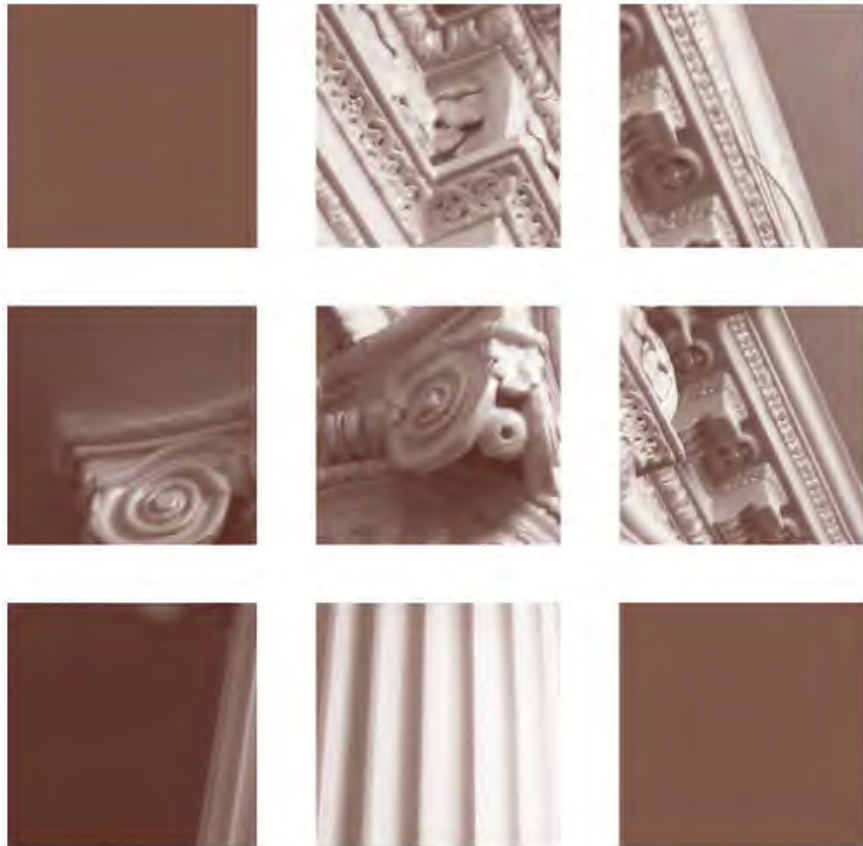


2007 REPORT ON COUNTY / MUNICIPAL TAX DIFFERENTIALS AND TAX REBATES



DEPARTMENT OF LEGISLATIVE SERVICES 2008

2007 Report on County/Municipal Tax Differentials and Tax Rebates

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

January 2008

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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF THE EXECUTIVE DIRECTOR
MARYLAND GENERAL ASSEMBLY

January 2008

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 General Assembly

Ladies and Gentlemen:

Tax set-off systems – generally referred to as “tax differentials” or “tax rebates” – are of continuing interest to State and local government officials. The Department of Legislative Services, in accordance with Joint Resolution 31 of 1978, conducts an annual review of local tax set-off systems, and this report summarizes the tax set-off systems for fiscal 2007. The report also provides an overview of the current law relating to tax set-offs. This report was prepared by Michael Sanelli of the Office of Policy Analysis and reviewed by Joshua Watters and Hiram Burch. Mary LaValley prepared the manuscript.

The Department of Legislative Services trusts that the study will be useful to members of the General Assembly and to other persons interested in matters relating to tax set-off systems.

Sincerely,

Karl S. Aro
Executive Director

KSA/ml

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Executive Summary

In accordance with Joint Resolution 31 of 1978, the Department of Legislative Services conducts an annual review of local tax set-off programs for municipalities. This review utilizes a written survey followed by telephone calls when necessary. Assessable base and tax rate data maintained by the State Department of Assessments and Taxation is also used in this analysis.

A property tax set-off enables county governments to compensate municipalities for governmental services or programs that municipalities provide in lieu of similar county services or programs. These set-offs can take the form of either property tax rate differentials or tax rebates. The major governmental services performed by municipalities that may result in tax set-offs include police protection, highway and street maintenance, sanitation and waste collection, planning and zoning services, and recreation and parks services.

Seventeen of the 23 counties in Maryland had property tax set-offs for municipalities in their jurisdictions in fiscal 2007. Of the six remaining counties, Baltimore and Howard counties have no municipalities, while Queen Anne's, Somerset, Wicomico, and Worcester counties chose not to establish tax set-offs.

Seven counties (Allegany, Anne Arundel, Calvert, Caroline, Charles, Garrett, and Talbot) provided tax rate differentials totaling \$26.5 million for the municipalities in their jurisdictions. Eight counties (Carroll, Cecil, Dorchester, Frederick, Kent, Montgomery, St. Mary's, and Washington) returned to the municipalities rebates totaling \$17.9 million. Prince George's County provided both tax rebates and tax rate differentials to its

municipalities totaling \$16.1 million; as did Harford County, totaling \$6.4 million.

In sum, tax differentials and rebates totaled \$67.0 million in fiscal 2007, a 12.6 percent increase over the prior year. Over the last 10 years, the level of tax set-offs provided to municipalities has increased from \$36.0 million in fiscal 1997 to \$67.0 million in fiscal 2007, an increase of \$31.0 million.

While counties have generally been increasing the amount of tax set-offs provided to municipalities since fiscal 1997, Allegany County is the one county in which the tax set-off amount has decreased, from \$1.1 million in fiscal 1997 to \$0.9 million in fiscal 2007; and Queen Anne's County, which provided a tax rebate through fiscal 2001, no longer provides a rebate.

Increases in tax set-off amounts have been significant in a few counties. In Frederick County, for example, the tax rebate amount for fiscal 2007 (\$6.0 million) is almost four times what it was in fiscal 1997 (\$1.6 million). Also, in Talbot County, a tax set-off was not provided in fiscal 1996, but a tax rate differential totaling roughly \$107,000 was provided in fiscal 1997. Since that time, the total differential provided by the county has grown to \$2.3 million in fiscal 2007.

Some of the State's larger counties have provided tax set-offs at relatively constant levels since fiscal 1997, but there have been increases in recent years. In Prince George's County, between fiscal 1997 and 2005, the total tax set-off amount provided to municipalities remained relatively steady, despite some fluctuation. In fiscal 2005, the

tax set-off amount provided to its municipalities in the county (\$12.3 million) was slightly more than what was provided in fiscal 1997 (\$12.0 million). The total tax set-off amount, however, noticeably increased in fiscal 2007 to \$16.1 million. This increase is largely attributable to the growth of the value of the county's tax rate differential.

Montgomery and Anne Arundel counties have also had significant increases in recent fiscal years. Montgomery County provided a total tax rebate of \$3.9 million in fiscal 1997 and a \$4.7 million rebate in fiscal 2004. In fiscal 2007, the county provided a tax rebate totaling \$7.4 million. Similarly, in Anne Arundel County, the total value of the tax rate differential increased by \$9.6 million over the 10-year period. Most of this increase, however, has occurred since fiscal 2003.

Of the 17 counties providing tax set-offs in fiscal 2007, the tax set-off amount increased over the amounts provided in fiscal 2006 in 12 counties (Allegany, Anne Arundel, Calvert, Caroline, Cecil, Frederick, Harford, Kent, Montgomery, Prince George's, Talbot, and Washington), decreased in 4 counties, (Carroll, Charles, Garrett, and St. Mary's), and remained constant in 1 county (Dorchester). Every county that provided a tax set-off in fiscal 2006 provided a tax set-off in fiscal 2007.

While the total amount of tax differentials and rebates has increased, the types of services that the municipalities performed remained basically unchanged. The services included police protection, highway and street maintenance, sanitation and waste collection, planning and zoning, and recreation and parks.

2007 Report on County/Municipal Tax Differentials and Tax Rebates

Introduction

Property tax set-offs are meant to compensate for double taxation of municipal taxpayers occurring when both municipal and county property taxes are levied to fund similar services. Therefore, counties compensate municipal taxpayers with property tax set-offs through a tax rate differential or through a tax rebate. A tax rate differential results in a lower county property tax rate within the boundaries of a municipality, whereas a tax rebate is a direct payment to a municipality for providing the services or programs.

Structure of Local Governments

There are 156 municipalities in Maryland. Based on July 2006 population estimates, approximately 15 percent of the State's residents live within municipalities. However on the Eastern Shore and in Western Maryland, there are nine counties that have over 30 percent of their residents living in municipalities. Compared to counties, municipalities in Maryland provide a more limited array of public services. Public works and public safety are the two largest functions of municipal governments, comprising 63 percent of municipal expenditures in fiscal 2004. As shown in **Exhibit 1**, municipalities accounted for approximately 4 percent of total local government expenditures. In five counties, municipal governments accounted for over 15 percent of local government expenditures.

Background

Section 6-305 of the Tax-Property Article of the Annotated Code of Maryland mandates that Allegany, Anne Arundel, Baltimore, Frederick, Garrett, Harford, Howard, Montgomery, and Prince George's counties meet annually with the governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that a municipal corporation performs services or programs in lieu of similar county services and programs, the governing body of the county **shall impose** the county property tax on assessments of property in the municipal corporation at a rate that is less than the general county property tax rate.

Exhibit 1
Local Government Expenditures
Fiscal 2004
(\$ in Millions)

	<u>Expenditures</u>	<u>Percent of Total</u>
County Level	\$18,794.6	95.6%
Municipal Level	860.6	4.4
Total	\$19,655.2	100.0%

<u>Municipal Level</u>	<u>Expenditures</u>	<u>Percent of Total</u>
Public Works	\$367.1	42.7%
Public Safety	174.0	20.2
General Government	108.1	12.6
Parks and Recreation	85.8	10.0
Community Development	15.6	1.8
Economic Development	34.0	3.9
Miscellaneous	28.1	3.3
Debt Service	47.9	5.6
Total	\$860.6	100.0%

Source: Department of Legislative Services

Section 6-306 governs the procedure for the setting of a tax differential in the other counties. The governing bodies of the counties are required to meet annually with governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that the municipal corporation performs services or programs in lieu of similar county services, the county **may establish** a county property tax rate for property in the municipal corporation that is lower than the general county property tax rate.

Alternatively, both of the above sections provide the counties with the option of making a payment to the municipal corporation to aid the municipal corporation in funding municipal services or programs that are similar to county services or programs. This is commonly known as a tax rebate.

Subsections (d) and (e) of Sections 6-305 and 6-306 of the Tax-Property Article define the procedures for determining the county property tax rate within a municipal corporation. The provisions follow:

(d) *Setting county rate for municipal corporation.* In determining the county property tax rate to be set for assessments of property in a municipal corporation, the governing body of the county shall consider:

- (1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and
- (2) the extent that the similar services and programs are funded by property tax revenues.

(e) *Rate need not be uniform.* The county property tax rate for assessments of property located in a municipal corporation is not required to be:

- (1) the same as the rate for property located in other municipal corporations in the county; or
- (2) the same as the rate set in a prior year.

A county and one or more municipal corporations may enter into an agreement setting different terms or timing for negotiations, calculations, or approval of a tax set-off than are set out under Sections 6-305 and 6-306.

Scope

This report identifies tax differentials and tax rebates made by the governing bodies of the counties during fiscal 2007. Information was obtained from a survey of the counties and the State Department of Assessments and Taxation. Specifically, assessable base information and tax rate differentials were obtained by using data from the State Department of Assessments and Taxation. The tax rate differentials are calculated per \$100 of assessed property value.

The following payments are excluded from amounts reported as tax rebates:

- mandatory State pass-through from the counties to the municipalities such as supplemental police aid and distributions from the State Fire, Rescue, and Ambulance Fund;
- county sales and services taxes, license fees, and alcoholic beverage dispensary profits required by State law to be shared with municipalities; and
- funds to which a municipality has a claim, such as Program Open Space.

Explanation of Exhibits and Appendices

A summary of the tax set-off study results is presented in **Exhibits 2** and **3**. **Exhibit 4** shows the trend in tax set-offs for fiscal 2004 through 2006, **Exhibit 5** compares set-offs authorized in fiscal 2007 to those in 2006, and **Exhibit 6** compares a county's tax set-off in fiscal 2007 with the amount provided in fiscal 2002. **Exhibit 7** shows the county assessable base in municipalities for those jurisdictions that provide tax rate differentials (Allegany, Anne Arundel, Calvert, Caroline, Charles, Garrett, Harford, Prince George's, and Talbot counties). **Appendix 1** lists the municipalities by county. **Appendix 2** shows the population and real property tax rate for fiscal 2007 for each municipality. **Appendix 3** shows the number of municipal residents in each county. **Appendix 4** shows local government expenditures in fiscal 2004 for counties and municipalities. County expenditures include the local school systems, library boards, health departments, and local community colleges.

Seventeen of the 23 counties in Maryland had property tax set-offs for municipalities in their jurisdictions in fiscal 2007. Of the six remaining counties, Baltimore and Howard counties have no municipalities, while Queen Anne's, Somerset, Wicomico, and Worcester counties chose not to establish tax set-offs. Seven counties (Allegany, Anne Arundel, Calvert, Caroline, Charles, Garrett, and Talbot) provided tax rate differentials totaling \$26.5 million for the municipalities in their jurisdictions. Eight counties (Carroll, Cecil, Dorchester, Frederick, Kent, Montgomery, St. Mary's, and Washington) returned to the municipalities rebates totaling \$17.9 million. Prince George's County provided both tax rebates and tax rate differentials to its municipalities totaling \$16.1 million; as did Harford County, totaling \$6.4 million. In sum, tax differentials and rebates totaled \$67.0 million in fiscal 2006, a 12.6 percent increase over the prior year.

Of the 17 counties providing tax set-offs in fiscal 2007, the tax set-off amount increased over the amounts provided in fiscal 2006 in 12 counties (Allegany, Anne Arundel, Calvert, Caroline, Cecil, Frederick, Harford, Kent, Montgomery, Prince George's, Talbot, and Washington), decreased in 4 counties (Carroll, Charles, Garrett, and St. Mary's), and remained constant in 1 county (Dorchester). In addition, every county that provided a tax set-off in fiscal 2006 provided a tax set-off in fiscal 2007.

Exhibit 2
2007 Survey on County/Municipal Tax Differentials and Rebates

County	Municipal Corporations	(1) Sec. 6-305	(2) Sec 6-306	Tax Differential	Tax Rebate
Allegany	Y	Y	N	Y	N
Anne Arundel	Y	Y	N	Y	N
Baltimore City	N	N	N	N	N
Baltimore	N	Y	N	N	N
Calvert	Y	N	Y	Y	N
Caroline	Y	N	Y	Y	N
Carroll	Y	N	Y	N	Y
Cecil	Y	N	Y	N	Y
Charles	Y	N	Y	Y	N
Dorchester	Y	N	Y	N	Y
Frederick	Y	Y	N	N	Y
Garrett	Y	Y	N	Y	N
Harford	Y	Y	N	Y	Y
Howard	N	Y	N	N	N
Kent	Y	N	Y	N	Y
Montgomery	Y	Y	N	N	Y
Prince George's	Y	Y	N	Y	Y
Queen Anne's	Y	N	Y	N	N
St. Mary's	Y	N	Y	N	Y
Somerset	Y	N	Y	N	N
Talbot	Y	N	Y	Y	N
Washington	Y	N	Y	N	Y
Wicomico	Y	N	Y	N	N
Worcester	Y	N	Y	N	N

Key: Y indicates yes; N indicates no

Note: (1) Sec. 6-305 of the Tax-Property Article requires an annual meeting between county and municipality. Property tax differentials or rebates are mandated if a municipality provides a service in lieu of similar county services.

(2) Sec. 6-306 of the Tax-Property Article requires an annual meeting between county and municipality, but property tax differentials or rebates are optional.

Source: Department of Legislative Services

Exhibit 3
Tax Differentials and Tax Rebates
Fiscal 2007

County	Tax Differential	Tax Rebate	Total
Allegany	\$931,935	\$0	\$931,935
Anne Arundel	19,614,189	0	19,614,189
Baltimore City	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A
Calvert	2,365,852	0	2,365,852
Caroline	727,333	0	727,333
Carroll	0	2,048,180	2,048,180
Cecil	0	550,898	550,898
Charles	472,399	0	472,399
Dorchester	0	69,000	69,000
Frederick	0	6,012,915	6,012,915
Garrett	136,012	0	136,012
Harford	4,930,535	1,510,762	6,441,297
Howard	N/A	N/A	N/A
Kent	0	148,245	148,245
Montgomery	0	7,438,235	7,438,235
Prince George's	15,416,163	669,672	16,085,835
Queen Anne's	0	0	0
St. Mary's	0	53,796	53,796
Somerset	0	0	0
Talbot	2,301,956	0	2,301,956
Washington	0	1,561,700	1,561,700
Wicomico	0	0	0
Worcester	0	0	0
Total	\$46,896,374	\$20,063,403	\$66,959,777

N/A: indicates the jurisdiction has no municipalities

Source: Department of Legislative Services

Exhibit 4
Tax Differentials and Tax Rebates
Fiscal 2004-2006

Fiscal 2004				Fiscal 2005			Fiscal 2006		
County	Differential	Tax Rebate	Total	Differential	Tax Rebate	Total	Differential	Tax Rebate	Total
Allegany	\$249,089	\$573,757	\$822,846	\$854,776	\$0	\$854,776	\$815,009	\$0	\$815,009
Anne Arundel	13,199,456	0	13,199,456	14,989,779	0	14,989,779	16,524,487	0	16,524,487
Baltimore City	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Calvert	1,483,885	0	1,483,885	1,646,325	0	1,646,325	2,002,378	0	2,002,378
Caroline	459,040	0	459,040	523,143	0	523,143	592,504	0	592,504
Carroll	0	1,748,005	1,748,005	0	1,784,749	1,784,749	0	2,130,555	2,130,555
Cecil	0	400,050	400,050	0	449,346	449,346	0	491,045	491,045
Charles	429,234	32,500	461,734	551,531	0	551,531	735,875	0	735,875
Dorchester	0	69,000	69,000	0	69,000	69,000	0	69,000	69,000
Frederick	0	4,414,069	4,414,069	0	4,798,018	4,798,018	0	5,405,180	5,405,180
Garrett	123,420	0	123,420	123,021	0	123,021	214,828	0	214,828
Harford	3,638,527	1,286,800	4,925,327	3,884,858	1,148,932	5,033,790	4,280,483	1,296,801	5,577,284
Howard	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kent	0	92,077	92,077	0	113,071	113,071	0	128,508	128,508
Montgomery	0	4,719,916	4,719,916	0	6,017,711	6,017,711	0	7,256,887	7,256,887
Prince George's	10,495,307	553,994	11,049,301	11,737,024	553,994	12,291,018	13,619,026	669,672	14,288,698
Queen Anne's	0	0	0	0	0	0	0	0	0
St. Mary's	0	48,129	48,129	0	48,936	48,936	0	55,370	55,370
Somerset	0	0	0	0	0	0	0	0	0
Talbot	933,259	0	933,259	1,390,022	0	1,390,022	1,806,947	0	1,806,947
Washington	0	1,258,838	1,258,838	0	1,269,622	1,269,622	0	1,382,248	1,382,248
Wicomico	0	0	0	0	0	0	0	0	0
Worcester	0	0	0	0	0	0	0	0	0
Total	\$31,011,217	\$15,197,135	\$46,208,352	\$35,700,479	\$16,253,379	\$51,953,858	\$40,591,537	\$18,885,266	\$59,476,803

N/A: indicates the jurisdiction has no municipalities

Source: Department of Legislative Services

Exhibit 5
Changes in Tax Differentials and Tax Rebates
Fiscal 2006 and 2007

County	FY 2006	FY 2007	Difference	% Difference
Allegany	\$815,009	\$931,935	\$116,926	14.4%
Anne Arundel	16,524,487	19,614,189	3,089,702	18.7%
Baltimore City	N/A	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A	N/A
Calvert	2,002,378	2,365,852	363,474	18.2%
Caroline	592,504	727,333	134,829	22.8%
Carroll	2,130,555	2,048,180	-82,375	-3.9%
Cecil	491,045	550,898	59,853	12.2%
Charles	735,875	472,399	-263,476	-35.8%
Dorchester	69,000	69,000	0	0.0%
Frederick	5,405,180	6,012,915	607,735	11.2%
Garrett	214,828	136,012	-78,816	-36.7%
Harford	5,577,284	6,441,297	864,013	15.5%
Howard	N/A	N/A	N/A	N/A
Kent	128,508	148,245	19,737	15.4%
Montgomery	7,256,887	7,438,235	181,348	2.5%
Prince George's	14,288,698	16,085,835	1,797,137	12.6%
Queen Anne's	0	0	0	0.0%
St. Mary's	55,370	53,796	-1,574	-2.8%
Somerset	0	0	0	0.0%
Talbot	1,806,947	2,301,956	495,009	27.4%
Washington	1,382,248	1,561,700	179,452	13.0%
Wicomico	0	0	0	0.0%
Worcester	0	0	0	0.0%
Total	\$59,476,803	\$66,959,777	\$7,482,974	12.6%

N/A: indicates the jurisdiction has no municipalities

Source: Department of Legislative Services

Exhibit 6
Changes in Tax Differentials and Tax Rebates
Over a Five-year Period

County	FY 2002	FY 2007	Difference	% Difference
Allegany	\$1,064,296	\$931,935	-\$132,361	-12.4%
Anne Arundel	11,702,059	19,614,189	7,912,130	67.6%
Baltimore City	N/A	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A	N/A
Calvert	1,218,813	2,365,852	1,147,039	94.1%
Caroline	416,514	727,333	310,819	74.6%
Carroll	1,553,968	2,048,180	494,212	31.8%
Cecil	341,145	550,898	209,753	61.5%
Charles	375,015	472,399	\$97,384	26.0%
Dorchester	69,000	69,000	0	0.0%
Frederick	3,045,698	6,012,915	2,967,217	97.4%
Garrett	25,314	136,012	110,698	437.3%
Harford	4,518,184	6,441,297	1,923,113	42.6%
Howard	N/A	N/A	N/A	N/A
Kent	0	148,245	148,245	N/A
Montgomery	4,433,059	7,438,235	3,005,176	67.8%
Prince George's	11,594,638	16,085,835	4,491,197	38.7%
Queen Anne's	0	0	0	0.0%
St. Mary's	44,558	53,796	9,238	20.7%
Somerset	0	0	0	0.0%
Talbot	324,878	2,301,956	1,977,078	608.6%
Washington	1,026,517	1,561,700	535,183	52.1%
Wicomico	0	0	0	0.0%
Worcester	0	0	0	0.0%
Total	\$41,753,656	\$66,959,777	\$25,206,121	60.4%

N/A: indicates the jurisdiction has no municipalities

Source: Department of Legislative Services

Exhibit 7
County Assessable Base for Municipalities with a Tax Rate Differential
Fiscal 2007

	<u>Real Property Base</u>	<u>Personal Property Base</u>	<u>Total Assessable Base</u>
Allegany County			
Barton	\$8,968,204	\$645,040	\$9,613,244
Cumberland	661,248,822	81,047,800	742,296,622
Frostburg	235,172,829	13,625,640	248,798,469
Lonaconing	20,580,183	2,545,170	23,125,353
Luke	62,548,712	6,319,370	68,868,082
Midland	9,001,298	528,800	9,530,098
Westernport	44,395,920	2,415,740	46,811,660
Anne Arundel County			
Annapolis	4,919,967,104	152,466,010	5,072,433,114
Calvert County			
Chesapeake Beach	521,818,936	5,543,020	527,361,956
North Beach	165,992,465	981,430	166,973,895
Caroline County			
Denton	251,200,095	11,578,240	262,778,335
Federsburg	130,745,730	49,262,850	180,008,580
Goldsboro	8,563,990	1,414,900	9,978,890
Greensboro	78,177,121	2,729,600	80,906,721
Henderson	2,995,095	107,270	3,102,365
Hillsboro	7,555,746	159,760	7,715,506
Marydel	4,073,370	622,200	4,695,570
Preston	49,491,545	3,157,460	52,649,005
Ridgely	88,481,475	5,259,040	93,740,515
Templeville	856,610	31,780	888,390
Charles County			
Indian Head	224,051,402	3,452,310	227,503,712
La Plata	843,996,311	35,263,890	879,260,201
Garrett County			
Mountain Lake Park	77,667,112	1,189,330	78,856,442
Oakland	108,067,720	5,640,070	113,707,790
Harford County			
Aberdeen	954,835,167	58,234,390	1,013,069,557
Bel Air	952,283,898	74,755,210	1,027,039,108
Havre de Grace	853,654,255	26,940,860	880,595,115

Exhibit 7 cont'd

	<u>Real Property Base</u>	<u>Personal Property Base</u>	<u>Total Assessable Base</u>
Prince George's County			
Berwyn Heights	\$238,367,840	\$22,406,890	\$260,774,730
Bladensburg	306,318,357	19,906,510	326,224,867
Bowie	5,342,812,445	96,992,090	5,439,804,535
Brentwood	135,778,150	4,172,150	139,950,300
Capitol Heights	226,199,192	6,375,860	232,575,052
Cheverly	466,015,819	16,165,940	482,181,759
College Park	1,390,243,582	71,405,480	1,461,649,062
Colmar Manor	76,560,816	2,477,740	79,038,556
Cottage City	73,907,916	2,978,320	76,886,236
District Heights	308,498,458	4,284,340	312,782,798
Eagle Harbor	4,781,466	37,060	4,818,526
Edmonston	102,009,851	5,319,690	107,329,541
Fairmount Heights	83,124,343	1,122,300	84,246,643
Forest Heights	134,534,410	2,525,040	137,059,450
Glenarden	306,302,660	4,544,460	310,847,120
Greenbelt	1,472,496,008	83,261,000	1,555,757,008
Hyattsville	1,049,054,570	70,830,720	1,119,885,290
Landover Hills	84,591,504	3,362,590	87,954,094
Laurel	1,776,916,022	86,153,680	1,863,069,702
Morningside	78,341,857	1,768,780	80,110,637
Mount Rainier	262,027,990	3,821,970	265,849,960
New Carrollton	623,555,597	26,327,830	649,883,427
North Brentwood	31,206,460	891,750	32,098,210
Riverdale Park	357,865,023	14,477,640	372,342,663
Seat Pleasant	221,226,714	5,493,880	226,720,594
University Park	287,972,930	1,810,940	289,783,870
Upper Marlboro	71,430,942	14,844,270	86,275,212
Talbot County			
Easton	1,434,082,195	14,882,120	1,448,964,315
Oxford	298,857,338	940,690	299,798,028
Queen Anne	5,599,086	86,390	5,685,476
St. Michaels	232,123,069	2,258,950	234,382,019
Trappe	65,833,374	504,220	66,337,594

Source: State Department of Assessments and Taxation

Tax Differentials/Tax Rebates by County

Allegany County

During fiscal 2007 Allegany County provided a tax rate differential to all of its seven municipalities for performing governmental services in areas including planning and zoning, corrections and police protection, public works, highway maintenance, the Upper Potomac River Commission, solid waste disposal, and capital highway projects. The rates are determined by calculating the net property tax support of each area of service and dividing it by the amount of revenue generated by \$0.9829 of property tax levy. The estimated value of the tax differentials in fiscal 2007 is \$0.9 million.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>
Barton	\$0.0335	\$0.0838	\$3,545
Cumberland	0.0742	0.1855	640,990
Frostburg	0.0718	0.1795	193,312
Lonaconing	0.0546	0.1365	14,711
Luke	0.0602	0.1505	47,165
Midland	0.0355	0.0888	3,665
Westernport	0.0566	0.1415	28,546
Total			\$931,935

Anne Arundel County

Anne Arundel County set a tax rate differential of \$0.370 for real property and \$0.9250 for personal property for the City of Annapolis in fiscal 2007 for providing a variety of services that the county performs outside the city limits, including police protection, fire, public works, and parks and recreation. The estimated value of the tax differential in fiscal 2007 is \$19.6 million. Highland Beach, the other incorporated municipality in Anne Arundel County, did not receive a tax differential because such services are not performed by the town. In calculating the tax rate differential, several steps were involved. First, county spending was allocated into countywide (e.g., education and human services) and non-city (e.g., park, police, and fire services) categories. Second, all county revenues, except property taxes, are allocated to offset the cost of either countywide or non-city services. Third, costs that are offset are used to calculate countywide and non-city property tax rates. Finally, this non-city property tax rate serves as the Annapolis tax rate differential.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>
Annapolis	\$0.3700	\$0.9250	\$19,614,189

Baltimore County

There are no incorporated municipalities in Baltimore County.

Calvert County

Calvert County provided a tax rate differential for its two municipalities for public safety, public works, parks and recreation, and economic development. In fiscal 2007, these tax differentials totaled approximately \$2.4 million. The tax rate differential has not changed in recent years. The county periodically assesses the reasonableness of the differential by calculating the net cost to the municipalities of providing duplicative public services and what the net cost to the county would be to provide the same services for the municipality. These costs are divided by the county assessable base within the municipality, creating a range within which the tax rate differential should fall. If the differential falls within the range, the county advises it is left as is.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>
Chesapeake Beach	\$0.3360	\$0.8400	\$1,799,873
North Beach	0.3360	0.8400	565,979
Total			\$2,365,852

Caroline County

Pursuant to Section 166-48 of the Caroline County code, property tax rebates were discontinued in 1997. Rebates were replaced by a tax rate differential of (1) \$0.12 on property in municipalities that provide water and/or sewer services; and (2) \$0.04 on property in all other municipalities. Caroline County does not provide a tax differential for personal property. In fiscal 2007, Caroline County provided tax differentials totaling an estimated \$0.7 million.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Differential Amount</u>
Denton	\$0.1200	\$301,440
Feddersburg	0.1200	156,895
Goldsboro	0.0400	3,426
Greensboro	0.1200	93,813
Henderson	0.0400	1,198
Hillsboro	0.0400	3,022
Marydel	0.0400	1,629
Preston	0.1200	59,390
Ridgely	0.1200	106,178
Templeville	0.0400	343
Total		\$727,333

Carroll County

Carroll County provided its eight municipalities with tax rebates totaling \$2.0 million in fiscal 2007 in accordance with a long-standing agreement between the county and the municipalities. The funding is allocated to each of the municipalities based in part on assessable base and population and may be used however the municipalities choose. The per capita allocation amount was \$41.8820 (this amount increases each year by the change in the CPI). The tax rebates were distributed as follows:

<u>Municipality</u>	<u>Tax Rebate</u>
Hampstead	\$277,185
Manchester	203,827
Mount Airy	119,741
New Windsor	60,928
Sykesville	215,394
Taneytown	345,143
Union Bridge	62,936
Westminster	763,026
Total	\$2,048,180

Cecil County

Cecil County returned to its eight municipalities a general rebate equivalent to \$0.028 per \$100 of assessed property values for police protection, street maintenance, and street lighting. In addition, the county made rebate payments to its municipalities totaling \$62,229 in order to offset the cost of refuse and garbage collection. The trash rebate is based on the average tons per capita of refuse deposited in the county landfill (\$7.50 per ton x 0.75 tons per capita x population). The total rebate amount municipalities in Cecil County received in fiscal 2007 was \$0.6 million. The amounts were distributed as follows:

<u>Municipality</u>	<u>General Rebate</u>	<u>Trash Rebate</u>	<u>Total Tax Rebate</u>
Cecilton	\$8,838	\$2,666	\$11,505
Charlestown	22,180	5,732	27,912
Chesapeake City	16,627	4,427	21,054
Elkton	239,681	0	239,681
North East	56,412	15,373	71,786
Perryville	92,197	20,655	112,852
Port Deposit	12,739	3,803	16,542
Rising Sun	39,993	9,574	49,567
Total	\$488,668	\$62,229	\$550,898

Charles County

Charles County provided a real property tax rate differential to La Plata and Indian Head totaling an estimated \$0.5 million for performing government services in the areas of planning and growth management, police protection, and transportation. The rate was determined by calculating the expenditures funded by property taxes for parallel services provided by the municipality and dividing this amount by the town's assessable base. The Town of Port Tobacco received neither a tax differential nor a tax rebate as the town did not perform any services in lieu of those performed by the county.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Differential Amount</u>
Indian Head	0.0790	\$177,000
La Plata	0.0350	<u>295,399</u>
Total		\$472,399

Dorchester County

In fiscal 2007, Dorchester County's nine municipalities received tax rebates totaling \$69,000 for duplicative public services such as police and planning and zoning. The rebates are based on historical funding levels as established by the county government. The tax rebates were first set at \$69,000 in fiscal 1994, with the amount in fiscal 1993 set at \$38,750.

<u>Municipality</u>	<u>Tax Rebate</u>
Brookview	\$450
Cambridge	54,000
Church Creek	425
East New Market	1,350
Eldorado	425
Galestown	700
Hurlock	8,950
Secretary	1,350
Vienna	<u>1,350</u>
Total	\$69,000

Frederick County

Frederick County provided tax rebates totaling \$6.0 million in fiscal 2007 to all 12 of its municipalities for police protection, planning and zoning, parks and recreation, and highway services. The tax rebates were determined by calculating a certain factor (called a CAP factor), which is based on the municipalities' total taxable income, assessable base, and population compared

to the county's total taxable income, assessable base, and population. The net expenditures for each of the duplicative services were then calculated. For police protection and planning and zoning, the net expenditures for duplicative services were used to calculate the cost of these services per capita for the municipality; however, for parks and recreation, cost per acre of parkland was used, and for highways, cost per mile was used. The county then compared the per capita (or per acre or mile) calculation to the net cost of the service multiplied by the CAP factor. The lesser of the two calculations was the total amount to be distributed amongst the municipalities, based on each municipality's population. The tax rebates were distributed as follows:

<u>Municipality</u>	<u>Tax Rebate</u>
Brunswick	\$376,663
Burkittsville	2,761
Emmitsburg	179,171
Frederick	4,014,264
Middletown	266,833
Mount Airy	222,555
Myersville	105,327
New Market	11,766
Rosemont	5,396
Thurmont	421,283
Walkersville	382,206
Woodsboro	24,690
Total	\$6,012,915

Garrett County

In fiscal 2007, Garrett County provided a tax rate differential to two municipalities, Mountain Lake Park and Oakland. The tax differentials are granted for highways and street expenditures in Mountain Lake Park and for highways, streets, and police expenditures in Oakland. The tax rate differential of \$0.075 per \$100 of assessed value for Oakland was set in a May 2002 agreement between the governments of Oakland and Garrett County. The calculation methodology for the tax rate differential for Mountain Lake Park is equal to the town property tax rate multiplied by the assessable base of each Garrett County government entity located within Mountain Lake Park that the county has authority over and/or to which the county appropriates funding divided by the total assessable base of the town. Additionally, there is a utility property tax rate differential of \$0.1380 in Mountain Lake Park and \$0.188 in Oakland. The total estimated value of the tax differential in Garrett County is \$0.1 million.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Utility Property Tax Rate Differential</u>	<u>Differential Amount</u>
Mountain Lake Park	\$0.0550	\$0.1380	\$44,358
Oakland	0.0750	0.1880	<u>91,654</u>
Total			\$136,012

Harford County

Harford County provided a tax differential for its three municipalities for services performed in the area of highways and road maintenance. The differential is based on the county's highway property tax rate that is imposed in the nonincorporated section of the county. The fiscal 2007 total estimated value of the Harford County tax rate differential was approximately \$4.9 million. The county also provided \$1.5 million in tax rebates to its municipalities for police services. These funds are in addition to revenues provided through the State aid for police protection formula.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>	<u>Tax Rebate</u>	<u>Total</u>
Aberdeen	\$0.156	\$0.390	\$1,716,657	\$539,129	\$2,255,786
Bel Air	0.156	0.390	1,777,108	561,733	2,338,841
Havre de Grace	0.156	0.390	<u>1,436,770</u>	<u>409,900</u>	<u>1,846,670</u>
Total			\$4,930,535	\$1,510,762	\$6,441,297

Howard County

There are no incorporated municipalities in Howard County.

Kent County

In fiscal 2007, Kent County provided a tax rebate to its five municipalities totaling \$0.1 million in order to compensate the municipalities for parallel solid waste disposal services. The rebate is equivalent to \$0.02 per \$100 of the jurisdiction's assessable base. The county began providing a tax rebate to its municipalities in fiscal 2004; prior to that, the county provided its municipal residents with a tax rate differential.

<u>Municipality</u>	<u>Tax Rebate</u>
Betterton	\$9,183
Chestertown	89,108
Galena	8,118
Millington	4,711
Rock Hall	37,125
Total	\$148,245

Montgomery County

Montgomery County provided tax rebates totaling approximately \$7.4 million to 17 municipalities and 3 special taxing districts in fiscal 2007. Barnesville and Chevy Chase, Section V, were the only municipalities that did not receive a tax rebate in fiscal 2007. Approximately 60 percent of the county tax rebates, or \$4.3 million, were for tax-supported road reimbursements. In addition, Takoma Park received \$2.5 million for police services and crossing guards. Five communities¹ received a total of \$192,800 for park maintenance. Gaithersburg and Rockville received a total of \$110,500 for animal control, with Rockville receiving an additional \$115,300 for the Human Relations Commission. Three communities² received a total of \$72,200 for elderly services. The Town of Chevy Chase received approximately \$1,200 for board of appeals and hearing examiner expenses. Tax rebates for Takoma Park were reduced by \$50,000 to reflect debt repayments for revitalization of the Pinecrest area. This is an annual amount which is scheduled to increase to \$55,000 beginning in fiscal 2009. The current methodology and reasons for the rebates have been in place since 1996.

¹ Chevy Chase Sec. III, Town of Chevy Chase, Friendship Heights, Kensington, and Takoma Park.

² Friendship Heights, Gaithersburg, and Rockville.

<u>Municipality</u>	<u>Tax Rebate</u>
Barnesville	\$0
Brookeville	7,158
Chevy Chase, Sec. III	32,322
Chevy Chase, Sec. V	0
Chevy Chase View	43,460
Chevy Chase Village	105,837
Town of Chevy Chase	137,187
Drummond*	4,857
Friendship Heights*	86,993
Gaithersburg	1,230,181
Garrett Park	50,106
Glen Echo	21,858
Kensington	144,800
Laytonsville	13,677
Martin's Additions	28,249
North Chevy Chase	25,181
Oakmont*	3,451
Poolesville	221,771
Rockville	2,228,449
Somerset	55,335
Takoma Park	2,950,069
Washington Grove	47,294
Total	\$7,438,235

*denotes a special taxing district

Prince George's County

In fiscal 2007, Prince George's County provided its 27 municipalities with tax differentials valued at an estimated \$15.4 million and tax rebates totaling \$0.7 million. County law requires the cost for each service for each municipality outlined in the prior year county budget to be assigned a tax rate equivalency value after adjustments are made to offset revenue directly allocated to a specific service. The aggregate town requests for "in lieu of" service credit, as certified by the county, are translated into a dollar value. This dollar value is calculated by totaling the products of the tax rate equivalent cost of the service multiplied by each municipality's assessable base. Each of these net service values is then reduced to reflect the portion of each county service paid for by the property tax levy. The sum of the tax rate values of the duplicative services constitutes the calculated tax rate differential for each municipality. The county uses a three-year rolling average in applying the calculated tax differentials in order to provide stability to municipal residents' county

tax rates in the event of rate changes due to county services reorganization, economic fluctuations, or other factors. The county also provides tax rebates for solid waste collection and code enforcement.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>	<u>Tax Rebate</u>	<u>Total Amount</u>
Berwyn Heights	0.1510	0.3620	\$441,048	\$8,231	\$449,279
Bladensburg	0.1580	0.3780	559,230	22,486	581,716
Bowie	0.0150	0.0370	837,309	162,210	999,519
Brentwood	0.0230	0.0540	33,482	8,379	41,861
Capitol Heights	0.1360	0.3250	328,352	10,723	339,075
Cheverly	0.1440	0.3430	726,512	20,883	747,395
College Park	0.0170	0.0410	265,618	81,797	347,415
Colmar Manor	0.0180	0.0420	14,822	3,483	18,305
Cottage City	0.1380	0.3300	111,821	3,446	115,267
District Heights	0.1460	0.3490	465,360	22,500	487,860
Eagle Harbor	0.0050	0.0120	244	143	387
Edmonston	0.1450	0.3460	166,320	3,343	169,663
Fairmount Heights	0.0800	0.1920	68,654	3,908	72,562
Forest Heights	0.1020	0.2450	143,411	7,997	151,408
Glenarden	0.1260	0.3020	399,666	16,371	416,037
Greenbelt	0.1640	0.3910	2,740,444	70,970	2,811,414
Hyattsville	0.1580	0.3770	1,924,538	48,023	1,972,561
Landover Hills	0.1520	0.3630	140,785	5,644	146,429
Laurel	0.1910	0.4570	3,787,632	67,202	3,854,834
Morningside	0.1370	0.3270	113,112	4,251	117,363
Mount Rainier	0.1570	0.3760	425,755	22,179	447,934
New Carrollton	0.0310	0.0730	212,522	33,467	245,989
North Brentwood	0.0110	0.0260	3,665	1,428	5,093
Riverdale Park	0.1620	0.3860	635,625	17,335	652,960
Seat Pleasant	0.1470	0.3510	344,487	14,942	359,429
University Park	0.1470	0.3520	429,695	6,254	435,949
Upper Marlboro	0.0900	0.2140	96,055	2,077	98,132
Total			\$15,416,163	\$669,672	\$16,085,835

Queen Anne's County

Queen Anne's County did not provide tax set-offs to its municipalities in fiscal 2007.

St. Mary's County

St. Mary's County provided a tax rebate in the amount of \$53,796 to the Town of Leonardtown in fiscal 2007 to offset taxes for duplicative services such as planning and zoning, road maintenance, and public works. The rebate is based on the assessed value of county owned tax

exempt property within the town's corporate limits and the amount of property taxes due for those properties.

<u>Municipality</u>	<u>Tax Rebate</u>
Leonardtown	\$53,796

Somerset County

Somerset County did not provide tax set-offs to its municipalities in fiscal 2007.

Talbot County

In fiscal 2007, Talbot County provided a tax rate differential totaling an estimated \$2.3 million to its five municipalities for performing governmental services in the areas of planning and zoning, police protection, building code enforcement, and parks and recreation. The county established tax rate differentials based on a "county cost for parallel services" formula up until fiscal 2000, when, in addition to the formula, annual adjustments began to be made based on a constant yield calculation. In recent years, the adjusted tax differential has resulted in county property tax revenues generated within the municipalities remaining at or below constant yield. Talbot County does not provide a tax differential for personal property; however, the county provides a tax rate differential for utility property.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Utility Tax Rate Differential</u>	<u>Differential Amount</u>
Easton	\$0.1150	\$0.2900	\$1,692,353
Oxford	0.1000	0.2500	301,209
Queen Anne	0.0500	0.1200	2,903
St. Michaels	0.1100	0.1200	258,046
Trappe	0.0700	0.2700	47,445
Total			\$2,301,956

Washington County

Washington County provided tax rebates to its nine municipalities for providing police protection, road maintenance, and park maintenance. For each area, the county calculates expenses net of revenues and then calculates an expense (1) per mile for highways; (2) per capita for police; and (3) per acre for parks. The municipalities are then reimbursed based on the lower of the formula distribution or the CAP distribution, which is the maximum grant amount allocated to the municipalities based on municipal population, assessable base, and net taxable income. Clear Spring is paid a minimum of \$3,000. The fiscal 2007 rebates totaled approximately \$1.6 million.

<u>Municipality</u>	<u>Tax Rebate</u>
Boonsboro	\$95,755
Clear Spring	3,000
Funkstown	6,203
Hagerstown	1,253,286
Hancock	58,929
Keedysville	3,042
Sharpsburg	4,361
Smithsburg	73,310
Williamsport	<u>63,814</u>
Total	\$1,561,700

Wicomico County

Wicomico County did not provide tax set-offs to its municipalities in fiscal 2007.

Worcester County

Worcester County did not provide tax set-offs to its municipalities in fiscal 2007.

Appendices

Appendix 1

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			Cecil		
Barton	1900	Ch. 729	Cecilton	1864	Ch. 353
Cumberland	1815	Ch. 136	Charlestown	1786	Ch. 20
Frostburg	1839	Ch. 179	Chesapeake City	1849	Ch. 271
Lonaconing	1890	Ch. 132	Elkton	1821	Ch. 143
Luke	1922	Ch. 73	North East	1849	Ch. 339
Midland	1900	Ch. 681	Perryville	1882	Ch. 212
Westport	1858	Ch. 54	Port Deposit	1824	Ch. 33
			Rising Sun	1860	Ch. 383
Anne Arundel			Charles		
Annapolis	1708	Ch. 7	Indian Head	1920	Ch. 590
Highland Beach	1922	Ch. 213	La Plata	1888	Ch. 325
Baltimore			Port Tobacco	1888	Ch. 297
None					
Calvert			Dorchester		
Chesapeake Beach	1886	Ch. 203	Brookview	1953	Ch. 704
North Beach	1910	Ch. 395	Cambridge	1793	Ch. 66
			Church Creek	1867	Ch. 53
Caroline			East New Market	1832	Ch. 167
Denton	1802	Ch. 25	Eldorado	1947	Ch. 313
Federalsburg	1823	Ch. 174	Galestown	1951	Ch. 92
Goldsboro	1906	Ch. 87	Hurlock	1892	Ch. 249
Greensboro	1826	Ch. 97	Secretary	1900	Ch. 555
Henderson	1949	Ch. 498	Vienna	1833	Ch. 216
Hillsboro	1853	Ch. 161			
Marydel	1929	Ch. 38	Frederick		
Preston	1892	Ch. 689	Brunswick	1890	Ch. 577
Ridgely	1896	Ch. 178	Burkittsville	1894	Ch. 652
Templeville (also in Queen Anne's)	1865	Ch. 86	Emmitsburg	1824	Ch. 29
			Frederick	1816	Ch. 74
Carroll			Middletown	1833	Ch. 143
Hampstead	1888	Ch. 295	Mount Airy	1894	Ch. 91
Manchester	1833	Ch. 193	(also in Carroll)		
Mount Airy	1894	Ch. 91	Myersville	1904	Ch. 94
(also in Frederick)			New Market	1878	Ch. 90
New Windsor	1843	Ch. 47	Rosemont	1953	Ch. 262
Sykesville	1904	Ch. 256	Thurmont	1894	Ch. 16
Taneytown	1836	Ch. 309	Walkersville	1892	Ch. 351
Union Bridge	1872	Ch. 174	Woodsboro	1836	Ch. 299
Westminster	1818	Ch. 128			

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>	<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Garrett			Prince George's		
Accident	1916	Ch. 514	Berwyn Heights	1896	Ch. 267
Deer Park	1884	Ch. 519	Bladensburg	1854	Ch. 137
Friendsville	1902	Ch. 477	Bowie	1882	Ch. 488
Grantsville	1864	Ch. 99	Brentwood	1912	Ch. 401
Kitzmillier	1906	Ch. 285	Capitol Heights	1910	Ch. 513
Loch Lynn Heights	1896	Ch. 450	Cheverly	1931	Ch. 200
Mountain Lake	1931	Ch. 507	College Park	1945	Ch. 1051
Park					
Oakland	1862	Ch. 250	Colmar Manor	1927	Ch. 178
			Cottage City	1924	Ch. 390
Harford			District Heights	1936	Ch. 61
Aberdeen	1892	Ch. 136	Eagle Harbor	1929	Ch. 397
Bel Air	1874	Ch. 273	Edmonston	1924	Ch. 154
Havre de Grace	1785	Ch. 55	Fairmount Heights	1935	Ch. 199
			Forest Heights	1949	Ch. 142
Howard			Glenarden	1939	Ch. 650
None			Greenbelt	1937	Ch. 532
			Hyattsville	1886	Ch. 424
Kent			Landover Hills	1945	Ch. 465
Betterton	1906	Ch. 227	Laurel	1870	Ch. 260
Chestertown	1805	Ch. 271	Morningside	1949	Ch. 589
Galena	1858	Ch. 373	Mount Rainier	1910	Ch. 514
Millington (also in Queen Anne's)	1890	Ch. 386	New Carrollton	1953	Ch. 441
Rock Hall	1908	Ch. 171	North Brentwood	1924	Ch. 508
			Riverdale Park	1920	Ch. 731
Montgomery			Seat Pleasant	1931	Ch. 197
Barnesville	1888	Ch. 254	University Park	1936	Ch. 132
Brookeville	1808	Ch. 90	Upper Marlboro	1870	Ch. 363
Chevy Chase	1918	Ch. 177			
Chevy Chase, Sec. 3	1982	Referendum	Queen Anne's		
Chevy Chase, Sec. 5	1982	Referendum	Barclay	1931	Ch. 483
Chevy Chase View	1993	Referendum	Centreville	1794	Ch. 23
Chevy Chase	1910	Ch. 382	Church Hill	1876	Ch. 201
Village			Millington	1890	Ch. 386
Gaithersburg	1878	Ch. 397	(also in Kent)		
Garrett Park	1898	Ch. 453	Queen Anne	1953	Ch. 17
Glen Echo	1904	Ch. 436	(also in Talbot)		
Kensington	1894	Ch. 621	Queenstown	1892	Ch. 542
Laytonsville	1892	Ch. 497	Sudlersville	1870	Ch. 313
Martin's Additions	1985	Referendum	Templeville	1865	Ch. 86
North Chevy Chase	1996	Referendum	(also in Caroline)		
Poolesville	1867	Ch. 174			
Rockville	1860	Ch. 373	St. Mary's		
Somerset	1906	Ch. 795	Leonardtwn	1858	Ch. 73
Takoma Park	1890	Ch. 480			
Washington Grove	1937	Ch. 372			

<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>	<u>County</u>	<u>Year</u>	<u>Chapter/ Referendum</u>
Somerset			Wicomico		
Crisfield	1872	Ch. 151	Delmar	1888	Ch. 167
Princess Anne	1894	Ch. 543	Fruitland	1947	Ch. 662
			Hebron	1931	Ch. 90
Talbot			Mardela Springs	1906	Ch. 325
Easton	1790	Ch. 14	Pittsville	1906	Ch. 499
Oxford	1852	Ch. 367	Salisbury	1854	Ch. 287
Queen Anne (also in Queen Anne's)	1953	Ch. 17	Sharptown	1874	Ch. 465
St. Michaels	1804	Ch. 82	Willards	1906	Ch. 195
Trappe	1827	Ch. 103			
Washington			Worcester		
Boonsboro	1831	Ch. 139	Berlin	1868	Ch. 424
Clear Spring	1836	Ch. 141	Ocean City	1880	Ch. 209
Funkstown	1840	Ch. 78	Pocomoke City	1878	Ch. 253
Hagerstown	1813	Ch. 121	Snow Hill	1812	Ch. 72
Hancock	1853	Ch. 319			
Keedysville	1872	Ch. 251			
Sharpsburg	1832	Ch. 28			
Smithsburg	1841	Ch. 284			
Williamsport	1823	Ch. 125			

Source: Maryland State Archives; Department of Legislative Services

Appendix 2

County and Municipal Real Property Tax Rates Fiscal 2007

<u>Jurisdiction</u>	<u>Population July 2005</u>	<u>County Rate</u>	<u>Municipal Rate</u>	<u>County Special Rate</u>	<u>Total Rate</u>
Allegany	73,639	\$0.9829			\$0.9829
Barton	464	0.9494	0.2220	-	1.1714
Cumberland	20,915	0.9087	0.9479	-	1.8566
Frostburg	7,958	0.9111	0.5500	-	1.4611
Lonaconing	1,164	0.9283	0.3400	-	1.2683
Luke	76	0.9227	0.5000	-	1.4227
Midland	457	0.9474	0.2800	-	1.2274
Westernport	2,020	0.9263	0.6000	-	1.5263
Anne Arundel	510,878	0.918			0.918
Annapolis	36,300	0.548	0.530	-	1.078
Highland Beach	111	0.918	0.416	-	1.334
Baltimore City	635,815	2.288			2.288
Baltimore	786,113	1.100			1.100
Calvert	87,925	0.892			0.892
Chesapeake Beach	3,463	0.556	0.440	-	0.996
North Beach	1,882	0.556	0.670	-	1.226
Caroline	31,822	\$0.870			\$0.870
Denton	3,252	0.750	0.660	-	1.410
Federalsburg	2,637	0.750	0.640	-	1.390
Goldsboro	210	0.830	0.400	-	1.230
Greensboro	1,944	0.750	0.545	-	1.295
Henderson	121	0.830	0.300	-	1.130
Hillsboro	158	0.830	0.160	-	0.990
Marydel	143	0.830	0.300	-	1.130
Preston	582	0.750	0.360	-	1.110
Ridgely	1,354	0.750	0.530	-	1.280
Templeville*	25	0.830	0.252	-	1.082
Carroll	168,541	1.048			1.048
Hampstead	5,451	1.048	0.200	-	1.248
Manchester	3,557	1.048	0.184	-	1.232
Mount Airy*	4,065	1.048	0.183	-	1.231
New Windsor	1,359	1.048	0.160	-	1.208

<u>Jurisdiction</u>	<u>Population July 2005</u>	<u>County Rate</u>	<u>Municipal Rate</u>	<u>County Special Rate</u>	<u>Total Rate</u>
Carroll cont'd					
Sykesville	4,440	1.048	0.330	-	1.378
Taneytown	5,453	1.048	0.320	-	1.368
Union Bridge	1,085	1.048	0.300	-	1.348
Westminster	17,761	1.048	0.440	-	1.488
Cecil	97,796	0.960			0.960
Cecilton	485	0.960	0.240	-	1.200
Charlestown	1,091	0.960	0.280	-	1.240
Chesapeake City	802	0.960	0.462	-	1.422
Elkton	14,466	0.960	0.544	-	1.504
North East	2,817	0.960	0.480	-	1.440
Perryville	3,770	0.960	0.362	-	1.322
Port Deposit	693	0.960	0.551	-	1.511
Rising Sun	1,785	0.960	0.360	-	1.320
Charles	138,822	\$0.9620		\$0.0640	\$1.0260
Indian Head	3,642	0.8830	0.3200	0.0640	1.2670
La Plata	8,442	0.9270	0.3200	0.0640	1.3110
Port Tobacco	18	0.9620	0.0400	0.0640	1.0660
Dorchester	31,401	0.896			0.896
Brookview	64	0.896	0.260	-	1.156
Cambridge	11,089	0.896	0.676	-	1.572
Church Creek	84	0.896	0.150	-	1.046
East New Market	245	0.896	0.540	-	1.436
Eldorado	59	0.896	0.180	-	1.076
Galestown	99	0.896	0.290	-	1.186
Hurlock	2,003	0.896	0.720	-	1.616
Secretary	501	0.896	0.320	-	1.216
Vienna	301	0.896	0.480	-	1.376
Frederick	220,701	0.936		0.128	1.064
Brunswick	5,242	0.936	0.452	0.080	1.468
Burkittsville	186	0.936	0.140	0.128	1.204
Emmitsburg	2,369	0.936	0.360	0.128	1.424
Frederick City	57,907	0.936	0.690	0.128	1.754
Middletown	2,860	0.936	0.232	0.128	1.296
Mount Airy*	4,310	0.936	0.183	0.080	1.199
Myersville	1,509	0.936	0.274	0.080	1.290
New Market	463	0.936	0.120	0.128	1.184
Rosemont	308	0.936	0.040	0.128	1.104
Thurmont	6,036	0.936	0.265	0.128	1.329
Walkersville	5,593	0.936	0.156	0.080	1.172
Woodsboro	912	0.936	0.129	0.128	1.193

<u>Jurisdiction</u>	<u>Population July 2005</u>	<u>County Rate</u>	<u>Municipal Rate</u>	<u>County Special Rate</u>	<u>Total Rate</u>
Garrett	29,909	\$1.000			\$1.000
Accident	340	1.000	0.224	-	1.224
Deer Park	392	1.000	0.300	-	1.300
Friendsville	518	1.000	0.240	-	1.240
Grantsville	593	1.000	0.260	-	1.260
Kitzmiller	288	1.000	0.360	-	1.360
Loch Lynn Heights	449	1.000	0.270	-	1.270
Mountain Lake Park	2,164	0.945	0.362	-	1.307
Oakland	1,896	0.925	0.480	-	1.405
Harford	239,259	1.082			1.082
Aberdeen	14,305	0.926	0.735	-	1.661
Bel Air	10,014	0.926	0.500	-	1.426
Havre de Grace	11,884	0.926	0.680	-	1.606
Howard	269,457	1.014		0.1255	1.140
Kent	19,899	0.972			0.972
Betterton	340	0.972	0.320	-	1.292
Chestertown	4,673	0.972	0.370	-	1.342
Galena	473	0.972	0.240	-	1.212
Millington*	337	0.972	0.280	-	1.252
Rock Hall	2,566	0.972	0.320	-	1.292
Montgomery	927,583	\$0.624		\$0.292	\$0.916
Barnesville	186	0.624	0.060	0.212	0.896
Battery Park		0.624	0.050	0.292	0.966
Brookeville	127	0.624	0.150	0.212	0.986
Chevy Chase, Sec. 3	786	0.624	0.020	0.292	0.936
Chevy Chase, Sec. 5	653	0.624	0.000	0.292	0.916
Chevy Chase	2,776	0.624	0.026	0.292	0.942
Chevy Chase View	888	0.624	0.023	0.292	0.939
Chevy Chase Village	2,086	0.624	0.123	0.292	1.039
Drummond		0.624	0.048	0.292	0.964
Friendship Heights		0.624	0.040	0.289	0.953
Gaithersburg	57,698	0.624	0.212	0.188	1.024
Garrett Park	942	0.624	0.190	0.289	1.103
Glen Echo	251	0.624	0.120	0.292	1.036
Kensington	1,920	0.624	0.147	0.289	1.060
Laytonsville	329	0.624	0.140	0.212	0.976
Martin's Additions	891	0.624	0.008	0.292	0.924
North Chevy Chase	477	0.624	0.052	0.292	0.968
Oakmont		0.624	0.060	0.292	0.976
Poolesville	5,498	0.624	0.200	0.212	1.036

<u>Jurisdiction</u>	<u>Population July 2005</u>	<u>County Rate</u>	<u>Municipal Rate</u>	<u>County Special Rate</u>	<u>Total Rate</u>
Montgomery cont'd					
Rockville	57,402	0.624	0.312	0.188	1.124
Somerset	1,154	0.624	0.040	0.292	0.956
Takoma Park	18,540	0.624	0.630	0.289	1.543
Washington Grove	536	0.624	0.202	0.188	1.014
Prince George's	846,123	\$0.960		\$0.359	\$1.319
Berwyn Heights	3,068	0.809	0.486	0.359	1.654
Bladensburg	7,918	0.802	0.676	0.359	1.837
Bowie	53,878	0.945	0.352	0.307	1.604
Brentwood	2,937	0.937	0.248	0.359	1.544
Capitol Heights	4,313	0.824	0.412	0.359	1.595
Cheverly	6,668	0.816	0.450	0.359	1.625
College Park	25,171	0.943	0.299	0.359	1.601
Colmar Manor	1,312	0.942	0.490	0.359	1.791
Cottage City	1,176	0.822	0.670	0.359	1.851
District Heights	6,296	0.814	0.650	0.187	1.651
Eagle Harbor	58	0.955	0.292	0.359	1.606
Edmonston	1,390	0.815	0.500	0.359	1.674
Fairmount Heights	1,566	0.880	0.420	0.359	1.659
Forest Heights	2,679	0.858	0.470	0.359	1.687
Glenarden	6,380	0.834	0.296	0.359	1.489
Greenbelt	22,242	0.796	0.766	0.187	1.749
Hyattsville	16,677	0.802	0.630	0.359	1.791
Landover Hills	1,589	0.808	0.480	0.359	1.647
Laurel	22,125	0.769	0.720	0.141	1.630
Morningside	1,459	0.823	0.800	0.359	1.982
Mt. Rainier	8,751	0.803	0.790	0.359	1.952
New Carrollton	12,818	0.929	0.450	0.359	1.738
North Brentwood	487	0.949	0.288	0.359	1.596
Riverdale Park	6,630	0.798	0.641	0.359	1.798
Seat Pleasant	5,063	0.813	0.580	0.359	1.752
University Park	2,401	0.813	0.600	0.359	1.772
Upper Marlboro	683	0.870	0.240	0.359	1.469
Queen Anne's	45,612	\$0.800			\$0.800
Barclay	146	0.800	0.100	-	0.900
Centreville	2,660	0.800	0.470	-	1.270
Church Hill	542	0.800	0.340	-	1.140
Millington*	34	0.800	0.280	-	1.080
Queen Anne*	93	0.800	0.180	-	0.980
Queenstown	638	0.800	0.200	-	1.000
Sudlersville	394	0.800	0.167	-	0.967
Templeville*	56	0.800	0.252	-	1.052

<u>Jurisdiction</u>	<u>Population July 2005</u>	<u>County Rate</u>	<u>Municipal Rate</u>	<u>County Special Rate</u>	<u>Total Rate</u>
St. Mary's	96,518	0.857			0.857
Leonardtown	2,075	0.857	0.150	-	1.007
Somerset	25,845	0.940			0.940
Crisfield	2,808	0.940	0.700	-	1.640
Princess Anne	2,800	0.940	0.854	-	1.794
Talbot	35,683	0.500			0.500
Easton	13,447	0.385	0.480	-	0.865
Oxford	746	0.400	0.290	-	0.690
Queen Anne*	79	0.450	0.180	-	0.630
St. Michaels	1,121	0.390	0.640	-	1.030
Trappe	1,137	0.430	0.300	-	0.730
Washington	141,895	\$0.948			\$0.948
Boonsboro	2,982	0.948	0.300	-	1.248
Clear Spring	467	0.948	0.190	-	1.138
Funkstown	960	0.948	0.220	-	1.168
Hagerstown	38,326	0.948	0.798	-	1.746
Hancock	1,736	0.948	0.395	-	1.343
Keedysville	812	0.948	0.180	-	1.128
Sharpsburg	674	0.948	0.176	-	1.124
Smithsburg	2,859	0.948	0.280	-	1.228
Williamsport	2,135	0.948	0.405	-	1.353
Wicomico	90,402	0.942			0.942
Delmar	2,290	0.942	0.676	-	1.618
Fruitland	3,953	0.942	0.700	-	1.642
Hebron	1,022	0.942	0.400	-	1.342
Mardela Springs	360	0.942	0.200	-	1.142
Pittsville	1,188	0.942	0.360	-	1.302
Salisbury	26,295	0.942	0.729	-	1.671
Sharptown	621	0.942	0.620	-	1.562
Willards	959	0.942	0.460	-	1.402
Worcester	48,750	0.700			0.700
Berlin	3,711	0.700	0.730	-	1.430
Ocean City	7,049	0.700	0.430	-	1.130
Pocomoke City	3,909	0.700	0.760	-	1.460
Snow Hill	2,323	0.700	0.860	-	1.560

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

* means the municipality is in two counties

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

Appendix 3

Residents Residing in Municipalities

July 2006

County	County Population	Municipal Population	Percent of County	Rank
Allegany	72,831	32,740	45.0%	3
Anne Arundel	509,300	36,518	7.2%	19
Baltimore City	631,366	0	0.0%	24
Baltimore	787,384	0	0.0%	24
Calvert	88,804	5,365	6.0%	20
Caroline	32,617	10,946	33.6%	9
Carroll	170,260	43,580	25.6%	12
Cecil	99,506	26,331	26.5%	11
Charles	140,416	12,411	8.8%	18
Dorchester	31,631	14,805	46.8%	2
Frederick	222,938	88,764	39.8%	5
Garrett	29,859	6,578	22.0%	13
Harford	241,402	36,667	15.2%	16
Howard	272,452	0	0.0%	24
Kent	19,983	7,563	37.8%	6
Montgomery	932,131	155,075	16.6%	15
Prince George's	841,315	224,124	26.6%	10
Queen Anne's	46,241	4,900	10.6%	17
St. Mary's	98,854	2,171	2.2%	21
Somerset	25,774	5,637	21.9%	14
Talbot	36,062	17,050	47.3%	1
Washington	143,748	51,968	36.2%	7
Wicomico	91,987	38,039	41.4%	4
Worcester	48,866	17,009	34.8%	8
Total	5,615,727	838,241	14.9%	

Source: Maryland Department of Planning; Department of Legislative Services

Appendix 4

Local Government Expenditures

Fiscal 2004

(\$ in Millions)

County	County	Municipal	Total	Percent Municipal
Allegany	\$202.6	\$13.4	\$216.0	6.2%
Anne Arundel	1,477.3	56.5	1,533.8	3.7
Baltimore City	2,810.9	0.0	2,810.9	0.0
Baltimore	2,209.6	0.0	2,209.6	0.0
Calvert	286.2	8.5	294.7	2.9
Caroline	84.0	11.1	95.1	11.7
Carroll	449.9	38.1	488.0	7.8
Cecil	231.1	20.2	251.2	8.0
Charles	469.8	13.5	483.3	2.8
Dorchester	95.1	18.1	113.1	16.0
Frederick	650.2	90.3	740.6	12.2
Garrett	101.5	5.8	107.2	5.4
Harford	675.3	37.7	712.9	5.3
Howard	1,035.0	0.0	1,035.0	0.0
Kent	57.2	6.5	63.7	10.1
Montgomery	3,995.6	154.0	4,149.6	3.7
Prince George's	2,683.2	103.5	2,786.7	3.7
Queen Anne's	149.4	1.4	150.8	0.9
St. Mary's	269.4	1.9	271.4	0.7
Somerset	64.1	4.6	68.7	6.7
Talbot	85.8	59.1	144.9	40.8
Washington	310.0	78.7	388.7	20.3
Wicomico	232.8	43.3	276.0	15.7
Worcester	168.7	94.5	263.2	35.9
Total	\$18,794.6	\$860.6	\$19,655.2	4.4%

Source: Department of Legislative Services