



Worcester County Administration

One West Market St. Room 1103 | Snow Hill MD 21863 | (410) 632-1194 | www.co.worcester.md.us

TO: Worcester County Commissioners
FROM: Weston S. Young, Chief Administrative Officer
Kim Reynolds, Budget Officer
DATE: March 27, 2023
RE: Notice of a Proposed Real Property Tax Increase (Constant Yield Advertisement)

The following draft advertisement is submitted for your consideration of a proposed Real Property Tax Increase (Constant Yield Advertisement). The State Department of Assessments and Taxation has been sent this draft to approve for the required advertisement with a tax increase that would retain the current real property tax rate, which is greater than the constant yield rate. The language for the constant yield advertisement is established by State Code (Tax-Property Article, § 6-308) and must appear in the newspapers as written. The Constant Yield Tax Rate notice gives property owners' the opportunity to be heard on the issue of real property tax rates before they are final.

The Proposed Real Property Tax Increase advertisement states the following:

- In FY2024 the real property assessable base will increase as outlined by Part 1 and Part 2 of the notice.
- Part 3 of the notice indicates the real property tax rate could be \$0.8197 to offset the increasing assessments. This is the constant yield tax rate.
- Part 4 of the notice proposes to adopt and maintain the real property tax rate of \$.8450 which is 3.1% higher than the constant yield tax rate and will generate \$4,422,354 in additional real property tax revenues.

With the proposal that the Constant Yield Advertisement reflect the current real property tax rate of \$.845 this would therefore NOT ALLOW the County to increase the rate higher than \$.845 per \$100 of assessment for real property. We are available for any questions you may have.

Attached please find copies of the following:

Page 2 Constant Yield advertisement
Page 4 2024 Constant Yield Tax Rate Certification

KR\S:\Commissioners\Budget\Kim R Budget\FY24 Budget\FY24 Constant Yield\FY24 Constant Yield Memo.docx

WORCESTER COUNTY NOTICE OF A PROPOSED REAL PROPERTY TAX INCREASE

The Board of County Commissioners of Worcester County proposes to increase real property taxes.

1. For the tax year beginning July 1, 2023, the estimated real property assessable base will increase by 3.1% from \$16,990,586,016 to \$17,513,941,509.

2. If Worcester County maintains the current tax rate of \$0.845 per \$100 of assessment, real property tax revenues will increase by 3.1% resulting in \$4,422,354 of new real property tax revenues.

3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.8197, the constant yield tax rate.

4. The County is considering not reducing its real property tax rate enough to fully offset increasing assessments. The County proposes to adopt a real property tax rate of \$0.845 per \$100 of assessment. This tax rate is 3.1% higher than the constant yield tax rate and will generate \$4,422,354 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:00 P.M., on Tuesday, May 2, 2023 at the Worcester County Government Center, One West Market Street, Room 1103, Snow Hill, Maryland 21863.

If you wish to speak or attend in person, we encourage you to pre-register by calling the County Administration office at 410-632-1194.

The meeting will also be streamed live on the County website at <https://worcestercountymd.swagit.com/live>.

The hearing is open to the public, and public testimony is encouraged. Speakers will be allowed to address the County

Commissioners for up to two (2) minutes. Public Comment may also be submitted in advance by email at wchearing@co.worcester.md.us or in writing received on or before 4:00 PM Eastern Standard Time on Monday, May 1, 2023 in the County Commissioners' Office at Room 1103 Government Center, One West Market Street, Snow Hill, MD 21863.

All commenters must identify themselves by their full name and address to be included in the public record. Written comments received by the deadline will be read into the record by Worcester County staff during the public comment portion of the meeting.

Persons with questions regarding this hearing may call (410) 632-1194 for further information.

DRAFT

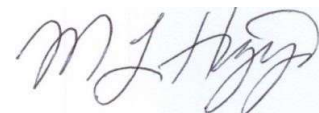
2023 Constant Yield Tax Rate Certification

Taxing authority: **Worcester County**

1	1-Jul-2022	Gross assessable real property base	\$	17,190,985,244
2	1-Jul-2022	Homestead Tax Credit	-	<u>200,399,228</u>
3	1-Jul-2022	Net assessable real property base		16,990,586,016
4	1-Jul-2022	Actual local tax rate (per \$100)	x	<u>0.8450</u>
5	1-Jul-2022	Potential revenue	\$	143,570,452
6	1-Jul-2023	Estimated assessable base	\$	18,025,296,071
7	1-Jan-2023	Half year new construction	-	70,789,980
8	1-Jul-2023	Estimated full year new construction*	-	74,520,600
9	1-Jul-2023	Estimated abatements and deletions**	-	<u><u>366,043,982</u></u>
10	1-Jul-2023	Net assessable real property base	\$	17,513,941,509

11	1-Jul-2022	Potential revenue	\$	143,570,452
12	1-Jul-2023	Net assessable real property base	÷	17,513,941,509
13	1-Jul-2023	Constant yield tax rate	\$	0.8197

Certified by



Director

* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2023, including Homestead Tax Credit.