

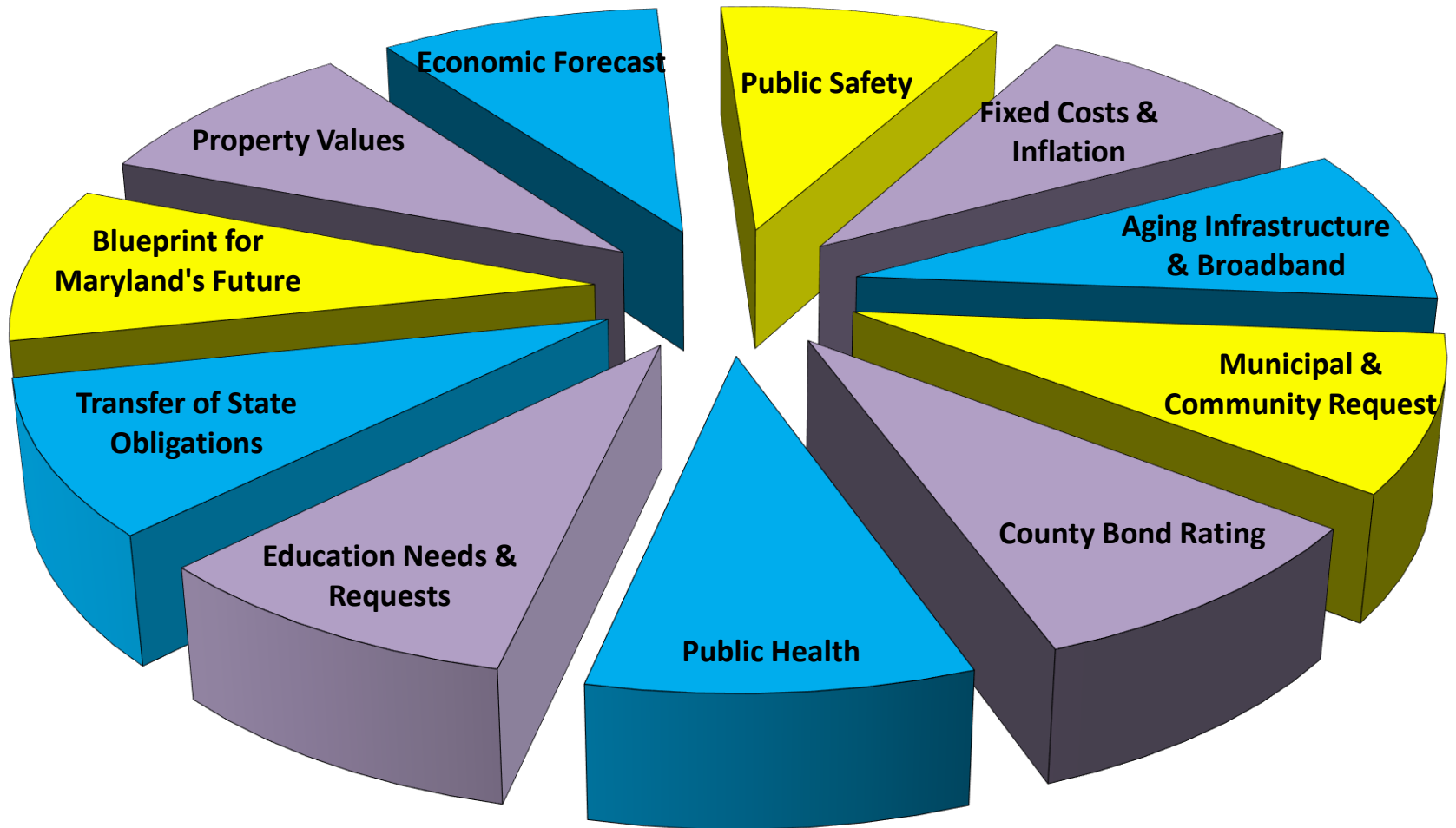
# FY 2024 Requested Budget Public Hearing



FY2024 Budget totals by Department and Agency may be found on the County website [www.co.worcester.md.us](http://www.co.worcester.md.us).

**May 2, 2023**

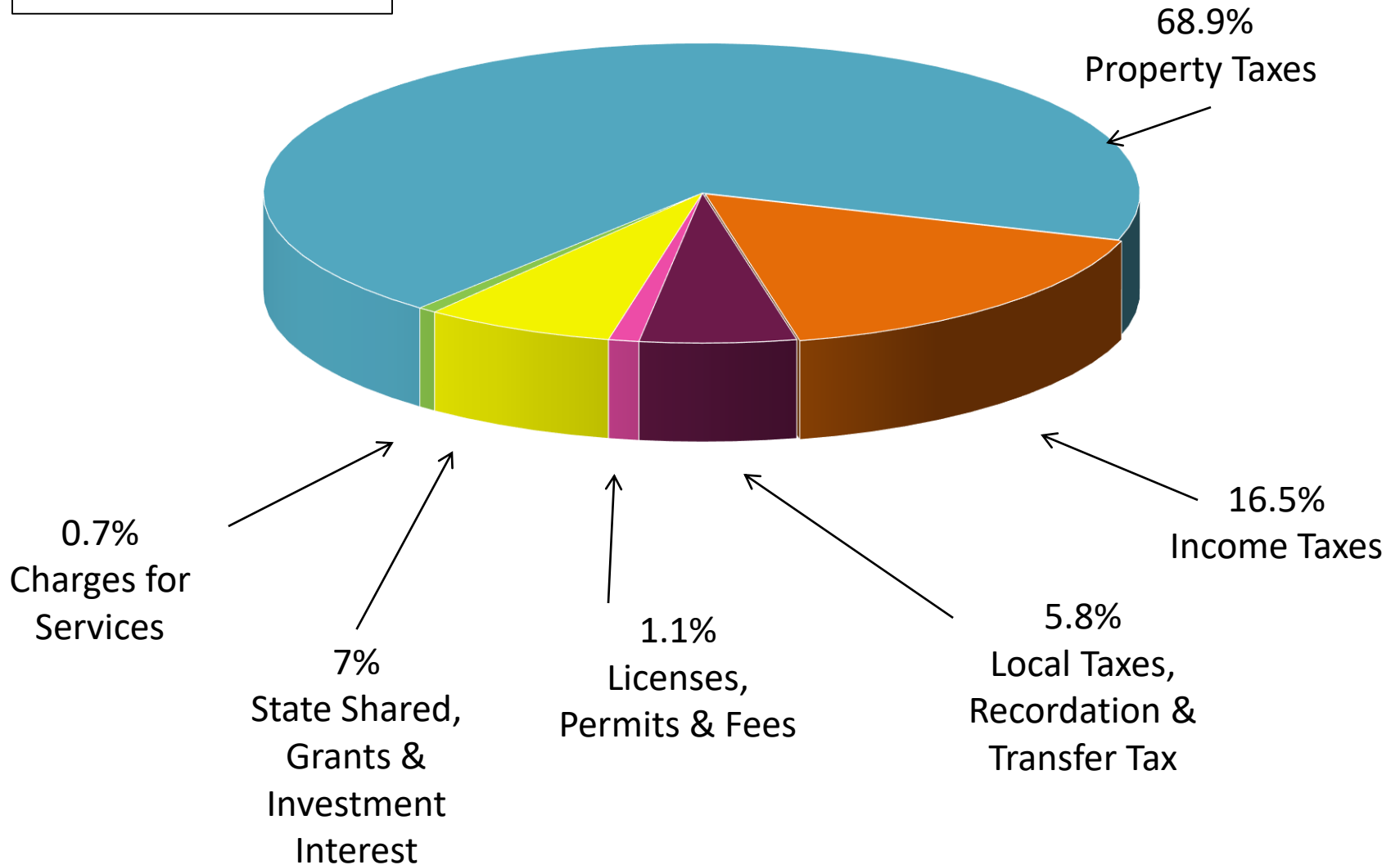
# FY2024 Budget Issues



# General Fund Estimated Revenues

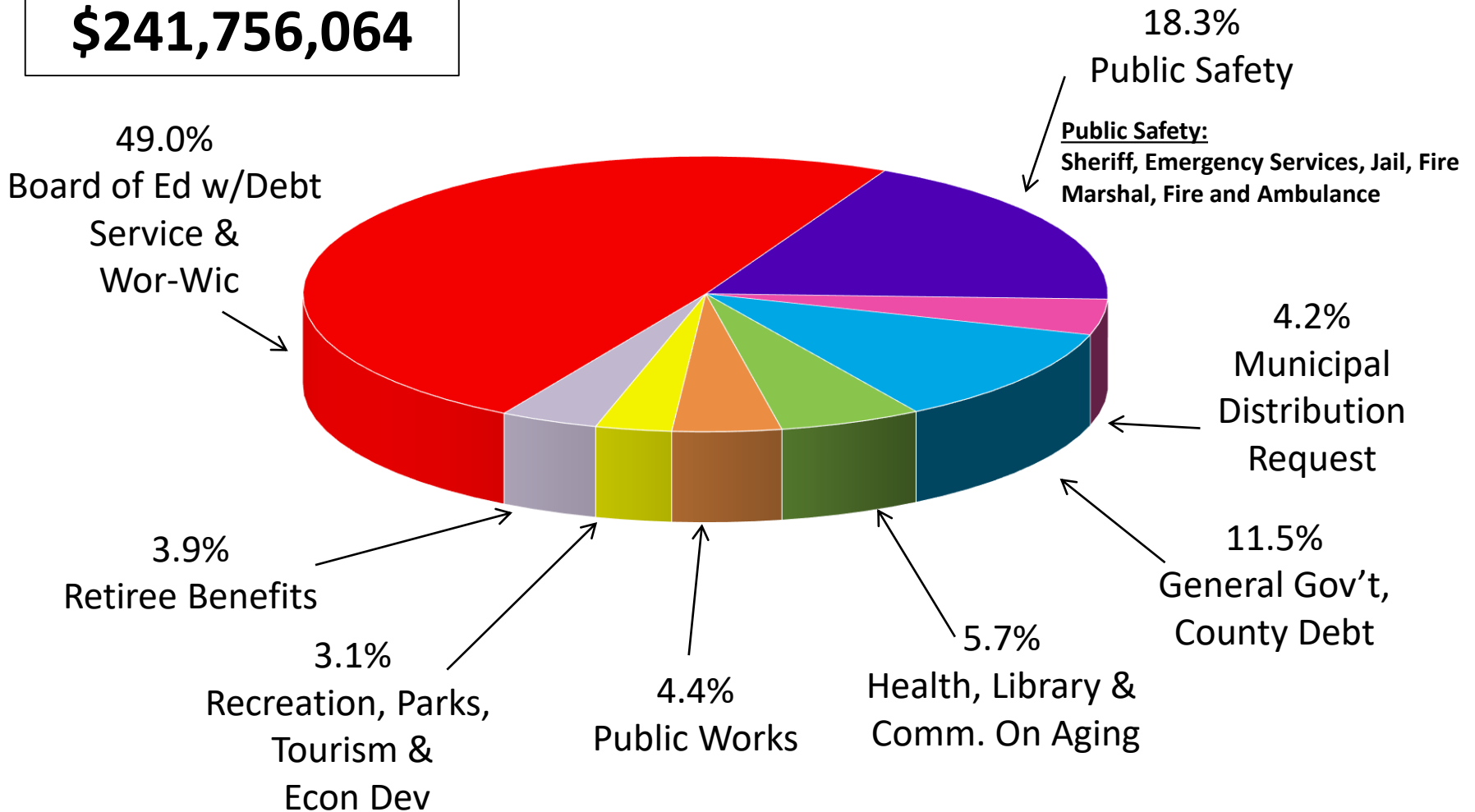
## FY 2024

**\$230,169,711**



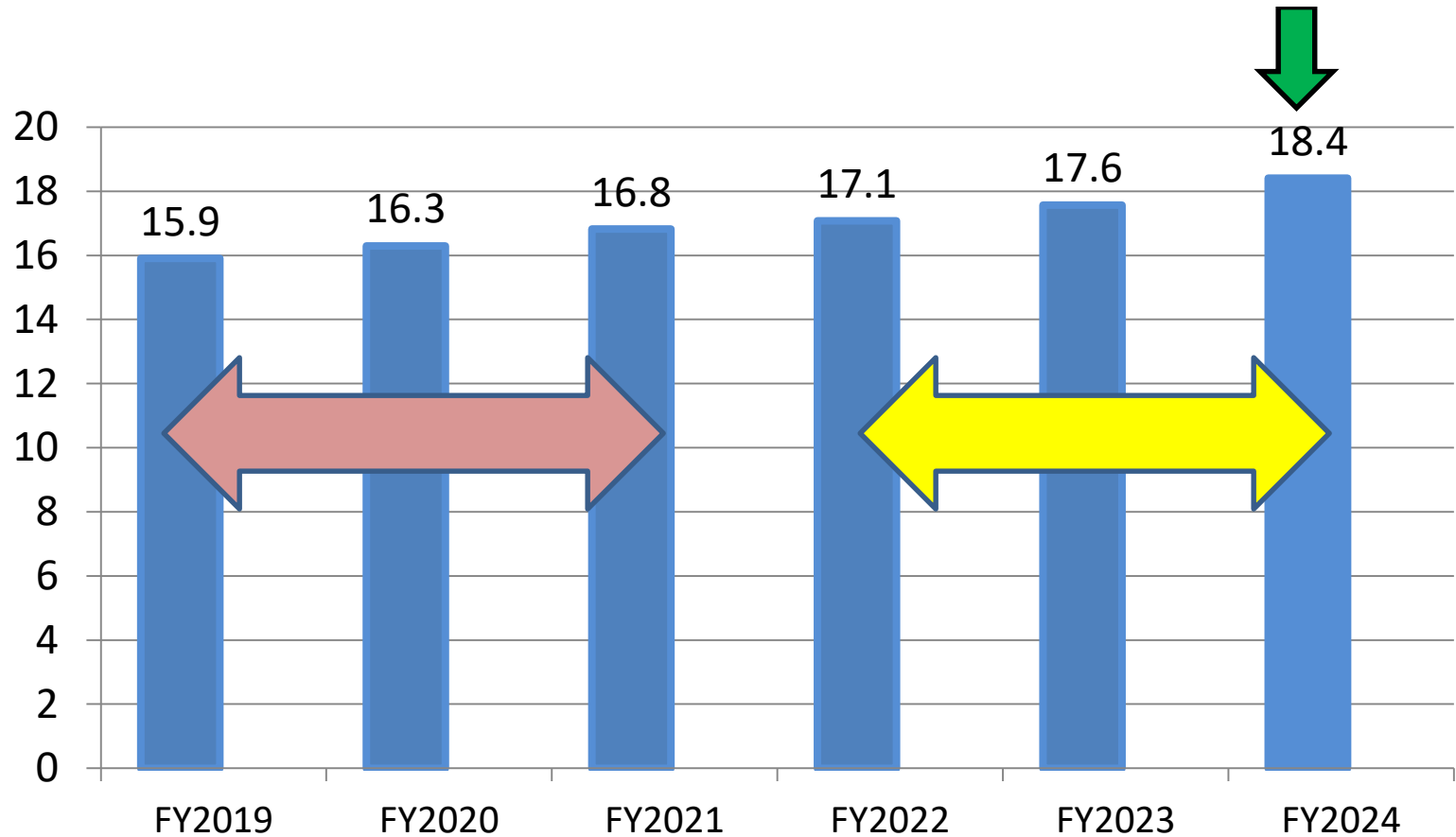
# General Fund Requested Expenditures FY 2024

**\$241,756,064**



# WORCESTER COUNTY ASSESSABLE TAX BASE

## \$ In Billions



State Dept of Assessment & Taxation estimate FY2024



Rose Arrow – Previous Cycle beginning with Ocean City – FY19-FY21



Yellow Arrow - Current cycle - beginning with Ocean City – FY22-FY24

# General Fund Major Revenues

Major Revenue	FY21 Actual	FY22 Actual	FY23 Budget	FY24 Estimate
Property Taxes	\$146,756,684	\$149,327,901	\$152,507,544	\$158,667,691
Income Taxes	35,824,894	37,351,910	38,000,000	38,000,000
Recordation and Transfer Taxes	<u>20,398,664</u>	<u>23,816,307</u>	<u>15,000,000</u>	<u>11,000,000</u>
Total Major Revenues	<u>\$202,980,242</u>	<u>\$210,496,118</u>	<u>\$205,507,544</u>	<u>\$207,667,691</u>
Variance from Prior Year	\$20,131,641	\$7,515,876	(\$4,988,574)	\$2,160,147

FY2021-FY2024 Budget reflects Real Property Tax rate of \$0.845, Income tax rate of 2.25%

# General Fund Revenue Comparison FY21-FY24

Major Categories	Actual FY2021	Actual FY2022	Budget FY2023	Estimate FY2024
Property Taxes	\$ 147,996,713	\$ 150,501,443	\$154,225,353	\$161,616,580
Homestead Tax Credit	(1,240,029)	(1,173,542)	(1,717,809)	(2,948,889)
Income Taxes	35,824,894	37,351,910	38,000,000	38,000,000
Recordation/Transfer	20,398,664	23,816,307	15,000,000	11,000,000
Other Taxes	1,612,285	2,466,174	2,141,000	2,241,000
State Shared	1,761,262	2,109,990	2,572,746	2,870,169
Licenses & Permits	2,901,494	2,666,571	2,500,231	2,576,190
Charges for Services	1,962,123	2,076,043	1,515,755	1,550,115
Intergov – Fed/State	23,226,714	10,455,296	4,701,877	7,626,593
Interest on Investments	103,318	119,427	100,000	5,000,000
Other Revenue	770,396	658,078	590,986	637,953
Casino/Local Impact Grant	2,497,400	2,981,609	3,244,000	0
Transfer in Bond Premium/Other	13,108	1,877,244	0	0
Transfer in Prior Year Surplus	0	0	4,182,639	0
Transfer in Health Ins. Reinvest.	<u>1,437,487</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$239,265,829</u>	<u>\$235,906,550</u>	<u>\$227,056,778</u>	<u>\$230,169,711</u>
Revenue Variance	<b>\$28,910,732</b>	<b>(\$3,359,279)</b>	<b>(\$8,849,772)</b>	<b>\$3,112,933</b>

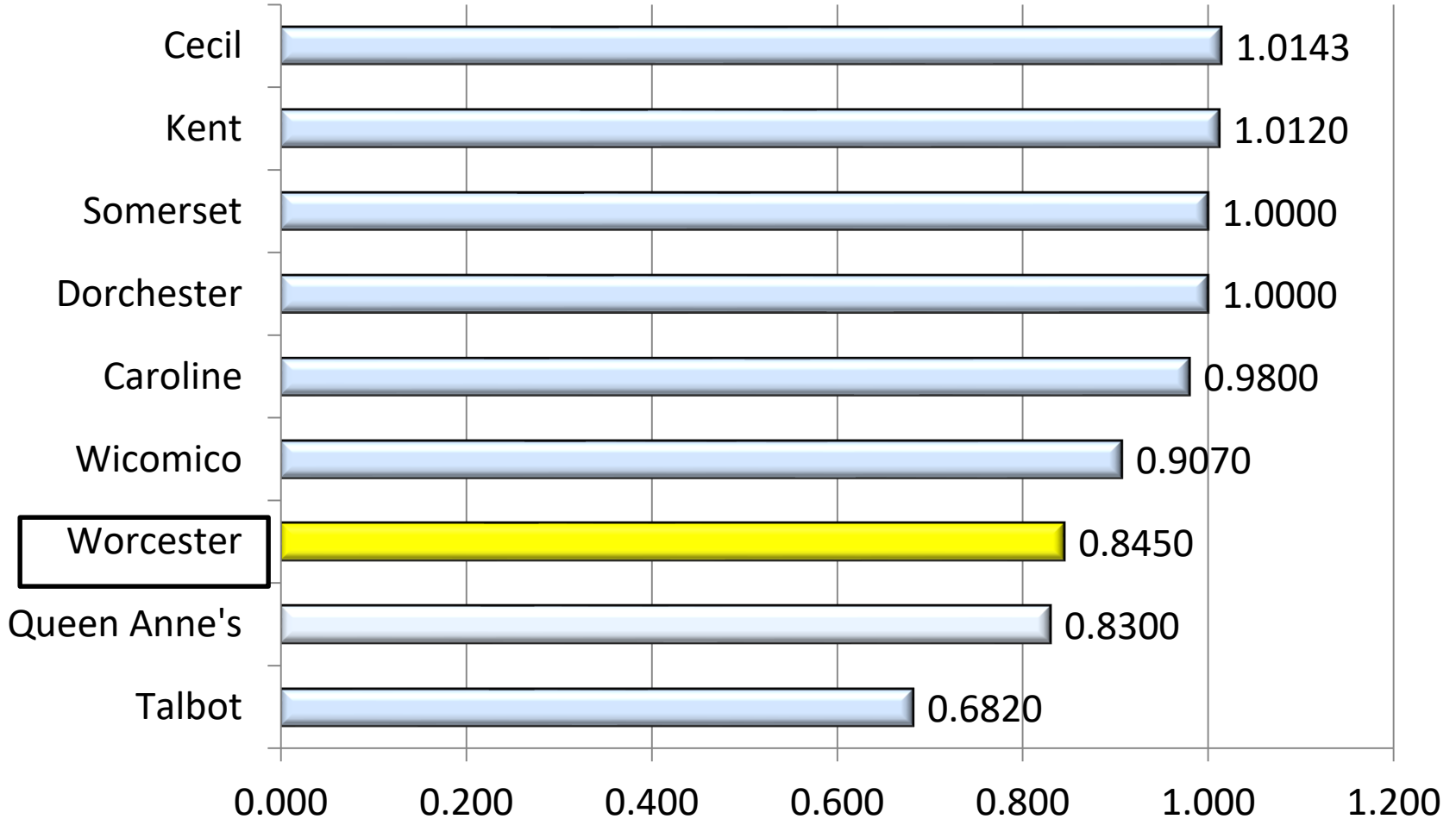
# General Fund Expenditure Comparison FY21 – FY24

Major Categories	Actual FY2021	Actual FY2022	Adopted FY2023	Request FY2024
Board of Education	\$94,643,940	\$97,096,418	\$100,983,605	\$105,151,226
Board of Education Debt Service	12,497,783	12,472,309	12,455,856	10,797,206
Board of Education OPEB	3,468,744	5,365,940	7,600,000	7,600,000
Wor-Wic Community College	2,530,242	2,530,242	2,530,242	2,530,242
Public Safety	34,619,772	36,858,292	40,079,860	44,173,317
Municipal Grants & Revenues	9,248,873	8,564,267	9,553,024	10,118,429
General Government & Buildings	19,305,280	22,957,313	21,509,227	25,321,472
Health, Library, Commission on Aging	12,577,897	12,374,302	12,887,652	13,817,314
Public Works	8,251,786	8,365,618	9,972,210	10,560,995
Recreation, Parks, Tourism, Economic Dev., Boat Landings	17,108,443	5,580,398	6,392,615	7,383,807
Transfer Out: County Debt, Reserve & OPEB	<u>5,053,805</u>	<u>12,056,539</u>	<u>3,091,487</u>	<u>4,302,056</u>
<b>TOTAL</b>	<b><u>\$219,306,565</u></b>	<b><u>\$224,221,638</u></b>	<b><u>\$227,056,778</u></b>	<b><u>\$241,756,064</u></b>
<b>Expenditure Variance</b>	<b>\$15,822,907</b>	<b>\$4,915,073</b>	<b>\$2,835,140</b>	<b>\$14,699,286</b>



# FY 2023 Real Property Tax Rates\*

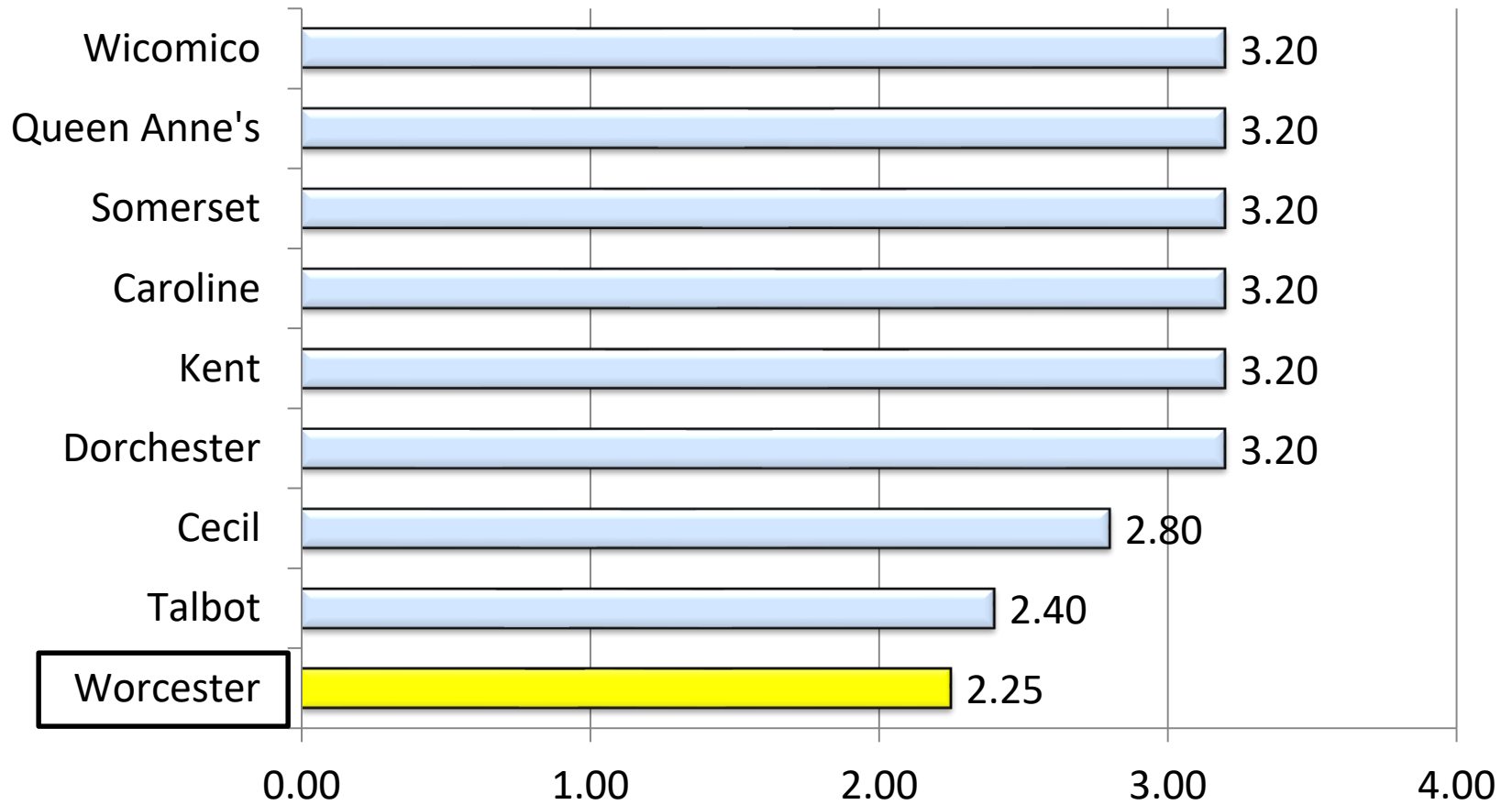
## Eastern Shore Counties



\*Rate Per \$100 of assessed value

# 2023 Income Tax Rates

## Eastern Shore Counties



# CONSTANT YIELD

The Constant Yield Tax Rate is simply the real property tax rate that, when applied to FY24 assessments, will result in Worcester County receiving the **SAME REVENUE** in the coming year that was produced in the current year.

The anticipated increase of real property revenue of \$4,422,354 in FY24 would require a tax decrease of \$.0253 to **REMAIN CONSTANT** with the current year FY23.

The County is considering **NOT** reducing its real property tax rate enough to fully offset increasing assessments and plans to maintain the real property tax rate of \$.845 for FY24.

## 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 real 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 in Snow Hill, Maryland.

The hearing is open to the public, and public testimony is encouraged. Participants may view the public hearing or submit comments in writing in advance.

Persons with questions or wanting additional information regarding this hearing may call (410)632-1194.

# County Commissioners Public Hearing for FY2024 Budget

Determine how taxpayers would like their tax dollars to be spent in the upcoming FY2024 Budget.

Estimated Revenues	\$230,169,711*
Requested Expenditures	<u>\$241,756,064</u>
Difference (Shortfall)	<b>(\$11,586,353)</b>

Reconciled either through reductions in requested expenditures, the creation of additional revenues, or both.

\*A real property tax rate of \$.9068 would fully fund the revenue shortfall.

## **Budget Work Sessions – Government Center:**

Tuesday, May 9, 2023 @ 9:00 a.m.

Tuesday, May 16, 2023 @ 1:00 p.m.

## **Budget & Tax Rate Adoption**

Tuesday, June 6, 2023

## **Additional Information**

Contact Worcester County Commissioners Office 410-632-1194

Check the County website for meeting times and agendas at  
[www.co.worcester.md.us](http://www.co.worcester.md.us)

