	13,085	0.9080	0.6100	-	1.5180
14.	Takoma Park	Montgomery	17,701	0.6830	0.5800	0.2300	1.4930
15.	Westminster	Carroll	17,689	1.0480	0.4400	-	1.4880
16.	Elkton	Cecil	14,842	0.9400	0.4640	-	1.4040
17.	Rockville	Montgomery	60,734	0.6830	0.2920	0.1430	1.1180
18.	Annapolis	Anne Arundel	36,524	0.5230	0.5300	-	1.0530
19.	Gaithersburg	Montgomery	58,744	0.6830	0.2120	0.1430	1.0380
20.	Easton	Talbot	14,677	0.3030	0.5200	-	0.8230
	Baltimore City		636,919	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 2009

County	Tax Differential	Tax Rebate	Total
Allegany	\$1,058,874	\$0	\$1,058,874
Anne Arundel	26,576,259	0	26,576,259
Baltimore City	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A
Calvert	3,268,735	0	3,268,735
Caroline	1,024,121	0	1,024,121
Carroll	0	2,232,534	2,232,534
Cecil	0	750,270	750,270
Charles	1,052,643	0	1,052,643
Dorchester	455,953	6,050	462,003
Frederick	0	7,393,431	7,393,431
Garrett	51,591	224,615	276,206
Harford	6,599,677	2,188,716	8,788,393
Howard	N/A	N/A	N/A
Kent	0	164,945	164,945
Montgomery	0	7,424,836	7,424,836
Prince George's	27,571,404	669,670	28,241,074
Queen Anne's	0	0	0
St. Mary's	0	55,780	55,780
Somerset	0	300,000	300,000
Talbot	3,655,167	0	3,655,167
Washington	0	1,906,923	1,906,923
Wicomico	0	0	0
Worcester	0	0	0
Total	\$71,314,424	\$23,317,770	\$94,632,194

N/A: indicates the jurisdiction has no municipalities.

Source: Department of Legislative Services, November 2008.

Exhibit 4.8
County Development Impact Fees/Excise Tax Rates

<u>County</u>	<u>Type</u>	Fee/Rate Per Dwelling¹		
		<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Anne Arundel	Impact Fee	\$4,904	\$1,795 ²	\$3,590 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	11,400	11,598	12,625
Dorchester ⁴	Excise Tax	3,671	3,671	3,671
Frederick ⁵	Both	13,121	13,733	14,283
Harford	Impact Fee	8,269	8,269	6,000 ⁶
Howard ⁷	Excise Tax	See note	See note	See note
Montgomery ⁸	Excise Tax	31,105	31,105	33,331
Prince George's ⁹	Excise Tax	19,864	20,638	20,494
Queen Anne's	Impact Fee	\$3.93/sq. ft.	\$4.05/sq. ft.	\$4.25/sq. ft.
St. Mary's	Impact Fee	4,500	4,500	4,500
Talbot ¹⁰	Impact Fee	5,513	5,684	5,957
Washington ¹¹	Excise Tax	13,000	\$3.00/sq. ft.	\$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. These rates are those applicable in the second half of fiscal 2009 and 2010, the result of increases effective January 1, 2009 and January 1, 2010. Residential rates vary by the square footage of a unit. Rates will increase again January 1, 2011, bringing the rate for a 1,500 to 1,599 square foot residential unit to \$8,976.

³ A \$750 development excise tax for agricultural land preservation is also imposed on new 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 Effective December 4, 2009.

⁷ Roads tax is \$400 for the first 500 sq. ft. and \$0.95/sq. ft. (\$0.90/sq. ft. in fiscal 2009 and \$0.88/sq. ft. in fiscal 2008) for square footage in excess of 500 sq. ft. School surcharge is \$1.14/sq. ft. (\$1.14/sq. ft. in fiscal 2009 and \$1.09/sq. ft. in fiscal 2008).

⁸ Fiscal 2008 and 2009 amounts represent \$10,649 for transportation and \$20,456 for schools, effective December 1, 2007. Fiscal 2010 amount represents \$11,411 for transportation and \$21,920 for schools. The school excise tax is increased by \$2 for each square foot between 3,500 and 8,500 gross square feet. Different transportation rates apply in the Metro Station and Clarksburg impact tax districts.

⁹ Fiscal 2010 amount represents \$13,921 for school facilities and \$6,573 for public safety. A lower school facilities rate (\$8,120 in fiscal 2010) applies inside the beltway and a lower public safety rate (\$2,192 in fiscal 2010) applies inside the “developed tier” as defined in the 2002 Prince George’s County Approved General Plan.

¹⁰ A lower rate (\$5,147 in fiscal 2010) applies to “in-town” development.

¹¹ In fiscal 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 2008 Actual</u>	<u>FY 2009 Estimated</u>	<u>Revenue Increase/Decrease</u>	<u>% Change</u>
Anne Arundel	\$7,827,303	\$5,319,888	(\$2,507,415)	-32.0%
Calvert	3,260,731	2,820,825	(439,906)	-13.5%
Caroline	242,724	107,808	(134,916)	-55.6%
Carroll	1,350,460	869,347	(481,113)	-35.6%
Charles	4,127,883	4,623,006	495,123	12.0%
Dorchester	783,333	472,224	(311,109)	-39.7%
Frederick	6,736,770	7,570,953	834,183	12.4%
Harford	2,669,380	2,436,848	(232,532)	-8.7%
Howard	9,766,799	7,476,511	(2,290,288)	-23.4%
Montgomery	16,511,000	10,467,973	(6,043,027)	-36.6%
Prince George's	28,390,495	14,538,417	(13,852,078)	-48.8%
Queen Anne's	1,456,423	991,107	(465,316)	-31.9%
St. Mary's	3,540,450	1,832,705	(1,707,745)	-48.2%
Talbot	787,244	514,311	(272,933)	-34.7%
Washington	2,453,036	1,721,414	(731,622)	-29.8%
Wicomico	782,097	480,267	(301,830)	-38.6%
Total	\$90,686,128	\$62,243,604	(\$28,442,524)	-31.4%

Source: Department of Legislative Services

Exhibit 4.10
Governmental Uses of Development Impact Fees and Excise Taxes
Fiscal 2009

County	Education	Transportation	Public Safety	Recreation	Other	Total Revenues	Per Capita Revenues
Allegany	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Anne Arundel	2,089,134	2,949,943	280,811	0	0	5,319,888	10.37
Baltimore City	0	0	0	0	0	0	0.00
Baltimore	0	0	0	0	0	0	0.00
Calvert	1,603,550	901,090	0	214,509	101,677	2,820,825	31.80
Caroline	97,958	0	0	0	9,850	107,808	3.25
Carroll	782,935	0	0	86,412	0	869,347	5.13
Cecil	0	0	0	0	0	0	0.00
Charles	4,623,006	0	0	0	0	4,623,006	32.84
Dorchester	448,635	0	23,589	0	0	472,224	14.76
Frederick	6,380,028	1,190,925	0	0		7,570,953	33.54
Garrett	0	0	0	0	0	0	0.00
Harford	2,436,848	0	0	0	0	2,436,848	10.14
Howard	3,778,742	3,697,769	0	0	0	7,476,511	27.19
Kent	0	0	0	0	0	0	0.00
Montgomery	8,017,292	2,450,681	0	0	0	10,467,973	11.01
Prince George's	14,506,311	0	32,106	0	0	14,538,417	17.71
Queen Anne's	740,213	0	153,792	97,102	0	991,107	21.05
St. Mary's	1,432,000	183,055	0	217,650	0	1,832,705	18.04
Somerset	0	0	0	0	0	0	0.00
Talbot	189,303	233,621	0	23,835	67,552	514,311	14.20
Washington	696,104	982,090	100	0	43,120	1,721,414	11.84
Wicomico	480,267	0	0	0	0	480,267	5.11
Worcester	0	0	0	0	0	0	0.00
Total	\$48,302,326	\$12,589,174	\$490,398	\$639,508	\$222,199	\$62,243,604	\$11.05
Share of Total	77.6%	20.2%	0.8%	1.0%	0.4%	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% of total county revenues. When intergovernmental grants are excluded, property and income taxes account for over 60% of total county revenues, increasing to 75% of revenues in several counties.

The downturn in the housing market has started to affect property assessments in Maryland. County assessable base increased by only 6.1% in fiscal 2010, a slowdown in growth compared to previous years. In fiscal 2011, county assessable base is projected to decrease by 2.5%. Likewise, net taxable income decreased by 7.5% in tax year 2008 compared to a 7.1% increase in tax year 2007 and an increase of 5.8% in tax year 2006. **Table 5.1** compares the relative growth in county assessable base and net taxable income.

The downward slide in local recordation and transfer tax revenues appears to have ended in fiscal 2010. County governments collected \$511.8 million in local recordation and transfer taxes in fiscal 2009 and are expected to collect \$512.1 million in fiscal 2010. These amounts are 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 2006.

Table 5.1
Comparison of Local Revenue Measures
Annual Percent Growth

<u>County Assessable Base</u>		<u>Net Taxable Income</u>	
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	-7.5%
FY 2010	6.1%	TY 2009	N/A
FY 2011	-2.5%	TY 2010	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 2006	\$619.0	\$607.8	\$1,226.8
FY 2007	508.5	506.2	1,014.7
FY 2008	372.3	375.1	747.4
FY 2009	253.6	258.2	511.8
FY 2010	249.5	262.6	512.1

Source: Maryland Association of Counties

Property Taxation

The property tax is one of the three major revenue sources for county governments, accounting for 23.8% of total revenues, excluding debt proceeds, and the largest revenue source for municipal governments, accounting for 30.5% of total revenues, excluding debt proceeds. In fiscal 2010, county governments are projected to collect \$6.4 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, local property tax collections should remain relatively constant for the near future.

County assessable base in fiscal 2010 totaled \$772.4 billion or \$137,101 per State resident. Per capita assessable base ranges from \$52,833 in Allegany County to \$391,538 in Worcester County. Statewide, real property accounts for 97.0% of the assessable base and personal property accounts for 3.0%. **Exhibit 5.1** shows the per capita assessable base and assessable base growth for each jurisdiction for fiscal 2010.

Exhibit 5.2 shows the real, personal, and total county assessable base for each county for fiscal 2010. **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 2005.

Assessable Base Growth

County assessable base increased by 6.1% in fiscal 2010. Real property increased by 6.2% statewide, whereas personal property increased by 1.1%. As shown in **Table 5.3**, the State Department of Assessments and Taxation projects that total county assessable base will grow by 6.1% in fiscal 2010 and decrease by 2.5% in fiscal 2011.

Table 5.3
County Assessable Base Growth Forecast

<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
13.9%	6.1%	-2.5%

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% in 2000 and 60.2% in 2006. Properties reassessed for 2007 realized an increase of 56.1% statewide; whereas, reassessments for 2008 realized an increase of 33.2%. 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 reassessed for 2010 realized a decrease of 16.1%, with only two counties not 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; however, any decrease in value is reflected immediately. **Exhibit 5.5** shows the average increase in the full cash value of property reassessed for 2010 for each jurisdiction, the average annual changes, and the county assessment cap. Property reassessments for 2010 will affect the county's assessable base starting in fiscal 2011. **Exhibit 5.6** shows the full cash value increase from January 1999 through January 2010.

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 \$1.0 million in revenues, whereas it generates only \$168,600 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 2005 through 2010 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% 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%: 19 counties in fiscal 2009, 20 counties in fiscal 2010, and 20 counties in fiscal 2011. **Table 5.4** lists the counties with assessment caps below 10% in at least one of the three years from fiscal 2009 through 2011. Due to the

continuing changes in property assessments, two counties (Harford and Prince George's) lowered their assessment cap in fiscal 2011.

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%, 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 2009	FY 2010	FY 2011
Allegany	10%	7%	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	9%	9%	5%
Howard	5%	5%	5%
Kent	5%	5%	5%
Prince George's	3%	5%	0%
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 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. **Exhibits 5.8** and **5.9** show the impact that assessments caps has had on the county's assessable base and local property tax revenues.

Net Taxable Income

Income tax revenue is the third largest revenue source for county governments, accounting for 17.6% of total revenue in fiscal 2007, excluding debt proceeds. The reliance on income tax revenue ranges from 6.3% of total revenues in Worcester County to 26.6% in Montgomery 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 5.10** shows the trends in net taxable income by county for the last seven years, and **Exhibit 5.11** shows the growth in net taxable income since tax year 2002.

Net taxable income for Maryland jurisdictions totaled \$124.9 billion in tax year 2008, ranging from \$209.9 million in Somerset County to \$32.9 billion in Montgomery County. For all counties, net taxable income decreased by 7.5% in tax year 2008, with Talbot County experiencing the greatest

decrease at 24.8%. Only one county (Charles) experienced an increase in net taxable income in tax year 2008.

Montgomery County has the highest per capita net taxable income at \$34,582 followed by Howard County at \$32,048 and Talbot County at \$27,552. Somerset County has the lowest per capita net taxable income at \$8,036. **Exhibit 5.12** ranks local jurisdictions according to per capita net taxable income and net taxable income growth.

Exhibit 5.1
County Assessable Base Measures for Fiscal 2010

<u>County</u>	<u>Population July 1, 2008</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	72,238	\$3,816,560	\$52,833	11.9%	1. Worcester	391,538	1. Baltimore City	13.8%
Anne Arundel	512,790	86,849,623	169,367	6.0%	2. Talbot	280,064	2. Allegany	11.9%
Baltimore City	636,919	38,190,377	59,961	13.8%	3. Montgomery	197,400	3. Prince George's	11.6%
Baltimore	785,618	88,989,970	113,274	8.9%	4. Queen Anne's	192,201	4. Caroline	11.5%
Calvert	88,698	13,951,302	157,290	8.0%	5. Howard	182,002	5. St. Mary's	11.0%
Caroline	33,138	3,199,323	96,545	11.5%	6. Anne Arundel	169,367	6. Talbot	10.8%
Carroll	169,353	22,093,994	130,461	8.7%	7. Kent	159,748	7. Kent	10.3%
Cecil	99,926	11,184,512	111,928	6.8%	8. Garrett	157,916	8. Dorchester	9.1%
Charles	140,764	19,882,783	141,249	7.0%	9. Calvert	157,290	9. Baltimore	8.9%
Dorchester	31,998	3,527,710	110,248	9.1%	10. Frederick	141,632	10. Harford	8.8%
Frederick	225,721	31,969,352	141,632	6.1%	11. Charles	141,249	11. Carroll	8.7%
Garrett	29,698	4,689,794	157,916	7.7%	12. Carroll	130,461	12. Washington	8.1%
Harford	240,351	28,453,136	118,382	8.8%	13. St. Mary's	126,752	13. Calvert	8.0%
Howard	274,995	50,049,686	182,002	5.0%	14. Prince George's	120,445	14. Wicomico	7.8%
Kent	20,151	3,219,073	159,748	10.3%	15. Harford	118,382	15. Somerset	7.7%
Montgomery	950,680	187,664,567	197,400	0.4%	16. Baltimore	113,274	16. Garrett	7.7%
Prince George's	820,852	98,867,718	120,445	11.6%	17. Cecil	111,928	17. Queen Anne's	7.5%
Queen Anne's	47,091	9,050,949	192,201	7.5%	18. Dorchester	110,248	18. Charles	7.0%
St. Mary's	101,578	12,875,262	126,752	11.0%	19. Washington	102,330	19. Cecil	6.8%
Somerset	26,119	1,757,563	67,291	7.7%	20. Caroline	96,545	20. Frederick	6.1%
Talbot	36,215	10,142,501	280,064	10.8%	21. Wicomico	82,671	21. Anne Arundel	6.0%
Washington	145,384	14,877,217	102,330	8.1%	22. Somerset	67,291	22. Howard	5.0%
Wicomico	94,046	7,774,844	82,671	7.8%	23. Baltimore City	59,961	23. Montgomery	0.4%
Worcester	49,274	19,292,626	391,538	-5.5%	24. Allegany	52,833	24. Worcester	-5.5%
Statewide	5,633,597	\$772,370,442	\$137,101	6.1%				

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

Exhibit 5.2
County Assessable Base for Fiscal 2010 and Percent Change from Fiscal 2009
(\$ in Thousands)

County	Subject to Real Property	Percent Change	Subject to Personal Property	Percent Change	Total Property	Percent Change
Allegany	\$3,484,452	13.7%	\$332,108	-4.1%	\$3,816,560	11.9%
Anne Arundel	84,100,226	6.1%	2,749,397	1.0%	86,849,623	6.0%
Baltimore City	36,152,390	14.9%	2,037,987	-2.4%	38,190,377	13.8%
Baltimore	85,888,670	9.2%	3,101,300	0.2%	88,989,970	8.9%
Calvert	13,459,525	8.1%	491,777	5.6%	13,951,302	8.0%
Caroline	3,095,753	11.9%	103,570	-0.9%	3,199,323	11.5%
Carroll	21,539,976	8.9%	554,018	-0.5%	22,093,994	8.7%
Cecil	10,800,442	7.1%	384,070	-1.3%	11,184,512	6.8%
Charles	18,938,637	7.5%	944,146	-3.3%	19,882,783	7.0%
Dorchester	3,391,676	9.3%	136,034	3.1%	3,527,710	9.1%
Frederick	31,678,985	6.2%	290,367	-7.0%	31,969,352	6.1%
Garrett	4,573,168	8.1%	116,626	-6.0%	4,689,794	7.7%
Harford	27,465,303	9.0%	987,833	2.7%	28,453,136	8.8%
Howard	48,528,784	5.2%	1,520,902	-0.2%	50,049,686	5.0%
Kent	3,180,936	10.4%	38,137	2.3%	3,219,073	10.3%
Montgomery	183,562,521	0.3%	4,102,046	3.0%	187,664,567	0.4%
Prince George's	95,828,317	11.8%	3,039,401	5.0%	98,867,718	11.6%
Queen Anne's	8,987,459	7.5%	63,490	3.3%	9,050,949	7.5%
St. Mary's	12,601,733	11.2%	273,529	-0.1%	12,875,262	11.0%
Somerset	1,685,922	7.8%	71,641	5.9%	1,757,563	7.7%
Talbot	10,085,641	10.8%	56,860	1.3%	10,142,501	10.8%
Washington	14,297,018	8.3%	580,199	2.5%	14,877,217	8.1%
Wicomico	7,258,815	8.4%	516,029	0.7%	7,774,844	7.8%
Worcester	18,968,635	-5.6%	323,991	-0.1%	19,292,626	-5.5%
Statewide	\$749,554,984	6.2%	\$22,815,458	1.1%	\$772,370,442	6.1%

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 2010	FY 2011E
Allegany	-4.4%	-2.1%	1.5%	3.3%	4.3%	4.2%	9.3%	6.7%	11.9%	3.8%
Anne Arundel	5.6%	6.7%	8.3%	11.5%	14.2%	15.7%	18.0%	14.2%	6.0%	-3.2%
Baltimore City	2.5%	2.8%	2.8%	6.8%	7.7%	8.6%	14.9%	15.6%	13.8%	1.6%
Baltimore	2.9%	3.5%	4.0%	5.5%	9.9%	12.4%	15.7%	13.3%	8.9%	0.6%
Calvert	2.1%	5.7%	7.6%	9.9%	12.2%	15.9%	19.8%	10.7%	8.0%	1.2%
Caroline	4.3%	5.0%	5.1%	9.3%	12.6%	16.9%	18.1%	16.4%	11.5%	-1.5%
Carroll	5.1%	6.9%	6.5%	8.7%	13.0%	15.0%	16.1%	13.3%	8.7%	-5.3%
Cecil	5.0%	6.6%	7.6%	10.9%	11.4%	14.2%	16.1%	13.7%	6.8%	-0.7%
Charles	8.2%	5.8%	7.4%	8.2%	12.2%	17.7%	20.4%	16.0%	7.0%	-5.6%
Dorchester	2.9%	5.6%	10.2%	6.7%	11.1%	11.5%	17.8%	14.4%	9.1%	0.8%
Frederick	5.8%	6.5%	6.7%	9.4%	16.0%	17.5%	19.2%	13.4%	6.1%	-6.6%
Garrett	4.7%	7.4%	8.8%	8.5%	14.3%	17.3%	14.6%	12.7%	7.7%	5.2%
Harford	5.0%	6.1%	5.8%	8.1%	11.2%	14.9%	15.3%	13.9%	8.8%	0.7%
Howard	8.5%	4.2%	7.8%	11.2%	14.2%	17.4%	16.1%	13.3%	5.0%	-8.1%
Kent	3.8%	5.0%	7.0%	8.7%	13.0%	14.2%	16.3%	15.0%	10.3%	-3.3%
Montgomery	4.6%	6.4%	9.3%	11.8%	16.2%	17.8%	15.5%	11.0%	0.4%	-4.1%
Prince George's	3.0%	4.7%	4.6%	7.2%	11.1%	15.1%	18.7%	19.0%	11.6%	0.7%
Queen Anne's	6.6%	8.9%	11.4%	13.3%	14.3%	18.2%	19.2%	14.4%	7.5%	-2.1%
St. Mary's	4.2%	5.9%	5.4%	6.5%	10.7%	19.6%	19.1%	18.4%	11.0%	1.3%
Somerset	1.8%	3.8%	5.3%	5.9%	13.3%	23.0%	18.5%	16.7%	7.7%	1.6%
Talbot	11.3%	8.8%	11.1%	13.6%	14.6%	14.7%	17.5%	15.5%	10.8%	0.2%
Washington	6.1%	2.3%	9.4%	3.2%	11.6%	14.4%	18.1%	15.3%	8.1%	-5.0%
Wicomico	2.4%	3.9%	5.6%	5.9%	9.1%	12.2%	13.7%	12.9%	7.8%	-1.9%
Worcester	6.3%	8.5%	16.0%	19.2%	17.6%	23.0%	19.7%	17.8%	-5.5%	-8.8%
Statewide	4.5%	5.4%	7.0%	9.4%	13.1%	15.7%	16.8%	13.9%	6.1%	-2.5%

Source: State Department of Assessments and Taxation

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

County	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 E
Allegany	\$2,691,053	\$2,808,112	\$2,926,109	\$3,197,006	\$3,410,672	\$3,816,560	\$3,961,123
Anne Arundel	46,036,555	52,554,958	60,826,688	71,787,490	81,956,083	86,849,623	84,047,182
Baltimore City	21,597,384	23,249,753	25,256,648	29,032,305	33,550,206	38,190,377	38,788,386
Baltimore	50,489,382	55,476,797	62,365,607	72,129,480	81,731,405	88,989,970	89,481,902
Calvert	7,496,323	8,408,145	9,742,417	11,667,003	12,916,676	13,951,302	14,115,869
Caroline	1,586,476	1,786,819	2,089,016	2,466,400	2,869,869	3,199,323	3,151,605
Carroll	11,891,468	13,438,532	15,453,866	17,935,278	20,328,488	22,093,994	20,932,256
Cecil	6,235,694	6,945,277	7,932,003	9,206,087	10,469,300	11,184,512	11,106,250
Charles	10,075,543	11,308,138	13,304,605	16,016,997	18,586,284	19,882,783	18,773,474
Dorchester	1,939,327	2,154,025	2,400,917	2,827,830	3,234,812	3,527,710	3,557,281
Frederick	16,353,215	18,975,905	22,292,911	26,577,953	30,137,363	31,969,352	29,864,450
Garrett	2,513,159	2,873,593	3,371,967	3,865,703	4,356,189	4,689,794	4,934,925
Harford	15,597,527	17,345,762	19,926,361	22,974,307	26,162,068	28,453,136	28,650,685
Howard	27,014,393	30,847,706	36,224,837	42,056,223	47,665,838	50,049,686	46,013,384
Kent	1,690,504	1,910,531	2,181,116	2,535,994	2,917,378	3,219,073	3,114,135
Montgomery	106,559,595	123,784,098	145,815,228	168,428,916	186,958,792	187,664,567	179,910,421
Prince George's	49,033,034	54,495,057	62,726,164	74,432,899	88,580,752	98,867,718	99,550,001
Queen Anne's	4,569,035	5,221,808	6,174,441	7,359,731	8,420,273	9,050,949	8,859,984
St. Mary's	6,211,101	6,877,275	8,227,294	9,796,841	11,602,222	12,875,262	13,048,591
Somerset	846,503	959,352	1,180,315	1,398,223	1,632,128	1,757,563	1,785,431
Talbot	5,134,091	5,882,773	6,749,460	7,929,251	9,155,628	10,142,501	10,159,810
Washington	7,922,077	8,842,655	10,114,171	11,941,203	13,766,981	14,877,217	14,126,473
Wicomico	4,591,232	5,008,492	5,617,482	6,385,253	7,210,852	7,774,844	7,624,845
Worcester	10,010,931	11,777,360	14,483,821	17,338,848	20,416,913	19,292,626	17,593,051
Statewide	\$418,085,602	\$472,932,923	\$547,383,444	\$639,287,220	\$728,037,172	\$772,370,442	\$753,151,514

Source: State Department of Assessments and Taxation

Exhibit 5.5
Assessment Growth Changes – Affecting Revenues in Fiscal 2011
Group 1 of 3

County	Full Cash Value Change Before Cap (Over 3 Years)	Average Annual Change	County Assessment Cap
Allegany	0.4%	0.1%	7%
Anne Arundel	-17.9%	-6.0%	2%
Baltimore City	-2.6%	-0.9%	4%
Baltimore	-13.2%	-4.4%	4%
Calvert	-15.1%	-5.0%	10%
Caroline	-15.6%	-5.2%	5%
Carroll	-19.2%	-6.4%	7%
Cecil	-11.0%	-3.7%	8%
Charles	-19.8%	-6.6%	7%
Dorchester	-9.9%	-3.3%	5%
Frederick	-22.0%	-7.3%	5%
Garrett	0.0%	0.0%	5%
Harford	-14.3%	-4.8%	5%
Howard	-19.8%	-6.6%	5%
Kent	-10.3%	-3.4%	5%
Montgomery	-17.0%	-5.7%	10%
Prince George's	-18.4%	-6.1%	0%
Queen Anne's	-12.4%	-4.1%	5%
St. Mary's	-15.5%	-5.2%	5%
Somerset	-10.6%	-3.5%	10%
Talbot	-9.0%	-3.0%	0%
Washington	-18.4%	-6.1%	5%
Wicomico	-15.6%	-5.2%	10%
Worcester	-20.0%	-6.7%	3%
Statewide	-16.1%	-5.4%	

Source: State Department of Assessments and Taxation

Exhibit 5.6
Triennial Change in Full Cash Value
January 1999 – January 2010

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	2010 Group 1
Allegany	8.4%	4.2%	5.8%	6.2%	9.3%	10.6%	10.6%	21.4%	43.3%	34.5%	16.8%	0.4%
Anne Arundel	5.7%	8.7%	14.8%	20.4%	37.0%	49.0%	47.6%	65.9%	55.4%	34.9%	-0.3%	-17.9%
Baltimore City	2.8%	7.3%	10.3%	6.1%	23.0%	18.5%	21.6%	45.6%	58.5%	75.0%	20.9%	-2.6%
Baltimore	5.1%	4.1%	6.2%	12.1%	11.2%	19.3%	38.1%	53.4%	64.8%	32.6%	13.3%	-13.2%
Calvert	3.6%	6.0%	8.6%	14.3%	17.6%	29.7%	50.4%	71.7%	69.7%	38.3%	3.1%	-15.1%
Caroline	8.6%	5.3%	8.5%	12.1%	13.3%	25.0%	38.9%	49.7%	73.6%	40.6%	13.4%	-15.6%
Carroll	6.4%	6.0%	7.9%	11.7%	15.8%	35.9%	42.2%	54.0%	56.9%	37.4%	5.1%	-19.2%
Cecil	5.0%	6.7%	9.2%	13.4%	17.4%	20.5%	33.1%	56.7%	54.0%	33.3%	2.5%	-11.0%
Charles	2.5%	3.7%	6.6%	11.3%	17.9%	27.5%	47.2%	70.2%	62.6%	41.4%	-4.6%	-19.8%
Dorchester	4.3%	16.8%	8.9%	15.8%	12.3%	19.4%	32.5%	60.8%	58.5%	34.5%	6.8%	-9.9%
Frederick	1.9%	5.0%	8.8%	13.0%	18.1%	33.5%	56.0%	60.9%	52.2%	27.4%	-4.7%	-22.0%
Garrett	10.0%	7.6%	8.2%	19.4%	22.2%	11.1%	39.2%	47.6%	38.3%	29.0%	8.5%	0.0%
Harford	5.7%	4.2%	9.6%	12.8%	14.4%	25.5%	37.6%	48.2%	55.5%	38.6%	9.0%	-14.3%
Howard	5.2%	6.6%	10.4%	20.1%	29.0%	39.3%	48.5%	58.7%	50.3%	24.2%	-2.3%	-19.8%
Kent	-0.6%	4.0%	17.7%	17.4%	20.7%	30.6%	46.5%	36.8%	65.2%	37.3%	13.5%	-10.3%
Montgomery	2.7%	6.4%	13.5%	21.8%	36.3%	51.8%	65.0%	63.3%	43.4%	16.2%	-10.6%	-17.0%
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%	-18.4%
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%	-12.4%
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%	-15.5%
Somerset	1.6%	4.8%	5.8%	6.9%	17.0%	17.1%	49.5%	65.0%	79.6%	45.5%	4.4%	-10.6%
Talbot	8.1%	11.5%	14.8%	33.6%	34.9%	31.3%	47.9%	53.5%	54.8%	42.7%	13.6%	-9.0%
Washington	4.6%	6.8%	6.7%	7.1%	11.1%	21.4%	32.4%	58.6%	64.7%	40.2%	3.0%	-18.4%
Wicomico	8.5%	6.4%	5.2%	6.8%	12.7%	16.9%	21.3%	40.2%	53.2%	40.6%	5.1%	-15.6%
Worcester	3.2%	6.2%	17.4%	18.0%	70.6%	55.5%	26.7%	78.9%	54.1%	33.3%	-12.7%	-20.0%
Statewide	3.8%	5.7%	10.1%	15.9%	26.4%	36.0%	46.6%	60.2%	56.1%	33.2%	0.8%	-16.1%

Source: State Department of Assessments and Taxation

Exhibit 5.7
One-cent Yield in County Real Property Tax Rates
Fiscal 2005-2010

County	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Allegany	\$233,000	\$245,000	\$259,000	\$285,000	\$306,000	\$348,400
Anne Arundel	4,368,000	5,010,000	5,829,000	6,928,000	7,923,000	8,410,000
Baltimore City	1,966,000	2,131,000	2,327,000	2,703,000	3,146,000	3,615,200
Baltimore	4,771,000	5,261,000	5,939,000	6,911,000	7,864,000	8,588,900
Calvert	647,000	732,000	863,000	1,063,000	1,245,000	1,346,000
Caroline	151,000	171,000	200,000	237,000	277,000	309,600
Carroll	1,140,000	1,292,000	1,493,000	1,738,000	1,977,000	2,154,000
Cecil	589,000	659,000	754,000	881,000	1,008,000	1,080,000
Charles	921,000	1,042,000	1,241,000	1,512,000	1,761,000	1,893,900
Dorchester	181,000	203,000	227,000	270,000	310,000	339,200
Frederick	1,603,000	1,864,000	2,196,000	2,625,000	2,982,000	3,167,900
Garrett	242,000	277,000	327,000	376,000	423,000	457,300
Harford	1,471,000	1,645,000	1,899,000	2,199,000	2,520,000	2,746,500
Howard	2,572,000	2,955,000	3,481,000	4,056,000	4,614,000	4,852,900
Kent	166,000	188,000	214,000	250,000	288,000	318,100
Montgomery	10,274,000	11,990,000	14,190,000	16,477,000	18,298,000	18,356,300
Prince George's	4,624,000	5,167,000	5,991,000	7,157,000	8,569,000	9,582,800
Queen Anne's	451,000	517,000	611,000	730,000	836,000	898,700
St. Mary's	598,000	663,000	797,000	953,000	1,133,000	1,260,200
Somerset	78,000	90,000	112,000	133,000	156,000	168,600
Talbot	508,000	583,000	670,000	788,000	910,000	1,008,600
Washington	744,000	834,000	957,000	1,135,000	1,320,000	1,429,700
Wicomico	416,000	455,000	514,000	587,000	670,000	725,900
Worcester	973,000	1,149,000	1,419,000	1,704,000	2,009,000	1,896,900

Source: Department of Legislative Services

Exhibit 5.8
Estimted Assessable Base Loss Due to Homestead Property Tax Credit
Fiscal 2010

County	Total County Assessable Base	After 10% Homestead Cap	Percent Lost	After Actual Homestead Cap	Percent Lost
Allegany	\$3,484,452,000	\$3,345,237,000	4.0%	\$3,313,101,000	4.9%
Anne Arundel	84,100,226,000	74,745,394,000	11.1%	59,761,421,000	28.9%
Baltimore City	36,152,390,000	31,861,304,000	11.9%	29,578,949,000	18.2%
Baltimore	85,888,670,000	77,590,104,000	9.7%	67,698,919,000	21.2%
Calvert	13,459,525,000	11,990,747,000	10.9%	11,990,747,000	10.9%
Caroline	3,095,753,000	2,783,194,000	10.1%	2,607,905,000	15.8%
Carroll	21,539,976,000	19,274,426,000	10.5%	17,897,621,000	16.9%
Cecil	10,800,442,000	10,210,793,000	5.5%	9,929,703,000	8.1%
Charles	18,938,637,000	17,167,135,000	9.4%	16,510,934,000	12.8%
Dorchester	3,391,676,000	3,100,838,000	8.6%	2,917,595,000	14.0%
Frederick	31,678,985,000	28,855,914,000	8.9%	26,258,345,000	17.1%
Garrett	4,573,168,000	4,491,197,000	1.8%	4,367,207,000	4.5%
Harford	27,465,303,000	25,650,046,000	6.6%	25,433,202,000	7.4%
Howard	48,528,784,000	43,948,838,000	9.4%	37,942,727,000	21.8%
Kent	3,180,936,000	2,962,197,000	6.9%	2,750,620,000	13.5%
Montgomery	183,562,521,000	168,675,722,000	8.1%	168,675,722,000	8.1%
Prince George's	95,828,317,000	83,935,341,000	12.4%	71,777,086,000	25.1%
Queen Anne's	8,987,459,000	8,217,352,000	8.6%	7,519,785,000	16.3%
St. Mary's	12,601,733,000	11,319,523,000	10.2%	10,322,887,000	18.1%
Somerset	1,685,922,000	1,580,088,000	6.3%	1,580,088,000	6.3%
Talbot	10,085,641,000	9,187,418,000	8.9%	7,184,409,000	28.8%
Washington	14,297,018,000	13,022,419,000	8.9%	12,229,590,000	14.5%
Wicomico	7,258,815,000	6,850,159,000	5.6%	6,850,159,000	5.6%
Worcester	18,968,635,000	18,250,749,000	3.8%	17,417,771,000	8.2%
Total	\$749,554,984,000	\$679,016,135,000	9.4%	\$622,516,493,000	16.9%

Source: State Department of Assessments and Taxation

Exhibit 5.9
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 5.10
Net Taxable Income for Maryland Counties

County	TY 2002 (Sept)	TY 2003 (Sept)	TY 2004 (Sept)	TY 2004 (Nov)	TY 2005 (Nov)	TY 2006 (Nov)	TY 2007 (Nov)	TY 2008 (Nov)
Allegany	\$699,622,072	\$714,313,115	\$739,320,223	\$767,111,391	\$817,996,221	\$846,969,949	\$917,744,761	\$865,875,839
Anne Arundel	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	13,439,040,498
Baltimore City	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	7,381,747,368
Baltimore	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	18,135,334,970
Calvert	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	1,982,461,512
Caroline	312,530,709	328,521,985	363,673,678	375,953,402	399,075,675	418,972,056	453,927,559	409,206,703
Carroll	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	3,618,811,431
Cecil	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	1,690,134,777
Charles	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	2,780,008,615
Dorchester	314,453,873	323,770,865	377,985,849	384,906,995	384,840,749	415,837,043	496,931,150	401,656,825
Frederick	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	5,186,740,457
Garrett	289,751,609	310,991,161	330,251,460	339,671,862	368,190,410	384,373,215	412,963,453	396,319,123
Harford	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	5,102,341,898
Howard	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	8,813,104,613
Kent	258,648,076	270,379,070	302,433,536	327,159,161	354,291,348	379,365,876	442,105,932	345,378,009
Montgomery	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	32,876,469,466
Prince George's	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	12,724,069,846
Queen Anne's	746,392,286	809,470,813	897,741,615	957,972,482	1,059,535,419	1,098,927,654	1,184,705,839	1,070,637,968
St. Mary's	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	1,958,252,907
Somerset	175,812,666	185,207,239	184,782,072	188,223,658	201,352,945	219,458,695	233,091,381	209,885,636
Talbot	649,040,244	696,270,839	817,325,272	989,894,170	1,044,209,152	1,198,242,460	1,327,023,177	997,801,625
Washington	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	2,247,552,637
Wicomico	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	1,329,950,633
Worcester	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	910,200,259
Total	\$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	\$124,872,983,615

Source: Comptroller's Office

Exhibit 5.11
Growth in Net Taxable Income

County	TY 2002	TY 2003	TY 2004	TY 2005	TY 2006	TY 2007	TY 2008
Allegany	0.8%	2.1%	3.5%	6.6%	3.5%	8.4%	-5.7%
Anne Arundel	0.2%	3.8%	7.4%	7.4%	4.6%	7.5%	-3.3%
Baltimore City	-4.3%	2.2%	8.3%	5.8%	10.4%	6.5%	-7.6%
Baltimore	-2.1%	4.3%	7.8%	3.9%	7.4%	6.6%	-11.9%
Calvert	7.8%	5.3%	8.7%	6.3%	6.0%	3.3%	-3.7%
Caroline	0.0%	5.1%	10.7%	6.2%	5.0%	8.3%	-9.9%
Carroll	2.1%	6.0%	8.9%	5.3%	5.1%	6.9%	-5.2%
Cecil	1.2%	6.0%	9.2%	7.0%	4.4%	10.7%	-4.8%
Charles	4.3%	5.9%	8.3%	5.4%	2.9%	5.4%	1.2%
Dorchester	-0.5%	3.0%	16.7%	0.0%	8.1%	19.5%	-19.2%
Frederick	1.4%	4.9%	9.1%	7.3%	6.1%	5.3%	-4.8%
Garrett	1.0%	7.3%	6.2%	8.4%	4.4%	7.4%	-4.0%
Harford	2.3%	4.9%	8.1%	6.8%	4.0%	5.2%	-3.4%
Howard	-0.1%	5.3%	10.3%	4.3%	6.8%	7.5%	-4.7%
Kent	-5.3%	4.5%	11.9%	8.3%	7.1%	16.5%	-21.9%
Montgomery	-3.1%	3.1%	8.6%	8.2%	5.7%	8.4%	-11.0%
Prince George's	0.2%	2.3%	5.9%	2.7%	3.7%	5.3%	-1.0%
Queen Anne's	2.1%	8.5%	10.9%	10.6%	3.7%	7.8%	-9.6%
St. Mary's	4.5%	10.6%	7.9%	4.2%	5.6%	9.8%	-2.4%
Somerset	2.1%	5.3%	-0.2%	7.0%	9.0%	6.2%	-10.0%
Talbot	-4.6%	7.3%	17.4%	5.5%	14.8%	10.7%	-24.8%
Washington	0.0%	5.4%	10.5%	7.1%	6.3%	4.0%	-7.2%
Wicomico	0.1%	7.2%	15.7%	4.0%	4.8%	4.4%	-10.2%
Worcester	-0.3%	8.6%	14.2%	1.4%	-2.3%	2.2%	-11.4%
Total	-0.9%	4.1%	8.4%	6.0%	5.8%	7.1%	-7.5%

Source: Comptroller's Office

Exhibit 5.12
Net Taxable Income Measures for Tax Year 2008

County	Per Capita Net Taxable Income	Net Taxable Income Growth	County	Per Capita Net Taxable Income	County	Net Taxable Income Growth
Allegany	\$11,986	-5.7%	1. Montgomery	\$34,582	1. Charles	1.2%
Anne Arundel	26,208	-3.3%	2. Howard	32,048	2. Prince George's	-1.0%
Baltimore City	11,590	-7.6%	3. Talbot	27,552	3. St. Mary's	-2.4%
Baltimore	23,084	-11.9%	4. Anne Arundel	26,208	4. Anne Arundel	-3.3%
Calvert	22,351	-3.7%	5. Baltimore	23,084	5. Harford	-3.4%
Caroline	12,349	-9.9%	6. Frederick	22,979	6. Calvert	-3.7%
Carroll	21,368	-5.2%	7. Queen Anne's	22,736	7. Garrett	-4.0%
Cecil	16,914	-4.8%	8. Calvert	22,351	8. Howard	-4.7%
Charles	19,749	1.2%	9. Carroll	21,368	9. Cecil	-4.8%
Dorchester	12,553	-19.2%	10. Harford	21,229	10. Frederick	-4.8%
Frederick	22,979	-4.8%	11. Charles	19,749	11. Carroll	-5.2%
Garrett	13,345	-4.0%	12. St. Mary's	19,278	12. Allegany	-5.7%
Harford	21,229	-3.4%	13. Worcester	18,472	13. Washington	-7.2%
Howard	32,048	-4.7%	14. Kent	17,139	14. Baltimore City	-7.6%
Kent	17,139	-21.9%	15. Cecil	16,914	15. Queen Anne's	-9.6%
Montgomery	34,582	-11.0%	16. Prince George's	15,501	16. Caroline	-9.9%
Prince George's	15,501	-1.0%	17. Washington	15,459	17. Somerset	-10.0%
Queen Anne's	22,736	-9.6%	18. Wicomico	14,141	18. Wicomico	-10.2%
St. Mary's	19,278	-2.4%	19. Garrett	13,345	19. Montgomery	-11.0%
Somerset	8,036	-10.0%	20. Dorchester	12,553	20. Worcester	-11.4%
Talbot	27,552	-24.8%	21. Caroline	12,349	21. Baltimore	-11.9%
Washington	15,459	-7.2%	22. Allegany	11,986	22. Dorchester	-19.2%
Wicomico	14,141	-10.2%	23. Baltimore City	11,590	23. Kent	-21.9%
Worcester	18,472	-11.4%	24. Somerset	8,036	24. Talbot	-24.8%
Statewide	\$22,166	-7.5%				

Source: Comptroller's Office, Department of Legislative Services

Chapter 6. County Salary Actions

Fewer Maryland jurisdictions provided salary enhancements to their employees in fiscal 2010 than the previous year, with many jurisdictions implementing furlough and salary reduction plans to constrain personnel costs. Only six county governments provided employees with a cost-of-living adjustment (COLA) in fiscal 2010, compared to 21 counties in fiscal 2009; 8 counties provided step increases in fiscal 2010, compared to 20 counties in fiscal 2009. Moreover, 10 boards of education provided COLAs and 14 boards provided step increases for teachers in fiscal 2010 while 23 boards provided COLAs and all 24 boards provided step increases in 2009.

Exhibit 6.1 indicates the number of jurisdictions providing salary enhancement over the last 10 years. **Exhibit 6.2** compares the COLA amounts for county and public school employees in fiscal 2009 and 2010. **Exhibit 6.3** shows local salary enhancements in fiscal 2010.

The annual growth in State government salaries trailed the other sectors of the Maryland economy. Over the last eight years, the average weekly wage for State government employees increased by 3.6% annually compared to 4.4% for local government employees, 5.8% for federal employees, and 3.7% for private-sector employees. **Table 6.1** compares the annual growth in the average weekly wage for the three levels of government and the private sector in Maryland.

Table 6.1
Growth in Average Weekly Wages

	<u>CY 2000</u>	<u>CY 2008</u>	<u>Annual Increase</u>
Federal Government	\$1,029	\$1,611	5.8%
State Government	710	941	3.6%
Local Government	666	939	4.4%
Private Sector	683	915	3.7%

Source: Department of Labor, Licensing, and Regulation

Exhibit 6.1
Number of Counties Providing Salary Increases

	<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>	<u>FY 2010</u>
State Government										
COLAs	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
Step Increases	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
Local Government										
COLAs										
County Employees	21	21	21	14	22	23	24	24	21	6
Board of Education	24	24	24	23	23	24	24	24	23	10
Step Increases										
County Employees	19	18	18	13	19	19	21	20	21	8
Board of Education	24	22	24	23	24	24	24	24	22	14
Both COLA and Step										
County Employees	20	17	15	9	17	19	21	20	18	2
Board of Education	24	22	24	22	23	24	24	24	21	8

Source: Department of Legislative Services

Exhibit 6.2
Local Government Salary Actions – Summary
Fiscal 2009-2010

	County Government		Public Schools	
<u>COLA Amount</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>
No COLA	3	18	1	14
0.5% to 2.9%	7	3	7	9
3.0% to 3.9%	10	1	6	1
4.0% to 4.9%	1	0	5	0
5.0% to 5.9%	0	0	3	0
6.0% and Greater	1	0	2	0
Dollar Amount	2	2	0	0
Still Pending	0	0	0	0

	State Government		CPI-Urban Consumers	
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u> ¹
COLA Amount	2.0%	0%	1.4%	0.7%
Furloughs ²	5 days	10 days		
Effective COLA ³	0.5%	-2.6%		

COLA: Cost-of-living adjustment

CPI: Consumer Price Index

¹ Forecast of the CPI for 2010 comes from Moody's Economy.com.

² Maximum number of furlough and service reduction days based on salary level.

³ Effective COLA in fiscal 2010 ranges from -1.2% to -3.8% depending on the number of furlough days.

Source: Department of Legislative Services

Exhibit 6.3
Local Government Salary Actions in Fiscal 2010

County	County Government		Board of Education		Comments
	Generally	Step	Teachers	Step	
	COLA		COLA		
Allegany	0.0%	No	2.0%	Yes	
Anne Arundel ¹	0.0%	Varies	0.0%	No	
Baltimore City	2.0%	Yes	0.0%	Yes	
Baltimore ²	2.0%	Yes	3.5%	Yes	
Calvert	0.5%	No	0.5%	Yes	
Caroline	0.0%	No	0.0%	Yes	
Carroll	0.0%	No	0.0%	No	
Cecil	0.0%	No	1.1%	Yes	
Charles	0.0%	No	0.0%	No	
Dorchester	0.0%	No	0.0%	No	
Frederick ³	0.0%	No	0.0%	No	
Garrett ⁴	\$750	No	0.0%	Yes	
Harford	0.0%	No	0.0%	No	
Howard ⁵	0.0%	Yes	1.2%	No	
Kent	0.0%	Yes	0.5%	Yes	
Montgomery	0.0%	Yes	0.0%	Yes	
Prince George's	0.0%	No	0.0%	No	
Queen Anne's	\$900	No	2.0%	Yes	
St. Mary's	0.0%	Yes	1.8%	No	
Somerset ⁶	0.0%	No	0.0%	Yes	
Talbot	0.0%	Yes	1.0%	Yes	
Washington ⁷	3.0%	No	2.0%	Yes	
Wicomico	0.0%	No	0.0%	Yes	
Worcester	0.0%	No	0.0%	No	
Number Granting	6	8	10	14	

¹ Anne Arundel County renegotiated COLA amounts with several bargaining units. These units were scheduled to receive a 3% COLA in fiscal 2010; but instead will receive no COLA but will receive a merit increase. For units that did not renegotiate, no funds were budgeted for either COLA or merit increases. Police officers will not receive a COLA but will receive a 3% merit increase, based on their new contract.

² Baltimore County COLAs take effect on January 1, 2010. Baltimore County school teachers received a 3.5% COLA and other school employees received a 2.0% COLA, both of which are implemented at mid-year.

³ Frederick County deputy sheriffs will receive a merit/step increase.

⁴ Garrett County employees will receive \$750 in December 2009 and an additional increase totaling up to 3% in March 2010; however, these adjustments will not increase employee base salaries. Road department employees represented by AFSCME received a 4% COLA.

⁵ Howard County provided a 3.0% merit/step increase for most positions and a 3.5% merit/step increase for police officers.

⁶ Somerset County school employees will receive a merit/step increase in January 2010 if sufficient funds are available.

⁷ Washington County provided a 2% COLA for teachers and support personnel effective July 1, 2009, and a 3% COLA for school administrators effective January 1, 2010. School administrators did not receive a merit/step increase, while other school employees did.

AFSCME: American Federation of State, County, and Municipal Employees

COLA: cost-of-living adjustment

Source: Department of Legislative Services

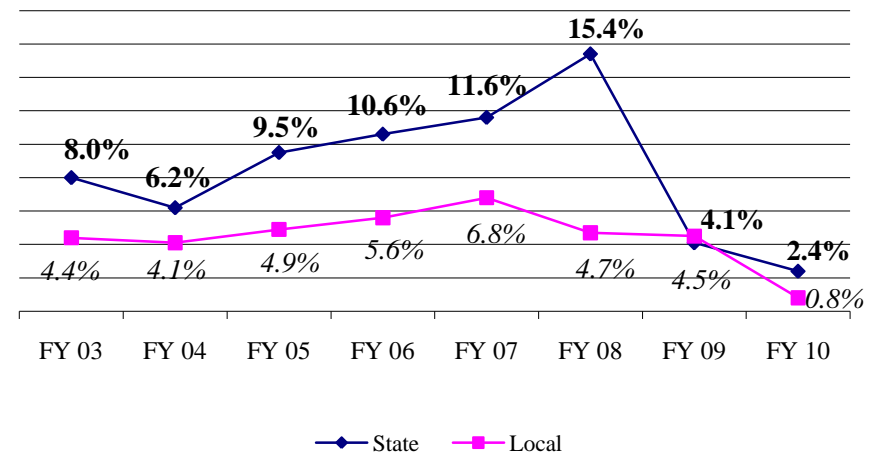
Chapter 7. Public School Funding

Public schools are funded from federal, State, and local sources. Approximately 47% of public school funding in Maryland comes from local sources, and 47% comes from the State. The federal government provides only 6% 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 16.5% in Baltimore City to 70.7% in Worcester County. State funding as a percent of public school revenues ranges from 24.0% in Worcester County to 71.9% in Caroline County. Five local school systems, Baltimore City and Allegany, Caroline, Somerset, and Wicomico counties, receive over 60% 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 \$5.5 billion in fiscal 2010, representing a \$2.6 billion or 90.8% increase in State support for public education. This represents an 8.4% average annual increase over the eight-year period. **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 \$14,400 in total funding for each pupil in fiscal 2010. Baltimore City had the highest per pupil revenues at \$16,619; while Montgomery County had the second highest at \$16,310. Worcester County

had the third highest at \$16,284. St. Mary's County had the lowest per pupil revenues at \$12,240. **Exhibit 7.2** shows the per pupil revenues for public schools in fiscal 2010 by revenue source.

Per pupil federal funding in fiscal 2010 averaged \$902 statewide, ranging from \$456 in Howard County to \$2,186 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 2010 averaged \$6,718 statewide, ranging from \$3,333 in Talbot County to \$11,690 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 appropriations in fiscal 2010 averaged \$6,633 statewide, ranging from \$2,390 in Caroline County to \$11,461 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. **Exhibit 7.6** shows per pupil funding from miscellaneous local revenues.

Local Appropriations

Local appropriations to the boards of education totaled \$5.4 billion in fiscal 2010, representing a 0.8% increase from the prior year. **Exhibit 7.7** shows the local appropriations to the boards of education for fiscal 2002 through 2010, and **Exhibit 7.8** 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 nine years (fiscal 2002 through 2010), State officials have provided almost \$2.3 billion for local school construction projects. As shown in **Exhibit 7.9**, cumulative State funding for school construction projects over the last nine years has ranged from \$8.8 million in Talbot County to \$286.5 million in Montgomery County.

Exhibit 7.1
Revenue Sources for Public Schools in Fiscal 2010

County	Federal	State	Local	Ranking by Percent State			Ranking by Percent Local		
Allegany	8.2%	70.3%	21.5%	1.	Caroline	71.9%	1.	Worcester	70.7%
Anne Arundel	3.8%	36.3%	59.8%	2.	Baltimore City	70.3%	2.	Montgomery	68.5%
Baltimore City	13.2%	70.3%	16.5%	3.	Allegany	70.3%	3.	Talbot	65.5%
Baltimore	5.2%	44.2%	50.6%	4.	Somerset	66.3%	4.	Howard	63.0%
Calvert	4.2%	47.3%	48.5%	5.	Wicomico	65.1%	5.	Anne Arundel	59.8%
Caroline	8.2%	71.9%	19.8%	6.	Dorchester	59.6%	6.	Kent	53.9%
Carroll	4.1%	46.9%	49.0%	7.	Washington	58.9%	7.	Queen Anne's	53.3%
Cecil	6.0%	57.8%	36.2%	8.	Cecil	57.8%	8.	Baltimore	50.6%
Charles	5.8%	50.6%	43.6%	9.	Prince George's	56.7%	9.	Carroll	49.0%
Dorchester	9.2%	59.6%	31.2%	10.	St. Mary's	52.9%	10.	Calvert	48.5%
Frederick	4.9%	48.1%	47.0%	11.	Garrett	51.5%	11.	Frederick	47.0%
Garrett	7.7%	51.5%	40.9%	12.	Charles	50.6%	12.	Harford	44.9%
Harford	5.0%	50.2%	44.9%	13.	Harford	50.2%	13.	Charles	43.6%
Howard	3.1%	33.9%	63.0%	14.	Frederick	48.1%	14.	Garrett	40.9%
Kent	8.3%	37.8%	53.9%	15.	Calvert	47.3%	15.	St. Mary's	40.3%
Montgomery	3.9%	27.6%	68.5%	16.	Carroll	46.9%	16.	Cecil	36.2%
Prince George's	8.4%	56.7%	34.8%	17.	Baltimore	44.2%	17.	Prince George's	34.8%
Queen Anne's	7.1%	39.5%	53.3%	18.	Queen Anne's	39.5%	18.	Washington	33.9%
St. Mary's	6.8%	52.9%	40.3%	19.	Kent	37.8%	19.	Dorchester	31.2%
Somerset	11.1%	66.3%	22.6%	20.	Anne Arundel	36.3%	20.	Wicomico	26.9%
Talbot	7.3%	27.1%	65.5%	21.	Howard	33.9%	21.	Somerset	22.6%
Washington	7.2%	58.9%	33.9%	22.	Montgomery	27.6%	22.	Allegany	21.5%
Wicomico	8.0%	65.1%	26.9%	23.	Talbot	27.1%	23.	Caroline	19.8%
Worcester	5.4%	24.0%	70.7%	24.	Worcester	24.0%	24.	Baltimore City	16.5%
Total	6.3%	46.8%	46.9%						

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.2
Per Pupil Revenues for Public Schools in Fiscal 2010

County	Federal	State	Local	Total	Ranking by Total Per Pupil Funding	
Allegany	\$1,262	\$10,819	\$3,301	\$15,382	1.	Baltimore City \$16,619
Anne Arundel	490	4,635	7,635	12,761	2.	Montgomery 16,310
Baltimore City	2,186	11,690	2,744	16,619	3.	Worcester 16,284
Baltimore	707	5,980	6,837	13,524	4.	Kent 15,766
Calvert	546	6,097	6,251	12,894	5.	Allegany 15,382
Caroline	1,029	8,988	2,477	12,494	6.	Prince George's 14,943
Carroll	521	6,013	6,287	12,821	7.	Howard 14,810
Cecil	734	7,079	4,442	12,255	8.	Somerset 14,721
Charles	760	6,605	5,690	13,056	9.	Garrett 13,556
Dorchester	1,191	7,745	4,048	12,984	10.	Baltimore 13,524
Frederick	612	6,073	5,931	12,616	11.	Wicomico 13,405
Garrett	1,039	6,976	5,540	13,556	12.	Charles 13,056
Harford	627	6,340	5,672	12,639	13.	Dorchester 12,984
Howard	456	5,019	9,335	14,810	14.	Calvert 12,894
Kent	1,309	5,963	8,494	15,766	15.	Carroll 12,821
Montgomery	633	4,509	11,168	16,310	16.	Anne Arundel 12,761
Prince George's	1,261	8,478	5,205	14,943	17.	Harford 12,639
Queen Anne's	877	4,861	6,558	12,297	18.	Frederick 12,616
St. Mary's	830	6,474	4,936	12,240	19.	Caroline 12,494
Somerset	1,637	9,757	3,327	14,721	20.	Washington 12,485
Talbot	903	3,333	8,052	12,288	21.	Queen Anne's 12,297
Washington	901	7,352	4,232	12,485	22.	Talbot 12,288
Wicomico	1,070	8,723	3,612	13,405	23.	Cecil 12,255
Worcester	873	3,906	11,505	16,284	24.	St. Mary's 12,240
Total	\$902	\$6,718	\$6,732	\$14,351		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.3
Federal Funding for Public Schools in Fiscal 2010

County	Enrollment	Total Federal Aid	Per Pupil	Ranking by Per Pupil Aid	
Allegany	8,692	\$10,969,797	\$1,262	1.	Baltimore City \$2,186
Anne Arundel	73,083	35,838,400	490	2.	Somerset 1,637
Baltimore City	78,232	170,980,139	2,186	3.	Kent 1,309
Baltimore	99,772	70,515,137	707	4.	Allegany 1,262
Calvert	16,655	9,098,160	546	5.	Prince George's 1,261
Caroline	5,224	5,376,905	1,029	6.	Dorchester 1,191
Carroll	27,435	14,285,797	521	7.	Wicomico 1,070
Cecil	15,620	11,466,539	734	8.	Garrett 1,039
Charles	25,914	19,705,678	760	9.	Caroline 1,029
Dorchester	4,415	5,259,371	1,191	10.	Talbot 903
Frederick	39,136	23,961,365	612	11.	Washington 901
Garrett	4,189	4,352,427	1,039	12.	Queen Anne's 877
Harford	37,736	23,673,313	627	13.	Worcester 873
Howard	49,680	22,649,722	456	14.	St. Mary's 830
Kent	2,060	2,696,885	1,309	15.	Charles 760
Montgomery	138,296	87,518,488	633	16.	Cecil 734
Prince George's	120,718	152,175,937	1,261	17.	Baltimore 707
Queen Anne's	7,513	6,592,232	877	18.	Montgomery 633
St. Mary's	16,444	13,650,207	830	19.	Harford 627
Somerset	2,708	4,433,726	1,637	20.	Frederick 612
Talbot	4,274	3,857,896	903	21.	Calvert 546
Washington	21,415	19,301,098	901	22.	Carroll 521
Wicomico	14,586	15,607,639	1,070	23.	Anne Arundel 490
Worcester	6,278	5,482,619	873	24.	Howard 456
Total	820,075	\$739,449,477	\$902		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.4
State Funding for Public Schools in Fiscal 2010

County	Enrollment	Total State Aid	Per Pupil	Ranking by Per Pupil Aid	
Allegany	8,692	\$94,041,094	\$10,819	1.	Baltimore City \$11,690
Anne Arundel	73,083	338,765,329	4,635	2.	Allegany 10,819
Baltimore City	78,232	914,527,946	11,690	3.	Somerset 9,757
Baltimore	99,772	596,674,808	5,980	4.	Caroline 8,988
Calvert	16,655	101,545,584	6,097	5.	Wicomico 8,723
Caroline	5,224	46,951,376	8,988	6.	Prince George's 8,478
Carroll	27,435	164,968,521	6,013	7.	Dorchester 7,745
Cecil	15,620	110,577,067	7,079	8.	Washington 7,352
Charles	25,914	171,163,020	6,605	9.	Cecil 7,079
Dorchester	4,415	34,193,390	7,745	10.	Garrett 6,976
Frederick	39,136	237,661,809	6,073	11.	Charles 6,605
Garrett	4,189	29,223,130	6,976	12.	St. Mary's 6,474
Harford	37,736	239,248,057	6,340	13.	Harford 6,340
Howard	49,680	249,365,087	5,019	14.	Calvert 6,097
Kent	2,060	12,283,096	5,963	15.	Frederick 6,073
Montgomery	138,296	623,548,645	4,509	16.	Carroll 6,013
Prince George's	120,718	1,023,444,201	8,478	17.	Baltimore 5,980
Queen Anne's	7,513	36,522,453	4,861	18.	Kent 5,963
St. Mary's	16,444	106,458,298	6,474	19.	Howard 5,019
Somerset	2,708	26,422,825	9,757	20.	Queen Anne's 4,861
Talbot	4,274	14,244,095	3,333	21.	Anne Arundel 4,635
Washington	21,415	157,435,200	7,352	22.	Montgomery 4,509
Wicomico	14,586	127,238,378	8,723	23.	Worcester 3,906
Worcester	6,278	24,520,919	3,906	24.	Talbot 3,333
Unallocated		27,927,736	34		
Total	820,075	\$5,508,952,062	\$6,718		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.5
Local Funding for Public Schools in Fiscal 2010

County	Enrollment	Local Appropriation	Per Pupil	Ranking by Per Pupil Funding	
Allegany	8,692	\$28,165,000	\$3,240	1.	Worcester \$11,461
Anne Arundel	73,083	554,026,500	7,581	2.	Montgomery 11,060
Baltimore City	78,232	210,018,415	2,685	3.	Howard 9,210
Baltimore	99,772	670,737,639	6,723	4.	Kent 8,412
Calvert	16,655	103,615,515	6,221	5.	Talbot 8,006
Caroline	5,224	12,484,826	2,390	6.	Anne Arundel 7,581
Carroll	27,435	169,678,900	6,185	7.	Baltimore 6,723
Cecil	15,620	68,385,625	4,378	8.	Queen Anne's 6,418
Charles	25,914	145,414,200	5,611	9.	Calvert 6,221
Dorchester	4,415	17,034,817	3,858	10.	Carroll 6,185
Frederick	39,136	228,942,398	5,850	11.	Frederick 5,850
Garrett	4,189	23,159,000	5,529	12.	Charles 5,611
Harford	37,736	210,914,800	5,589	13.	Harford 5,589
Howard	49,680	457,560,424	9,210	14.	Garrett 5,529
Kent	2,060	17,329,706	8,412	15.	Prince George's 5,049
Montgomery	138,296	1,529,554,447	11,060	16.	St. Mary's 4,862
Prince George's	120,718	609,503,900	5,049	17.	Cecil 4,378
Queen Anne's	7,513	48,215,625	6,418	18.	Washington 4,183
St. Mary's	16,444	79,945,102	4,862	19.	Dorchester 3,858
Somerset	2,708	8,743,774	3,229	20.	Wicomico 3,482
Talbot	4,274	34,219,073	8,006	21.	Allegany 3,240
Washington	21,415	89,578,480	4,183	22.	Somerset 3,229
Wicomico	14,586	50,781,711	3,482	23.	Baltimore City 2,685
Worcester	6,278	71,954,064	11,461	24.	Caroline 2,390
Total	820,075	\$5,439,963,941	\$6,633		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.6
Miscellaneous Local Funding for Public Schools in Fiscal 2010

County	Enrollment	Miscellaneous Local Funding	Per Pupil	<u>Ranking by Per Pupil Funding</u>	
Allegany	8,692	\$526,065	\$61	1.	Dorchester \$190
Anne Arundel	73,083	3,957,000	54	2.	Prince George's 156
Baltimore City	78,232	4,637,000	59	3.	Queen Anne's 141
Baltimore	99,772	11,410,472	114	4.	Wicomico 131
Calvert	16,655	490,676	29	5.	Howard 125
Caroline	5,224	455,320	87	6.	Baltimore 114
Carroll	27,435	2,806,760	102	7.	Montgomery 108
Cecil	15,620	1,000,000	64	8.	Carroll 102
Charles	25,914	2,045,300	79	9.	Somerset 98
Dorchester	4,415	837,700	190	10.	Caroline 87
Frederick	39,136	3,191,850	82	11.	Harford 83
Garrett	4,189	50,000	12	12.	Frederick 82
Harford	37,736	3,122,566	83	13.	Kent 82
Howard	49,680	6,195,050	125	14.	Charles 79
Kent	2,060	167,900	82	15.	St. Mary's 74
Montgomery	138,296	14,980,651	108	16.	Cecil 64
Prince George's	120,718	18,814,916	156	17.	Allegany 61
Queen Anne's	7,513	1,056,148	141	18.	Baltimore City 59
St. Mary's	16,444	1,216,471	74	19.	Anne Arundel 54
Somerset	2,708	265,000	98	20.	Washington 49
Talbot	4,274	197,000	46	21.	Talbot 46
Washington	21,415	1,052,394	49	22.	Worcester 44
Wicomico	14,586	1,904,500	131	23.	Calvert 29
Worcester	6,278	275,452	44	24.	Garrett 12
Total	820,075	\$80,656,191	\$98		

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.7
Local Appropriations to the Boards of Education
(\$ in Thousands)

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Allegany	\$25,030	\$25,530	\$25,930	\$25,630	\$26,630	\$27,380	\$28,380	\$28,450	\$28,165
Anne Arundel	362,680	383,840	390,600	414,261	449,214	486,604	512,114	551,207	554,027
Baltimore City	207,359	207,400	207,555	207,603	207,839	207,941	207,941	207,941	210,018
Baltimore	544,998	546,787	560,272	570,494	591,733	606,302	617,766	646,293	670,738
Calvert	68,900	73,413	76,413	80,913	85,713	90,379	95,358	100,656	103,616
Caroline	10,677	10,923	10,877	10,977	11,300	11,850	12,250	12,368	12,485
Carroll	105,968	111,428	118,061	125,158	135,585	144,760	149,206	162,679	169,679
Cecil	50,884	53,984	56,090	58,709	62,229	65,715	64,435	69,915	68,386
Charles	84,874	90,874	94,623	101,794	112,217	124,006	135,856	145,316	145,414
Dorchester	14,128	15,069	15,069	15,220	15,423	16,345	16,570	17,473	17,035
Frederick	142,610	150,627	168,753	175,397	189,208	205,381	228,207	237,631	228,942
Garrett	15,225	15,781	17,570	18,363	18,800	19,925	22,056	23,159	23,159
Harford	138,335	145,851	147,272	154,047	175,415	189,415	199,615	210,915	210,915
Howard	276,040	292,401	310,590	334,590	362,590	393,711	427,176	454,795	457,560
Kent	12,887	13,437	13,075	13,676	14,276	15,110	16,217	17,217	17,330
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	1,529,554
Prince George's	467,788	496,973	521,254	545,372	562,043	602,243	615,843	614,502	609,504
Queen Anne's	30,978	32,757	35,007	36,587	38,037	39,940	43,940	47,168	48,216
St. Mary's	52,511	54,511	56,125	58,900	62,634	67,811	76,000	80,138	79,945
Somerset	8,692	8,679	8,562	8,499	8,548	8,926	8,859	8,994	8,744
Talbot	24,019	25,744	25,835	26,360	27,898	29,849	31,729	34,054	34,219
Washington	68,261	71,713	74,798	78,817	81,986	83,303	85,564	87,660	89,578
Wicomico	43,744	44,665	45,680	46,125	46,925	48,330	49,443	50,205	50,782
Worcester	44,101	47,125	48,164	51,720	54,296	61,150	66,319	72,615	71,954
Total	\$3,830,394	\$3,998,702	\$4,161,528	\$4,367,231	\$4,613,769	\$4,927,147	\$5,160,459	\$5,394,905	\$5,439,964

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.8
Local Appropriations to the Boards of Education
Annual Percent Increases – Fiscal 2002-2010

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Allegany	4.2%	2.0%	1.6%	-1.2%	3.9%	2.8%	3.7%	0.2%	-1.0%
Anne Arundel	5.8%	5.8%	1.8%	6.1%	8.4%	8.3%	5.2%	7.6%	0.5%
Baltimore City	1.7%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	1.0%
Baltimore	4.4%	0.3%	2.5%	1.8%	3.7%	2.5%	1.9%	4.6%	3.8%
Calvert	9.9%	6.5%	4.1%	5.9%	5.9%	5.4%	5.5%	5.6%	2.9%
Caroline	-1.1%	2.3%	-0.4%	0.9%	2.9%	4.9%	3.4%	1.0%	0.9%
Carroll	8.6%	5.2%	6.0%	6.0%	8.3%	6.8%	3.1%	9.0%	4.3%
Cecil	5.1%	6.1%	3.9%	4.7%	6.0%	5.6%	-1.9%	8.5%	-2.2%
Charles	5.9%	7.1%	4.1%	7.6%	10.2%	10.5%	9.6%	7.0%	0.1%
Dorchester	-1.6%	6.7%	0.0%	1.0%	1.3%	6.0%	1.4%	5.5%	-2.5%
Frederick	9.3%	5.6%	12.0%	3.9%	7.9%	8.5%	11.1%	4.1%	-3.7%
Garrett	4.8%	3.6%	11.3%	4.5%	2.4%	6.0%	10.7%	5.0%	0.0%
Harford	8.0%	5.4%	1.0%	4.6%	13.9%	8.0%	5.4%	5.7%	0.0%
Howard	11.2%	5.9%	6.2%	7.7%	8.4%	8.6%	8.5%	6.5%	0.6%
Kent	5.3%	4.3%	-2.7%	4.6%	4.4%	5.8%	7.3%	6.2%	0.7%
Montgomery	7.2%	4.8%	5.0%	6.6%	5.4%	8.4%	5.0%	4.4%	1.1%
Prince George's	1.9%	6.2%	4.9%	4.6%	3.1%	7.2%	2.3%	-0.2%	-0.8%
Queen Anne's	5.9%	5.7%	6.9%	4.5%	4.0%	5.0%	10.0%	7.3%	2.2%
St. Mary's	6.2%	3.8%	3.0%	4.9%	6.3%	8.3%	12.1%	5.4%	-0.2%
Somerset	-1.8%	-0.1%	-1.4%	-0.7%	0.6%	4.4%	-0.7%	1.5%	-2.8%
Talbot	7.9%	7.2%	0.4%	2.0%	5.8%	7.0%	6.3%	7.3%	0.5%
Washington	7.0%	5.1%	4.3%	5.4%	4.0%	1.6%	2.7%	2.4%	2.2%
Wicomico	0.0%	2.1%	2.3%	1.0%	1.7%	3.0%	2.3%	1.5%	1.1%
Worcester	9.3%	6.9%	2.2%	7.4%	5.0%	12.6%	8.5%	9.5%	-0.9%
Total	5.9%	4.4%	4.1%	4.9%	5.6%	6.8%	4.7%	4.5%	0.8%

Source: Local School Budgets, Department of Legislative Services

Exhibit 7.9
State Funding for Public School Construction
(\$ in Thousands)

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	9-Year Total
Allegany	\$1,357	\$0	\$240	\$125	\$12,000	\$18,650	\$412	\$0	\$0	\$32,784
Anne Arundel	20,331	8,831	7,662	7,329	19,457	22,675	27,827	27,420	25,020	166,552
Baltimore City	44,084	13,840	11,151	11,483	21,523	39,436	52,665	41,000	27,733	262,915
Baltimore	17,012	12,470	11,541	11,563	25,218	35,053	52,250	40,985	28,000	234,092
Calvert	430	10,891	6,600	7,344	3,437	2,723	12,644	7,824	8,181	60,074
Caroline	8,350	1,055	1,175	269	4,699	2,935	2,426	8,100	6,000	35,009
Carroll	8,321	8,534	6,538	6,768	7,434	8,282	8,219	11,741	10,520	76,357
Cecil	5,092	0	5,023	8,246	8,656	8,271	9,533	2,674	1,538	49,033
Charles	711	10,598	6,463	6,400	8,267	10,200	13,170	11,704	8,898	76,411
Dorchester	7,407	3,268	177	991	656	872	6,137	10,400	6,469	36,377
Frederick	25,673	11,525	10,380	9,657	11,910	17,942	18,728	14,759	16,226	136,800
Garrett	213	2,395	984	1,098	1,507	1,235	6,243	3,020	666	17,361
Harford	8,072	6,181	5,356	7,439	8,287	11,096	16,238	14,751	16,253	93,673
Howard	25,005	12,356	9,254	8,800	15,273	17,808	23,206	18,265	18,262	148,229
Kent	642	550	345	555	2,000	3,479	1,335	0	388	9,294
Montgomery	44,400	18,000	10,584	9,036	30,431	40,040	52,297	53,312	28,350	286,450
Prince George's	44,400	18,000	12,763	10,174	29,833	37,425	52,250	41,000	28,200	274,045
Queen Anne's	243	5,000	3,004	338	6,897	3,000	3,925	4,951	3,947	31,305
St. Mary's	12,808	7,443	3,989	5,883	3,271	5,495	9,806	7,266	4,028	59,989
Somerset	462	0	163	3,612	14,300	12,022	5,153	0	6,000	41,712
Talbot	1,518	0	0	0	2,422	2,405	2,038	0	436	8,819
Washington	4,538	1,361	2,003	2,375	6,431	4,478	8,970	9,368	7,965	47,489
Wicomico	3,391	2,684	729	3,993	7,616	4,178	8,143	12,960	13,170	56,864
Worcester	2,140	1,518	376	2,400	2,241	6,872	8,213	5,483	403	29,646
Bond Premium	0	0	0	0	0	6,100	0	0	0	6,100
Total	\$286,600	\$156,500	\$116,500	\$125,878	\$253,766	\$316,572	\$401,828	\$346,983	\$266,653	\$2,277,380

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 2009 for each county. **Exhibit 8.2** shows the combined general fund/“rainy day” balances for the last three fiscal years.

Local governments ended fiscal 2009 with general fund balances, including “rainy day” accounts, totaling \$1.5 billion. These balances decreased by \$296.2 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 14.8 to 12.1%. In comparison, the State’s combined general fund/“rainy day” balances for fiscal 2009 were \$838.7 million, a decrease of \$1.3 billion from 2008. The State’s combined general fund/“rainy day” balances as a percentage of general fund revenues decreased from 10.3 to 3.9%.

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.

Six counties reported an increase in their general fund/“rainy day” balances between fiscal 2008 and 2009, while 18 counties experienced decreases in their general fund balances over this period.

Exhibit 8.1
County Unreserved General Fund Balances and Rainy Day Funds
Fiscal 2009
(\$ 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)	\$76,848.0	\$1,239.0	\$7,500.0	\$1,123.7	\$9,862.7	12.8%	\$8,739.0	11.4%
Anne Arundel (c)	1,076,356.9	-2,092.5	32,778.2	0.0	30,685.7	2.9%	30,685.7	2.9%
Baltimore City (c)**	1,296,546.4	10,486.0	95,736.7	28,174.8	134,397.5	10.4%	106,222.7	8.2%
Baltimore (b)	1,626,421.0	82,703.0	84,080.0	52,082.0	218,865.0	13.5%	166,783.0	10.3%
Calvert (b)	207,803.0	17,620.0	20,346.2	10,357.0	48,323.2	23.3%	37,966.2	18.3%
Caroline	41,623.0	1,895.7	0.0	0.0	1,895.7	4.6%	1,895.7	4.6%
Carroll (b)	323,819.8	8,103.3	17,450.0	17,173.8	42,727.0	13.2%	25,553.3	7.9%
Cecil (c)	159,930.3	11,762.7	12,254.9	11,466.6	35,484.1	22.2%	24,017.5	15.0%
Charles	286,994.9	2,378.6	0.0	42,087.1	44,465.7	15.5%	2,378.6	0.8%
Dorchester (d)	52,871.6	523.8	5,353.8	2,370.2	8,247.8	15.6%	5,877.6	11.1%
Frederick (a)	435,797.5	0.0	21,364.5	28,147.2	49,511.7	11.4%	21,364.5	4.9%
Garrett	71,949.5	2,808.1	0.0	15,758.1	18,566.2	25.8%	2,808.1	3.9%
Harford (b)	424,936.2	12,953.6	23,071.2	17,402.5	53,427.3	12.6%	36,024.8	8.5%
Howard (c)	788,313.1	1,561.7	48,704.0	22,296.8	72,562.5	9.2%	50,265.7	6.4%
Kent	42,412.4	4,633.0	0.0	791.8	5,424.8	12.8%	4,633.0	10.9%
Montgomery (d)	2,713,180.0	28,854.0	119,647.6	70,630.1	219,131.7	8.1%	148,501.6	5.5%
Prince George's (c)	1,454,085.7	37,747.9	132,122.7	93,982.4	263,853.0	18.1%	169,870.6	11.7%
Queen Anne's (c)	101,715.1	76.0	7,271.4	6,305.9	13,653.3	13.4%	7,347.4	7.2%
St. Mary's (b)	183,887.8	8,989.6	13,517.2	4,455.8	26,962.6	14.7%	22,506.8	12.2%
Somerset (b)	34,265.0	545.9	1,800.0	11,300.0	13,645.9	39.8%	2,345.9	6.8%
Talbot	77,281.6	22,625.3	0.0	17,643.7	40,269.0	52.1%	22,625.3	29.3%
Washington (b)	201,819.2	0.0	34,797.5	1,000.0	35,797.5	17.7%	34,797.5	17.2%
Wicomico (b)	116,102.2	12,619.7	9,740.4	4,726.8	27,086.9	23.3%	22,360.0	19.3%
Worcester (d)	186,093.5	500.0	18,974.2	17,946.5	37,420.7	20.1%	19,474.2	10.5%
Total	\$11,981,053.5	\$268,534.3	\$706,510.5	\$477,222.7	\$1,452,267.5	12.1%	\$975,044.8	8.1%
State of Maryland (c)	\$21,597,951.0	\$0.0	\$691,818.0	\$146,862.0	\$838,680.0	3.9%	\$691,818.0	3.2%

Notes: Although these balances represent available resources at June 30, 2009, 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 2009; 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 2007 through 2009
(\$ in Thousands)

County	FY 2007 Balances	Percent of General Fund	FY 2008 Balances	Percent of General Fund	FY 2009 Balances	Percent of General Fund
Allegany	\$11,676.0	15.9%	\$11,892.4	15.8%	\$9,862.7	12.8%
Anne Arundel	148,793.6	13.4%	102,265.6	9.2%	30,685.7	2.9%
Baltimore City	144,207.0	11.5%	126,139.0	9.6%	134,397.5	10.4%
Baltimore	271,422.0	17.2%	257,930.0	15.9%	218,865.0	13.5%
Calvert	54,223.3	27.8%	55,649.1	27.0%	48,323.2	23.3%
Caroline	2,700.4	6.5%	2,721.9	6.5%	1,895.7	4.6%
Carroll	39,089.8	13.8%	45,855.9	14.9%	42,727.0	13.2%
Cecil	34,601.7	23.3%	38,072.1	24.5%	35,484.1	22.2%
Charles	70,845.8	25.8%	52,384.2	18.7%	44,465.7	15.5%
Dorchester	7,457.6	15.4%	7,166.8	13.1%	8,247.8	15.6%
Frederick	97,569.8	23.7%	67,761.9	15.9%	49,511.7	11.4%
Garrett	29,695.4	43.0%	28,062.3	38.6%	18,566.2	25.8%
Harford	91,179.7	23.0%	69,298.1	16.8%	53,427.3	12.6%
Howard	109,084.6	15.2%	93,017.0	12.1%	72,562.5	9.2%
Kent	4,837.2	12.7%	4,887.3	11.8%	5,424.8	12.8%
Montgomery	428,624.8	16.4%	283,995.3	10.9%	219,131.7	8.1%
Prince George's	209,847.8	14.4%	286,898.2	19.7%	263,853.0	18.1%
Queen Anne's	22,084.8	23.1%	11,116.9	11.5%	13,653.3	13.4%
St. Mary's	41,494.5	24.8%	35,946.4	20.3%	26,962.6	14.7%
Somerset	12,722.1	43.1%	10,747.3	33.4%	13,645.9	39.8%
Talbot	38,907.5	48.5%	40,793.5	50.2%	40,269.0	52.1%
Washington	33,971.7	17.2%	35,277.8	17.3%	35,797.5	17.7%
Wicomico	34,014.2	27.5%	34,263.6	27.9%	27,086.9	23.3%
Worcester	49,556.9	30.0%	46,361.5	26.4%	37,420.7	20.1%
Total	\$1,988,608.0	17.2%	\$1,748,504.0	14.8%	\$1,452,267.5	12.1%
State of Maryland	\$2,317,445.0	11.6%	\$2,182,148.0	10.3%	\$838,680.0	3.9%

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 2007 through 2009; additional information concerning rainy day funds obtained from county finance offices

Chapter 9. Local Debt Measures

County Debt

As of June 30, 2008, Maryland counties and Baltimore City had \$14.3 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 2004 through 2008.

Between fiscal 2004 and 2008, local debt for counties and Baltimore City increased by \$2.7 billion or 23.7%. This represents a 5.3% average annual increase over the five-year period. The Washington Suburban Sanitary Commission (WSSC) accounted for 12.2% of the total debt in fiscal 2008. In the exhibits, WSSC debt was apportioned equally between Montgomery and Prince George's counties. Montgomery County had \$3.6 billion in outstanding debt, while Prince George's County had \$1.8 billion in debt. In comparison, Dorchester and Kent counties were the smallest borrowers. Dorchester County had \$19.6 million in outstanding debt, while Kent County had \$21.9 million in debt.

As expected, a majority of the debt was located in areas having greater infrastructure needs and greater populations. With 71% of the State's population, Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George's counties accounted for approximately 81% 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 \$930 million outstanding debt as of June 30, 2008, and the State of Maryland had \$15.6 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 1998, 2003, and 2008. County debt to assessable base decreased in the past five years. The high ratio in Baltimore City (8.9%) 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 four counties have remained below 1.5% over the decade (Garrett, Kent, Talbot, and Worcester). For comparative purposes, in fiscal 2008 the State had a debt-to-assessable-base ratio of 2.4% that decreased from 2.7% in 1998. The municipalities/special taxing districts had a ratio of 1.0% in 2008.

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 \$1,824 in fiscal 1998 to \$2,536 in fiscal 2008, a 39.1% increase over the decade. The largest increases in per capita debt were in Baltimore City, Cecil, Charles, and Frederick counties. Baltimore City and Frederick, Howard, and Montgomery 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, and Wicomico counties had the lowest debt per capita. For comparative purposes, the State's debt in fiscal 2008 amounted to \$2,778 per person, a 77% increase from \$1,566 per person in 1998. The municipalities/special taxing districts had a ratio of \$1,109 per person in 2008.

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% of real property assessable base and 15% 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% of real property and 14.0% of personal property and certain operating real property for water and sewer bonds, and 5.2% of real property

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

- Baltimore – 4% of real property and 10% of personal property;
- Howard – 4.8% of real property and 12.0% of personal property; and
- Wicomico – 3.2% of real property and 8.0% 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, 2009. 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 2004 to 2008
(\$ in Thousands)

County	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average Annual Change
Allegany	\$53,843	\$54,480	\$50,556	\$60,965	\$58,986	4.9%
Anne Arundel	744,837	798,865	805,073	852,644	857,856	0.7%
Baltimore City	1,708,014	1,864,149	2,251,375	2,503,671	2,571,372	10.0%
Baltimore	1,307,770	1,239,763	1,220,143	1,358,981	1,625,752	7.6%
Calvert	105,554	103,499	105,874	126,293	159,500	9.5%
Caroline	29,703	27,321	25,383	36,429	39,677	4.9%
Carroll	204,173	229,758	249,218	253,415	260,656	4.5%
Cecil	86,589	94,605	120,395	138,746	164,202	17.8%
Charles	199,902	240,755	263,690	295,095	331,876	19.6%
Dorchester	30,136	27,269	23,848	21,138	19,594	-5.6%
Frederick	376,180	357,595	441,805	524,052	583,783	10.2%
Garrett	29,289	25,481	38,590	37,146	41,160	6.3%
Harford	285,534	313,580	279,635	251,248	376,569	5.7%
Howard	705,554	755,668	873,013	987,698	994,238	7.8%
Kent	19,052	19,288	25,163	23,220	21,948	5.2%
Montgomery	3,182,429	3,258,839	3,460,330	3,684,457	3,631,671	2.8%
Prince George's	1,894,509	1,895,713	2,009,593	1,982,038	1,837,672	1.2%
Queen Anne's	74,083	69,744	74,879	90,714	85,339	5.2%
St. Mary's	161,749	173,517	164,283	155,181	147,395	0.3%
Somerset	14,701	16,309	20,132	26,030	26,167	11.0%
Talbot	28,661	27,092	30,302	34,099	58,032	14.0%
Washington	147,505	147,885	163,108	172,246	179,989	3.7%
Wicomico	77,057	78,392	79,358	83,722	92,821	3.8%
Worcester	54,747	70,132	67,099	91,026	85,310	7.1%
Total	\$11,521,572	\$11,889,699	\$12,842,843	\$13,790,256	\$14,251,565	5.3%

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 1998	FY 2003	FY 2008	FY 1998	FY 2003	FY 2008	FY 1998	FY 2003	FY 2008
Allegany	\$2,269,171	\$2,565,195	\$3,197,006	\$46,545	\$46,395	\$58,986	2.1%	1.8%	1.8%
Anne Arundel	30,693,244	38,118,944	71,787,490	624,603	830,063	857,856	2.0%	2.2%	1.2%
Baltimore City	18,125,557	19,674,089	29,032,305	1,036,643	1,599,069	2,571,372	5.7%	8.1%	8.9%
Baltimore	39,644,018	46,023,190	72,129,480	920,377	1,124,932	1,625,752	2.3%	2.4%	2.3%
Calvert	5,387,021	6,336,952	11,667,003	71,477	101,143	159,500	1.3%	1.6%	1.4%
Caroline	1,081,008	1,380,313	2,466,400	25,658	31,246	39,677	2.4%	2.3%	1.6%
Carroll	7,987,774	10,278,303	17,935,278	195,488	208,802	260,656	2.4%	2.0%	1.5%
Cecil	4,126,621	5,222,682	9,206,087	56,731	72,500	164,202	1.4%	1.4%	1.8%
Charles	6,803,029	8,672,489	16,016,997	124,862	135,427	331,876	1.8%	1.6%	2.1%
Dorchester	1,396,802	1,648,897	2,827,830	21,458	26,202	19,594	1.5%	1.6%	0.7%
Frederick	10,872,164	14,007,191	26,577,953	223,340	359,150	583,783	2.1%	2.6%	2.2%
Garrett	1,615,870	2,129,052	3,865,703	21,620	30,344	41,160	1.3%	1.4%	1.1%
Harford	10,580,075	13,640,671	22,974,307	240,363	285,511	376,569	2.3%	2.1%	1.6%
Howard	17,060,797	22,543,862	42,056,223	661,824	683,524	994,238	3.9%	3.0%	2.4%
Kent	1,259,800	1,454,105	2,535,994	12,054	17,019	21,948	1.0%	1.2%	0.9%
Montgomery	72,416,662	87,193,587	168,428,916	2,898,128	3,164,498	3,631,671	4.0%	3.6%	2.2%
Prince George's	38,531,410	43,740,098	74,432,899	1,779,196	1,729,623	1,837,672	4.6%	4.0%	2.5%
Queen Anne's	2,688,266	3,620,689	7,359,731	52,978	66,294	85,339	2.0%	1.8%	1.2%
St. Mary's	4,302,169	5,533,506	9,796,841	111,217	145,296	147,395	2.6%	2.6%	1.5%
Somerset	663,050	758,573	1,398,223	17,084	15,560	26,167	2.6%	2.1%	1.9%
Talbot	3,090,963	4,068,200	7,929,251	21,846	30,197	58,032	0.7%	0.7%	0.7%
Washington	5,686,534	7,015,202	11,941,203	142,255	150,407	179,989	2.5%	2.1%	1.5%
Wicomico	3,384,331	4,104,142	6,385,253	63,933	77,196	92,821	1.9%	1.9%	1.5%
Worcester	5,647,666	7,239,037	17,338,848	35,979	60,455	85,310	0.6%	0.8%	0.5%
Total	\$295,313,996	\$356,968,969	\$639,287,220	\$9,405,659	\$10,990,853	\$14,251,565	3.2%	3.1%	2.2%

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 1997	July 2002	July 2007	FY 1998	FY 2003	FY 2008	FY 1998	FY 2003	FY 2008
Allegany	75,310	73,737	72,603	\$46,545	\$46,395	\$58,986	\$618	\$629	\$812
Anne Arundel	472,356	502,267	510,507	624,603	830,063	857,856	1,322	1,653	1,680
Baltimore City	677,342	641,950	640,150	1,036,643	1,599,069	2,571,372	1,530	2,491	4,017
Baltimore	741,043	768,047	785,830	920,377	1,124,932	1,625,752	1,242	1,465	2,069
Calvert	68,641	80,380	88,145	71,477	101,143	159,500	1,041	1,258	1,810
Caroline	29,552	30,144	32,797	25,658	31,246	39,677	868	1,037	1,210
Carroll	144,538	158,597	168,786	195,488	208,802	260,656	1,353	1,317	1,544
Cecil	80,952	90,059	99,368	56,731	72,500	164,202	701	805	1,652
Charles	113,563	127,777	140,169	124,862	135,427	331,876	1,099	1,060	2,368
Dorchester	30,816	30,433	31,845	21,458	26,202	19,594	696	861	615
Frederick	183,285	208,498	224,147	223,340	359,150	583,783	1,219	1,723	2,604
Garrett	29,773	29,823	29,641	21,620	30,344	41,160	726	1,017	1,389
Harford	211,366	226,732	239,406	240,363	285,511	376,569	1,137	1,259	1,573
Howard	228,386	259,129	272,611	661,824	683,524	994,238	2,898	2,638	3,647
Kent	19,002	19,497	19,879	12,054	17,019	21,948	634	873	1,104
Montgomery	835,432	908,233	941,491	2,898,128	3,164,498	3,631,671	3,469	3,484	3,857
Prince George's	780,666	823,186	825,318	1,779,196	1,729,623	1,837,672	2,279	2,101	2,227
Queen Anne's	38,461	42,584	46,515	52,978	66,294	85,339	1,377	1,557	1,835
St. Mary's	83,165	89,860	100,262	111,217	145,296	147,395	1,337	1,617	1,470
Somerset	24,745	25,374	26,147	17,084	15,560	26,167	690	613	1,001
Talbot	32,919	34,344	36,132	21,846	30,197	58,032	664	879	1,606
Washington	129,890	134,550	144,662	142,255	150,407	179,989	1,095	1,118	1,244
Wicomico	82,334	85,935	93,218	63,933	77,196	92,821	777	898	996
Worcester	43,791	48,191	49,270	35,979	60,455	85,310	822	1,254	1,731
Total	5,157,328	5,439,327	5,618,899	\$9,405,659	\$10,990,853	\$14,251,565	\$1,824	\$2,021	\$2,536

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 2009

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	AAA	Aaa	-
Harford	AA+	Aa1	AA+
Howard	AAA	Aaa	AAA
Kent	-	-	-
Montgomery	AAA	Aaa	AAA
Prince George's	AAA	Aa1	AA+
Queen Anne's	-	A1	AA
St. Mary's	AA	Aa3	AA
Somerset	-	-	-
Talbot	-	Aa3	AA+
Washington	AA	Aa3	AA-
Wicomico	AA-	A2	A+
Worcester	-	Aa3	AA-

Note: (-) means not rated.

Source: Maryland Association of Counties and county Audited Financial Statements

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% 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 0.80 for Allegany County in 2007 indicates that, for every dollar of fiscal 2007 State tax revenues allocated to Allegany County, the county received \$0.80 in direct State aid. The amount of direct grants received for each \$1.00 of taxes paid ranged from \$0.12 in Talbot County to \$1.12 in Somerset County in fiscal 2007. Statewide, the weighted average for this measure was \$0.38, and the county mean was \$0.49. 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. Kent	8 th
5. Somerset	24 th	20. Anne Arundel	6 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 2007 the county received \$0.83 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 2007 varied from \$0.13 for Talbot County to \$1.12 for Somerset County. Statewide, the weighted average was \$0.40, and the county mean was \$0.51.

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 2007 for example, Allegany County's direct aid index is \$2.09. In other words, Allegany's ratio was 109% above the State average. Including payments-on-behalf lowers Allegany's ratio to \$2.06 or 106% 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 2007, State aid (direct grants and payments-on-behalf) represented about 40% 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 \$0.51, 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 2007 (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 moderately for Caroline and Somerset counties. The ratios for 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 3 jurisdictions, decreased in 9 counties, and remained relatively constant in 12 counties as shown in **Table 10.2**.

In fiscal 2007, Baltimore City received the greatest amount of State aid (including assumed functions) at \$1.1 billion followed by Prince George's County at \$952.6 million. On a per capita basis, these amounts translate into \$1,688 for Baltimore City (the greatest per capita amount for any jurisdiction) and \$1,146 for Prince George's County. Kent and Talbot counties, on the other hand, received the least amount of State aid at \$12.8 million and \$16.3 million, respectively. On a per capita basis, Kent County received \$647 while

Talbot County received \$453 – 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 City
Calvert	Caroline	Baltimore
Prince George’s	Carroll	Cecil
	Dorchester	Charles
	Frederick	Harford
	Garrett	Howard
	Kent	Montgomery
	Queen Anne’s	Somerset
	St. Mary’s	Talbot
		Washington
		Wicomico
		Worcester

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 2007 as measured on a per capita basis include Worcester, Talbot, 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 2007 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, Kent, and Anne Arundel. 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% 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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Allegany	\$0.54	0.57	0.54	0.56	0.64	0.70	0.67	0.65	0.71	0.80
Anne Arundel	0.22	0.22	0.21	0.21	0.24	0.24	0.22	0.22	0.21	0.23
Baltimore City	0.80	0.88	0.86	0.87	0.98	1.05	0.98	0.94	0.95	1.02
Baltimore	0.20	0.21	0.20	0.20	0.23	0.24	0.23	0.24	0.24	0.27
Calvert	0.34	0.35	0.35	0.38	0.44	0.46	0.46	0.45	0.46	0.49
Caroline	0.88	0.93	0.89	0.88	0.95	1.03	0.97	0.90	0.90	1.05
Carroll	0.36	0.37	0.35	0.34	0.35	0.37	0.35	0.35	0.36	0.39
Cecil	0.57	0.58	0.56	0.56	0.63	0.65	0.62	0.62	0.65	0.69
Charles	0.35	0.36	0.35	0.35	0.39	0.40	0.39	0.40	0.43	0.48
Dorchester	0.60	0.59	0.56	0.59	0.65	0.65	0.61	0.57	0.60	0.62
Frederick	0.32	0.32	0.29	0.29	0.31	0.32	0.31	0.31	0.33	0.36
Garrett	0.74	0.76	0.67	0.65	0.70	0.70	0.67	0.59	0.58	0.62
Harford	0.35	0.37	0.35	0.34	0.37	0.39	0.38	0.37	0.39	0.43
Howard	0.18	0.19	0.18	0.18	0.21	0.22	0.22	0.22	0.22	0.24
Kent	0.32	0.32	0.33	0.29	0.34	0.35	0.30	0.28	0.28	0.27
Montgomery	0.10	0.11	0.11	0.12	0.14	0.16	0.15	0.15	0.14	0.15
Prince George's	0.38	0.42	0.41	0.42	0.47	0.52	0.49	0.50	0.54	0.59
Queen Anne's	0.28	0.28	0.28	0.29	0.27	0.31	0.29	0.27	0.28	0.30
St. Mary's	0.40	0.41	0.38	0.37	0.39	0.40	0.39	0.40	0.42	0.45
Somerset	0.94	0.93	0.86	0.93	1.04	1.11	1.05	0.96	1.04	1.12
Talbot	0.09	0.10	0.09	0.09	0.11	0.10	0.12	0.12	0.11	0.12
Washington	0.37	0.37	0.35	0.35	0.37	0.38	0.36	0.36	0.39	0.46
Wicomico	0.40	0.41	0.38	0.38	0.41	0.45	0.44	0.44	0.45	0.51
Worcester	0.07	0.09	0.09	0.09	0.10	0.10	0.11	0.12	0.12	0.14
Total (Weighted Avg)	\$0.30	0.32	0.30	0.31	0.35	0.37	0.35	0.34	0.35	0.38
County Mean (Simple Avg)	\$0.41	0.42	0.40	0.41	0.45	0.47	0.45	0.43	0.45	0.49
Standard Deviation	\$0.24	0.25	0.23	0.24	0.26	0.28	0.26	0.24	0.25	0.28

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Allegany	\$0.61	0.62	0.58	0.59	0.67	0.73	0.69	0.67	0.73	0.83
Anne Arundel	0.26	0.26	0.24	0.24	0.26	0.27	0.24	0.23	0.23	0.25
Baltimore City	0.86	0.93	0.90	0.91	1.01	1.08	1.00	0.95	0.96	1.03
Baltimore	0.25	0.25	0.23	0.23	0.25	0.27	0.26	0.26	0.26	0.29
Calvert	0.41	0.40	0.40	0.42	0.47	0.50	0.48	0.47	0.48	0.51
Caroline	0.97	1.00	0.95	0.93	0.99	1.07	0.99	0.92	0.91	1.06
Carroll	0.41	0.41	0.39	0.37	0.38	0.39	0.37	0.37	0.38	0.41
Cecil	0.64	0.64	0.62	0.61	0.66	0.69	0.64	0.64	0.66	0.71
Charles	0.41	0.40	0.39	0.38	0.42	0.43	0.42	0.42	0.44	0.50
Dorchester	0.66	0.65	0.61	0.63	0.67	0.68	0.63	0.59	0.61	0.63
Frederick	0.37	0.36	0.33	0.32	0.33	0.35	0.33	0.33	0.35	0.38
Garrett	0.80	0.81	0.72	0.69	0.72	0.72	0.67	0.60	0.58	0.62
Harford	0.41	0.42	0.39	0.38	0.40	0.42	0.40	0.39	0.40	0.45
Howard	0.23	0.23	0.22	0.22	0.24	0.25	0.25	0.25	0.25	0.27
Kent	0.38	0.37	0.36	0.32	0.37	0.38	0.32	0.30	0.30	0.29
Montgomery	0.15	0.15	0.15	0.15	0.17	0.19	0.19	0.18	0.17	0.18
Prince George's	0.43	0.47	0.45	0.45	0.50	0.55	0.51	0.52	0.55	0.61
Queen Anne's	0.33	0.32	0.32	0.32	0.29	0.34	0.31	0.29	0.29	0.31
St. Mary's	0.46	0.46	0.42	0.41	0.41	0.43	0.41	0.42	0.43	0.47
Somerset	1.01	0.99	0.91	0.97	1.07	1.14	1.06	0.97	1.05	1.12
Talbot	0.13	0.13	0.11	0.11	0.13	0.12	0.14	0.14	0.12	0.13
Washington	0.42	0.42	0.40	0.38	0.40	0.41	0.34	0.38	0.40	0.48
Wicomico	0.46	0.46	0.42	0.42	0.44	0.49	0.47	0.46	0.47	0.54
Worcester	0.11	0.12	0.12	0.11	0.12	0.13	0.13	0.13	0.13	0.15
Total (Weighted Avg)	\$0.35	0.36	0.34	0.34	0.37	0.40	0.37	0.37	0.37	0.40
County Mean (Simple Avg)	\$0.46	0.47	0.44	0.44	0.47	0.50	0.47	0.45	0.47	0.51
Standard Deviation	\$0.25	0.26	0.24	0.25	0.26	0.28	0.26	0.24	0.25	0.28

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.
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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Allegany	1.80%	1.79%	1.77%	1.81%	1.84%	1.89%	1.90%	1.87%	2.02%	2.09%
Anne Arundel	0.72	0.69	0.69	0.69	0.70	0.66	0.63	0.63	0.60	0.61
Baltimore City	2.65	2.78	2.85	2.84	2.83	2.85	2.79	2.74	2.70	2.67
Baltimore	0.67	0.65	0.65	0.65	0.66	0.66	0.67	0.68	0.68	0.70
Calvert	1.14	1.10	1.16	1.23	1.26	1.26	1.30	1.30	1.30	1.27
Caroline	2.93	2.92	2.92	2.88	2.75	2.81	2.76	2.60	2.56	2.74
Carroll	1.18	1.16	1.15	1.11	1.01	1.00	0.99	1.02	1.02	1.03
Cecil	1.89	1.81	1.86	1.83	1.81	1.78	1.76	1.79	1.85	1.81
Charles	1.17	1.12	1.15	1.14	1.14	1.09	1.13	1.17	1.21	1.24
Dorchester	1.98	1.87	1.86	1.93	1.87	1.76	1.75	1.66	1.71	1.61
Frederick	1.07	1.00	0.97	0.93	0.89	0.87	0.88	0.90	0.94	0.95
Garrett	2.45	2.39	2.23	2.13	2.02	1.92	1.91	1.72	1.64	1.62
Harford	1.18	1.16	1.14	1.11	1.08	1.05	1.07	1.08	1.10	1.13
Howard	0.60	0.59	0.59	0.60	0.62	0.60	0.64	0.64	0.64	0.63
Kent	1.08	1.02	1.07	0.94	0.98	0.96	0.87	0.82	0.81	0.71
Montgomery	0.34	0.35	0.36	0.38	0.41	0.42	0.43	0.43	0.40	0.40
Prince George's	1.25	1.32	1.36	1.36	1.35	1.41	1.40	1.45	1.53	1.54
Queen Anne's	0.92	0.88	0.92	0.93	0.77	0.86	0.83	0.78	0.79	0.78
St. Mary's	1.34	1.30	1.26	1.22	1.12	1.08	1.11	1.15	1.18	1.17
Somerset	3.12	2.92	2.85	3.03	3.01	3.03	2.99	2.77	2.97	2.93
Talbot	0.31	0.31	0.29	0.29	0.32	0.27	0.36	0.36	0.31	0.31
Washington	1.23	1.18	1.17	1.13	1.08	1.03	1.02	1.04	1.10	1.20
Wicomico	1.32	1.28	1.25	1.25	1.18	1.24	1.25	1.27	1.27	1.33
Worcester	0.22	0.28	0.29	0.29	0.29	0.28	0.33	0.34	0.35	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)	1.36%	1.33	1.32	1.32	1.29	1.28	1.28	1.26	1.28	1.28
Standard Deviation	0.78%	0.78	0.77	0.79	0.77	0.78	0.76	0.71	0.73	0.74

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Allegany	1.72%	1.72%	1.71%	1.75%	1.79%	1.84%	1.86%	1.84%	1.99%	2.06%
Anne Arundel	0.75	0.71	0.70	0.71	0.71	0.67	0.64	0.64	0.62	0.63
Baltimore City	2.43	2.58	2.66	2.68	2.70	2.73	2.67	2.61	2.60	2.57
Baltimore	0.70	0.68	0.67	0.67	0.68	0.68	0.69	0.70	0.70	0.71
Calvert	1.16	1.12	1.18	1.23	1.26	1.26	1.29	1.29	1.30	1.27
Caroline	2.75	2.77	2.78	2.75	2.65	2.70	2.64	2.50	2.47	2.64
Carroll	1.17	1.15	1.14	1.11	1.01	1.00	0.99	1.02	1.02	1.03
Cecil	1.82	1.76	1.81	1.79	1.77	1.73	1.71	1.74	1.78	1.75
Charles	1.16	1.11	1.14	1.13	1.13	1.09	1.12	1.16	1.20	1.23
Dorchester	1.88	1.80	1.80	1.87	1.81	1.70	1.69	1.61	1.66	1.57
Frederick	1.07	1.00	0.98	0.94	0.89	0.87	0.89	0.91	0.94	0.95
Garrett	2.28	2.24	2.11	2.03	1.93	1.83	1.80	1.64	1.56	1.55
Harford	1.17	1.16	1.13	1.11	1.08	1.05	1.07	1.07	1.10	1.13
Howard	0.66	0.64	0.64	0.65	0.66	0.64	0.68	0.68	0.67	0.67
Kent	1.08	1.02	1.07	0.94	0.98	0.97	0.87	0.81	0.81	0.71
Montgomery	0.43	0.43	0.43	0.44	0.47	0.48	0.50	0.48	0.45	0.45
Prince George's	1.23	1.30	1.33	1.33	1.33	1.38	1.38	1.42	1.50	1.52
Queen Anne's	0.93	0.89	0.93	0.94	0.78	0.86	0.83	0.78	0.80	0.78
St. Mary's	1.31	1.28	1.24	1.21	1.11	1.08	1.11	1.15	1.17	1.16
Somerset	2.89	2.73	2.69	2.88	2.87	2.88	2.84	2.65	2.83	2.79
Talbot	0.36	0.35	0.33	0.33	0.35	0.30	0.38	0.37	0.33	0.32
Washington	1.20	1.17	1.16	1.12	1.07	1.03	0.91	1.04	1.09	1.18
Wicomico	1.29	1.27	1.25	1.24	1.17	1.23	1.25	1.26	1.27	1.33
Worcester	0.30	0.34	0.34	0.33	0.32	0.32	0.35	0.36	0.36	0.37
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%	1.30	1.30	1.30	1.27	1.26	1.26	1.24	1.26	1.27
Standard Deviation	0.70%	0.71	0.71	0.73	0.72	0.72	0.70	0.70	0.69	0.70

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

Source: Department of Legislative Services

Exhibit 10.5
Comparison of State Tax Revenues and State Aid
Fiscal 2007

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	72,415	1.3%	16	\$112,828,077	0.9%	18	\$93,503,939	1.8%	16
Anne Arundel	509,037	9.1%	5	1,353,295,109	10.3%	4	341,265,143	6.4%	5
Baltimore City	640,961	11.4%	4	1,047,391,084	8.0%	5	1,081,781,215	20.4%	1
Baltimore	785,200	14.0%	3	2,014,796,586	15.3%	2	576,448,638	10.9%	3
Calvert	87,536	1.6%	15	184,490,126	1.4%	14	93,961,175	1.8%	14
Caroline	32,209	0.6%	20	42,776,113	0.3%	23	45,359,227	0.9%	17
Carroll	168,180	3.0%	9	372,423,350	2.8%	9	154,490,837	2.9%	10
Cecil	98,520	1.8%	12	147,078,432	1.1%	16	103,765,122	2.0%	13
Charles	139,164	2.5%	11	317,106,284	2.4%	10	157,465,332	3.0%	9
Dorchester	31,358	0.6%	21	53,584,784	0.4%	20	33,781,609	0.6%	19
Frederick	221,492	4.0%	8	535,242,801	4.1%	7	204,981,011	3.9%	8
Garrett	29,603	0.5%	22	53,336,462	0.4%	21	33,181,352	0.6%	20
Harford	239,193	4.3%	7	504,721,448	3.8%	8	229,350,356	4.3%	6
Howard	269,631	4.8%	6	796,486,879	6.0%	6	215,037,545	4.1%	7
Kent	19,798	0.4%	24	44,696,234	0.3%	22	12,813,467	0.2%	24
Montgomery	936,070	16.7%	1	2,909,853,954	22.1%	1	523,651,872	9.9%	4
Prince George's	831,602	14.8%	2	1,560,724,578	11.8%	3	952,638,075	18.0%	2
Queen Anne's	45,820	0.8%	18	107,844,970	0.8%	19	33,885,761	0.6%	18
St. Mary's	98,510	1.8%	13	200,242,893	1.5%	13	93,681,887	1.8%	15
Somerset	25,775	0.5%	23	26,764,147	0.2%	24	30,063,184	0.6%	21
Talbot	36,035	0.6%	19	125,217,789	1.0%	17	16,330,025	0.3%	23
Washington	142,984	2.6%	10	287,382,068	2.2%	11	136,924,400	2.6%	11
Wicomico	92,096	1.6%	14	201,215,634	1.5%	12	107,650,608	2.0%	12
Worcester	49,069	0.9%	17	171,434,656	1.3%	15	25,643,931	0.5%	22
Total	5,602,258	100.0%		\$13,170,934,455	100.0%		\$5,297,655,711	100.0%	

Source: Department of Legislative Services

Exhibit 10.6
Per Capita Allocation of State Tax Revenues and State Aid
Fiscal 2007

County	Population	<u>Allocation of State Tax Revenues</u>			<u>State Aid to Local Governments</u>		
		Total	Per Capita	Ranking	Total	Per Capita	Ranking
		Revenues	Amount		State Aid	Amount	
Allegany	72,415	\$112,828,077	\$1,558	21	\$93,503,939	\$1,291	3
Anne Arundel	509,037	1,353,295,109	2,659	5	341,265,143	670	20
Baltimore City	640,961	1,047,391,084	1,634	20	1,081,781,215	1,688	1
Baltimore	785,200	2,014,796,586	2,566	6	576,448,638	734	19
Calvert	87,536	184,490,126	2,108	14	93,961,175	1,073	10
Caroline	32,209	42,776,113	1,328	23	45,359,227	1,408	2
Carroll	168,180	372,423,350	2,214	11	154,490,837	919	16
Cecil	98,520	147,078,432	1,493	22	103,765,122	1,053	11
Charles	139,164	317,106,284	2,279	9	157,465,332	1,132	7
Dorchester	31,358	53,584,784	1,709	19	33,781,609	1,077	9
Frederick	221,492	535,242,801	2,417	7	204,981,011	925	15
Garrett	29,603	53,336,462	1,802	18	33,181,352	1,121	8
Harford	239,193	504,721,448	2,110	13	229,350,356	959	12
Howard	269,631	796,486,879	2,954	4	215,037,545	798	17
Kent	19,798	44,696,234	2,258	10	12,813,467	647	21
Montgomery	936,070	2,909,853,954	3,109	3	523,651,872	559	22
Prince George's	831,602	1,560,724,578	1,877	17	952,638,075	1,146	6
Queen Anne's	45,820	107,844,970	2,354	8	33,885,761	740	18
St. Mary's	98,510	200,242,893	2,033	15	93,681,887	951	14
Somerset	25,775	26,764,147	1,038	24	30,063,184	1,166	5
Talbot	36,035	125,217,789	3,475	2	16,330,025	453	24
Washington	142,984	287,382,068	2,010	16	136,924,400	958	13
Wicomico	92,096	201,215,634	2,185	12	107,650,608	1,169	4
Worcester	49,069	171,434,656	3,494	1	25,643,931	523	23
Total	5,602,258	\$13,170,934,455	\$2,351		\$5,297,655,711	\$946	

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	24	156	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

<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
Washington Grove	1937	Ch. 372

<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 2008

County	County Population	Municipal Population	Percent of County	Rank
Allegany	72,238	32,249	44.6%	3
Anne Arundel	512,790	36,634	7.1%	19
Baltimore City	636,919	0	0.0%	23
Baltimore	785,618	1	0.0%	22
Calvert	88,698	5,268	5.9%	20
Caroline	33,138	11,498	34.7%	9
Carroll	169,353	43,260	25.5%	12
Cecil	99,926	26,442	26.5%	11
Charles	140,764	12,656	9.0%	18
Dorchester	31,998	15,166	47.4%	2
Frederick	225,721	89,166	39.5%	5
Garrett	29,698	6,527	22.0%	14
Harford	240,351	36,904	15.4%	16
Howard	274,995	0	0.0%	23
Kent	20,151	7,647	37.9%	6
Montgomery	950,680	157,074	16.5%	15
Prince George's	820,852	220,438	26.9%	10
Queen Anne's	47,091	5,490	11.7%	17
St. Mary's	101,578	2,214	2.2%	21
Somerset	26,119	5,764	22.1%	13
Talbot	36,215	17,668	48.8%	1
Washington	145,384	52,977	36.4%	7
Wicomico	94,046	40,157	42.7%	4
Worcester	49,274	17,298	35.1%	8
Statewide	5,633,597	842,498	15.0%	

Source: Maryland Department of Planning, Department of Legislative Services

Appendix 4
United States and States – Racial Composition as of July 2008

State	White	African American	Hispanic/ Latino	Asian	Other
Alabama	68.4%	26.2%	2.9%	0.9%	1.5%
Alaska	65.7%	3.9%	6.1%	4.4%	19.8%
Arizona	58.4%	3.5%	30.1%	2.3%	5.7%
Arkansas	75.6%	15.5%	5.6%	1.0%	2.2%
California	42.3%	6.0%	36.6%	12.1%	2.9%
Colorado	71.0%	3.8%	20.2%	2.5%	2.5%
Connecticut	73.8%	9.3%	12.0%	3.4%	1.5%
Delaware	68.3%	20.4%	6.8%	2.8%	1.6%
District of Columbia	33.1%	53.1%	8.6%	3.3%	1.8%
Florida	60.3%	15.0%	21.0%	2.2%	1.5%
Georgia	58.1%	29.6%	8.0%	2.8%	1.5%
Hawaii	24.9%	2.8%	8.7%	38.4%	25.2%
Idaho	85.1%	0.7%	10.2%	1.1%	2.9%
Illinois	64.7%	14.5%	15.2%	4.3%	1.3%
Indiana	83.2%	8.9%	5.2%	1.3%	1.4%
Iowa	90.3%	2.5%	4.2%	1.6%	1.4%
Kansas	80.3%	5.9%	9.1%	2.2%	2.6%
Kentucky	87.8%	7.6%	2.4%	1.0%	1.3%
Louisiana	61.9%	31.7%	3.4%	1.4%	1.6%
Maine	95.3%	1.0%	1.3%	0.9%	1.6%
Maryland	57.7%	28.8%	6.7%	5.0%	1.8%
Massachusetts	79.2%	5.9%	8.6%	4.9%	1.4%
Michigan	77.5%	14.0%	4.1%	2.3%	2.0%
Minnesota	85.4%	4.4%	4.1%	3.5%	2.6%

State	White	African American	Hispanic/ Latino	Asian	Other
Mississippi	58.7%	37.0%	2.2%	0.8%	1.3%
Missouri	82.1%	11.3%	3.2%	1.4%	1.9%
Montana	87.9%	0.6%	3.0%	0.6%	7.9%
Nebraska	84.1%	4.3%	7.9%	1.7%	2.1%
Nevada	57.1%	7.3%	25.7%	6.0%	3.8%
New Hampshire	93.1%	1.1%	2.6%	1.9%	1.3%
New Jersey	61.7%	13.1%	16.3%	7.6%	1.3%
New Mexico	41.7%	2.1%	44.9%	1.2%	10.0%
New York	60.0%	14.8%	16.7%	6.9%	1.6%
North Carolina	67.2%	21.2%	7.4%	1.9%	2.3%
North Dakota	89.6%	1.0%	2.1%	0.7%	6.6%
Ohio	82.5%	11.8%	2.6%	1.6%	1.5%
Oklahoma	71.4%	7.7%	7.6%	1.7%	11.6%
Oregon	80.0%	1.8%	11.0%	3.6%	3.7%
Pennsylvania	81.4%	10.3%	4.8%	2.4%	1.1%
Rhode Island	78.8%	5.0%	11.6%	2.7%	1.8%
South Carolina	65.2%	28.1%	4.1%	1.2%	1.4%
South Dakota	86.1%	1.1%	2.6%	0.7%	9.5%
Tennessee	77.1%	16.5%	3.7%	1.3%	1.4%
Texas	47.4%	11.3%	36.5%	3.3%	1.5%
Utah	81.7%	1.0%	12.0%	1.9%	3.4%
Vermont	95.2%	0.8%	1.4%	1.1%	1.5%
Virginia	67.0%	19.5%	6.8%	4.8%	1.9%
Washington	75.5%	3.4%	9.8%	6.6%	4.7%
West Virginia	93.5%	3.5%	1.1%	0.7%	1.2%
Wisconsin	85.1%	5.9%	5.1%	2.0%	2.0%
Wyoming	86.8%	1.1%	7.7%	0.7%	3.7%
United States	65.6%	12.2%	15.4%	4.4%	2.4%

Appendix 5
Washington and Baltimore Metropolitan Statistical Areas

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>Population Change</u>		<u>Percent Change</u>	
				<u>1990-2000</u>	<u>2000-2008</u>	<u>1990-2000</u>	<u>2000-2008</u>
Washington Metropolitan Area	4,122,199	4,796,183	5,358,130	673,984	561,947	16.4%	11.7%
District of Columbia	606,900	572,059	591,833	-34,841	19,774	-5.7%	3.5%
Maryland	1,788,314	2,065,242	2,226,715	276,928	161,473	15.5%	7.8%
Calvert	51,372	74,563	88,698	23,191	14,135	45.1%	19.0%
Charles	101,154	120,546	140,764	19,392	20,218	19.2%	16.8%
Frederick	150,208	195,277	225,721	45,069	30,444	30.0%	15.6%
Montgomery	762,875	873,341	950,680	110,466	77,339	14.5%	8.9%
Prince George's	722,705	801,515	820,852	78,810	19,337	10.9%	2.4%
Virginia	1,691,059	2,116,692	2,487,967	425,633	371,275	25.2%	17.5%
Alexandria City	111,183	128,283	143,885	17,100	15,602	15.4%	12.2%
Arlington	170,936	189,453	209,969	18,517	20,516	10.8%	10.8%
Clarke	12,101	12,652	14,458	551	1,806	4.6%	14.3%
Fairfax City	19,622	21,498	23,844	1,876	2,346	9.6%	10.9%
Fairfax	818,584	969,749	1,015,302	151,165	45,553	18.5%	4.7%
Falls Church City	9,578	10,377	11,169	799	792	8.3%	7.6%
Fauquier	48,741	55,139	66,839	6,398	11,700	13.1%	21.2%
Fredericksburg City	19,027	19,279	22,818	252	3,539	1.3%	18.4%
Loudoun	86,129	169,599	289,995	83,470	120,396	96.9%	71.0%
Manassas City	27,957	35,135	35,205	7,178	70	25.7%	0.2%
Manassas Park City	6,734	10,290	11,319	3,556	1,029	52.8%	10.0%
Prince William	215,686	280,813	364,734	65,127	83,921	30.2%	29.9%
Spotsylvania	57,403	90,395	120,031	32,992	29,636	57.5%	32.8%
Stafford	61,236	92,446	121,736	31,210	29,290	51.0%	31.7%
Warren	26,142	31,584	36,663	5,442	5,079	20.8%	16.1%
West Virginia	35,926	42,190	51,615	6,264	9,425	17.4%	22.3%
Jefferson	35,926	42,190	51,615	6,264	9,425	17.4%	22.3%

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>Population Change</u>		<u>Percent Change</u>	
				<u>1990-2000</u>	<u>2000-2008</u>	<u>1990-2000</u>	<u>2000-2008</u>
Baltimore Metropolitan Area	2,382,172	2,552,994	2,667,117	170,822	114,123	7.2%	4.5%
Baltimore City	736,014	651,154	636,919	-84,860	-14,235	-11.5%	-2.2%
Anne Arundel	427,239	489,656	512,790	62,417	23,134	14.6%	4.7%
Baltimore	692,134	754,292	785,618	62,158	31,326	9.0%	4.2%
Carroll	123,372	150,897	169,353	27,525	18,456	22.3%	12.2%
Harford	182,132	218,590	240,351	36,458	21,761	20.0%	10.0%
Howard	187,328	247,842	274,995	60,514	27,153	32.3%	11.0%
Queen Anne's	33,953	40,563	47,091	6,610	6,528	19.5%	16.1%

Source: United States Census Bureau

Appendix 6
Special County Property Tax Rates
Fiscal 2010

	<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	\$0.683	74.6%
Transit Tax	0.037	4.0%
Fire District Tax	0.105	11.5%
M-NCPPC	0.069	7.5%
Recreation Tax	0.019	2.1%
Storm Drainage Tax	0.003	0.3%
Total Rate	\$0.916	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 2010

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Allegany	72,238	\$0.9829			\$0.9829
Barton	452	0.9545	0.1835	-	1.1380
Cumberland	20,495	0.9016	0.9654	-	1.8670
Frostburg	7,719	0.9086	0.5500	-	1.4586
Lonaconing	1,125	0.9305	0.3400	-	1.2705
Luke	73	0.9266	0.5500	-	1.4766
Midland	440	0.9545	0.2800	-	1.2345
Westernport	1,945	0.9305	0.6000	-	1.5305
Anne Arundel	512,790	0.876			0.876
Annapolis	36,524	0.523	0.530	-	1.053
Highland Beach	110	0.876	0.416	-	1.292
Baltimore City	636,919	2.268			2.268
Baltimore	785,618	1.100			1.100
Calvert	88,698	0.892			0.892
Chesapeake Beach	3,399	0.556	0.370	-	0.926
North Beach	1,869	0.556	0.610	-	1.166

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Caroline	33,138	\$0.870			\$0.870
Denton	4,022	0.750	0.640	-	1.390
Federalsburg	2,625	0.750	0.640	-	1.390
Goldsboro	216	0.810	0.400	-	1.210
Greensboro	1,998	0.760	0.545	-	1.305
Henderson	122	0.810	0.300	-	1.110
Hillsboro	157	0.810	0.160	-	0.970
Marydel	143	0.810	0.300	-	1.110
Preston	672	0.820	0.360	-	1.180
Ridgely	1,517	0.770	0.481	-	1.251
Templeville*	26	0.810	0.360	-	1.170
Carroll	169,353	1.048			1.048
Hampstead	5,466	1.048	0.200	-	1.248
Manchester	3,546	1.048	0.184	-	1.232
Mount Airy*	4,289	1.048	0.165	-	1.213
New Windsor	1,352	1.048	0.200	-	1.248
Sykesville	4,419	1.048	0.330	-	1.378
Taneytown	5,422	1.048	0.320	-	1.368
Union Bridge	1,077	1.048	0.300	-	1.348
Westminster	17,689	1.048	0.440	-	1.488
Cecil	99,926	0.940			0.940
Cecilton	493	0.940	0.219	-	1.159
Charlestown	1,103	0.940	0.280	-	1.220
Chesapeake City	830	0.940	0.425	-	1.365
Elkton	14,842	0.940	0.464	-	1.404
North East	2,862	0.940	0.480	-	1.420
Perryville	3,802	0.940	0.353	-	1.293
Port Deposit	701	0.940	0.551	-	1.491
Rising Sun	1,809	0.940	0.360	-	1.300

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Charles	140,764	\$0.9620		\$0.0640	\$1.0260
Indian Head	3,758	0.9390	0.3000	0.0640	1.3030
La Plata	8,879	0.8910	0.3200	0.0640	1.2750
Port Tobacco	19	0.9620	0.0400	0.0640	1.0660
Dorchester	31,998	0.896			0.896
Brookview	62	0.896	0.260	-	1.156
Cambridge	11,752	0.850	0.676	-	1.526
Church Creek	78	0.896	0.170	-	1.066
East New Market	266	0.896	0.540	-	1.436
Eldorado	57	0.896	0.180	-	1.076
Galestown	97	0.896	0.280	-	1.176
Hurlock	2,048	0.850	0.720	-	1.570
Secretary	487	0.896	0.320	-	1.216
Vienna	319	0.896	0.480	-	1.376
Frederick	225,721	0.936		0.128	1.064
Brunswick	5,228	0.936	0.422	0.080	1.438
Burkittsville	186	0.936	0.140	0.080	1.156
Emmitsburg	2,365	0.936	0.360	0.128	1.424
Frederick City	59,213	0.936	0.650	0.128	1.714
Middletown	2,859	0.936	0.232	0.080	1.248
Mount Airy*	4,472	0.936	0.165	0.000	1.101
Myersville	1,511	0.936	0.274	0.080	1.290
New Market	465	0.936	0.120	0.128	1.184
Rosemont	310	0.936	0.040	0.080	1.056
Thurmont	6,037	0.936	0.260	0.080	1.276
Walkersville	5,606	0.936	0.156	0.080	1.172
Woodsboro	914	0.936	0.120	0.080	1.136

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Garrett	29,698	\$0.990			\$0.990
Accident	330	0.990	0.224	-	1.214
Deer Park	382	0.990	0.300	-	1.290
Friendsville	503	0.990	0.240	-	1.230
Grantsville	649	0.990	0.260	-	1.250
Kitzmiller	278	0.990	0.360	-	1.350
Loch Lynn Heights	435	0.990	0.270	-	1.260
Mountain Lake Park	2,106	0.937	0.305	-	1.242
Oakland	1,844	0.990	0.472	-	1.462
Harford	240,351	1.064			1.064
Aberdeen	13,993	0.908	0.688	-	1.596
Bel Air	9,826	0.908	0.500	-	1.408
Havre de Grace	13,085	0.908	0.610	-	1.518
Howard	274,995	1.014		0.1355	1.150
Kent	20,151	0.972			0.972
Betterton	354	0.972	0.320	-	1.292
Chestertown	4,899	0.972	0.370	-	1.342
Galena	504	0.972	0.240	-	1.212
Millington*	404	0.972	0.280	-	1.252
Rock Hall	1,486	0.972	0.320	-	1.292

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Montgomery	950,680	\$0.683		\$0.233	\$0.916
Barnesville	197	0.683	0.049	0.162	0.894
Battery Park		0.683	0.050	0.233	0.966
Brookeville	131	0.683	0.150	0.162	0.995
Chevy Chase, Sec. 3	793	0.683	0.020	0.233	0.936
Chevy Chase, Sec. 5	659	0.683	0.000	0.233	0.916
Chevy Chase	2,803	0.683	0.010	0.233	0.926
Chevy Chase View	901	0.683	0.022	0.233	0.938
Chevy Chase Village	2,109	0.683	0.096	0.233	1.012
Drummond		0.683	0.048	0.233	0.964
Friendship Heights		0.683	0.040	0.230	0.953
Gaithersburg	58,744	0.683	0.212	0.143	1.038
Garrett Park	955	0.683	0.192	0.230	1.105
Glen Echo	255	0.683	0.130	0.233	1.046
Kensington	1,946	0.683	0.122	0.230	1.035
Laytonsville	353	0.683	0.110	0.162	0.955
Martin's Additions	900	0.683	0.008	0.233	0.924
North Chevy Chase	484	0.683	0.052	0.233	0.968
Oakmont		0.683	0.040	0.233	0.956
Poolesville	5,674	0.683	0.150	0.162	0.995
Rockville	60,734	0.683	0.292	0.143	1.118
Somerset	1,169	0.683	0.040	0.233	0.956
Takoma Park	17,701	0.683	0.580	0.230	1.493
Washington Grove	566	0.683	0.181	0.143	1.007

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Prince George's	820,852	\$0.960		\$0.359	\$1.319
Berwyn Heights	2,932	0.797	0.486	0.359	1.642
Bladensburg	7,568	0.790	0.740	0.359	1.889
Bowie	52,544	0.866	0.380	0.306	1.552
Brentwood	2,795	0.934	0.382	0.359	1.675
Capitol Heights	4,096	0.810	0.401	0.359	1.570
Cheverly	6,372	0.804	0.480	0.359	1.643
College Park	26,925	0.946	0.322	0.359	1.627
Colmar Manor	1,256	0.887	1.038	0.359	2.284
Cottage City	1,122	0.814	0.560	0.359	1.733
District Heights	6,034	0.802	0.730	0.186	1.718
Eagle Harbor	56	0.959	0.292	0.359	1.610
Edmonston	1,329	0.809	0.600	0.359	1.768
Fairmount Heights	1,495	0.869	0.420	0.359	1.648
Forest Heights	2,554	0.841	0.530	0.359	1.730
Glenarden	6,306	0.825	0.296	0.359	1.480
Greenbelt	21,098	0.784	0.786	0.246	1.816
Hyattsville	15,376	0.788	0.630	0.359	1.777
Landover Hills	1,514	0.797	0.480	0.359	1.636
Laurel	22,329	0.755	0.710	0.200	1.665
Morningside	1,305	0.817	0.780	0.359	1.956
Mt. Rainier	8,322	0.789	0.790	0.359	1.938
New Carrollton	12,460	0.846	0.500	0.359	1.705
North Brentwood	464	0.951	0.347	0.359	1.657
Riverdale Park	6,418	0.785	0.641	0.359	1.785
Seat Pleasant	4,829	0.801	0.580	0.359	1.740
University Park	2,282	0.800	0.541	0.359	1.700
Upper Marlboro	657	0.819	0.240	0.359	1.418

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Queen Anne's	47,901	\$0.770			\$0.770
Barclay	146	0.770	0.100	-	0.870
Centreville	3,458	0.770	0.380	-	1.150
Church Hill	670	0.770	0.340	-	1.110
Millington*	41	0.770	0.280	-	1.050
Queen Anne*	92	0.770	0.180	-	0.950
Queenstown	635	0.770	0.181	-	0.951
Sudlersville	392	0.770	0.167	-	0.937
Templeville*	56	0.770	0.360	-	1.130
St. Mary's	101,578	0.857			0.857
Leonardtown	2,214	0.857	0.137	-	0.994
Somerset	26,119	0.900			0.900
Crisfield	2,749	0.900	0.700	-	1.600
Princess Anne	3,015	0.900	0.954	-	1.854
Talbot	36,215	0.432			0.432
Easton	14,677	0.303	0.520	-	0.823
Oxford	706	0.319	0.244	-	0.563
Queen Anne*	74	0.375	0.375	-	0.750
St. Michaels	1,068	0.309	0.640	-	0.949
Trappe	1,143	0.348	0.300	-	0.648

Jurisdiction	Population July 2008	County Rate	Municipal Rate	County Special Rate	Total Rate
Washington	145,384	\$0.948			\$0.948
Boonsboro	3,399	0.948	0.300	-	1.248
Clear Spring	461	0.948	0.190	-	1.138
Funkstown	937	0.948	0.220	-	1.168
Hagerstown	39,728	0.948	0.788	-	1.736
Hancock	1,743	0.948	0.395	-	1.343
Keedysville	862	0.948	0.180	-	1.128
Sharpsburg	661	0.948	0.200	-	1.148
Smithsburg	2,908	0.948	0.280	-	1.228
Williamsport	2,278	0.948	0.405	-	1.353
Wicomico	94,046	0.759			0.759
Delmar	3,356	0.759	0.693	-	1.452
Fruitland	4,431	0.759	0.700	-	1.459
Hebron	1,044	0.759	0.400	-	1.159
Mardela Springs	357	0.759	0.200	-	0.959
Pittsville	1,182	0.759	0.320	-	1.079
Salisbury	28,200	0.759	0.819	-	1.578
Sharptown	620	0.759	0.600	-	1.359
Willards	967	0.759	0.460	-	1.219
Worcester	49,274	0.700			0.700
Berlin	4,056	0.700	0.730	-	1.430
Ocean City	7,042	0.700	0.385	-	1.085
Pocomoke City	3,879	0.700	0.750	-	1.450
Snow Hill	2,321	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