



Takoma Park City Council Meeting – April 24, 2019 Agenda Items 1 and 2

Public Hearings

1. Public Hearing on Proposed Real Property Tax Rate Increase
2. Public Hearing on the City Manager's Proposed Fiscal Year 2020 Budget

Recommended Council Action

Hear testimony from members of the public.

Context with Key Issues

Public Hearing on Proposed Real Property Tax Rate Increase

Pursuant to State of Maryland law, the constant yield tax rate is calculated by the Department of Assessments and Taxation for each taxing authority in the State. It represents the property tax rate for the coming tax year that will generate the same amount of revenue that was generated during the current tax year. As assessments increase, the constant yield tax rate decreases. When a taxing authority plans to impose a tax rate that is higher than the constant yield tax rate, it must advertise the tax increase and hold a public hearing.

The real property tax rate must be set at the constant yield tax rate hearing, or at a later time if announced at the time of the hearing. The tax rate is adopted as part of the overall budget. An ordinance setting the tax rate is scheduled for adoption at the same time as the budget ordinance is adopted.

Notice of the public hearing on the proposed real property tax increase was published, as required by State law, in a newspaper of general circulation. The notice was published in the April 11, 2019 edition of The Montgomery Sentinel.

Public Hearing on the City Manager's Proposed Fiscal Year 2020 Budget

The City's new fiscal year will begin July 1, 2019. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a proposed budget for consideration by the City Council. The proposed budget for Fiscal Year 2020 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Stormwater Management Fund, the Special Revenue Funds, and the Speed Camera Fund.

The First Reading of the Budget Ordinances is scheduled for Wednesday, May 8. The Second (final) Reading of the Budget Ordinances is scheduled for Wednesday, May 15.

Council Priority

A Livable Community for All; Fiscally Sustainable Government; Environmentally Sustainable Community; Engaged, Responsive & Service-oriented Government; Community Development for an Improved & Equitable Quality of Life

Environmental Considerations

The proposed budget recommends substantial continued investment in improving the environment, including, but not limited to stormwater system improvements, general sustainability efforts, continued efforts towards increasing tree canopy, continued work on library renovations to meet the highest green standards possible, and the construction of a major street project that both advance environmental sustainability. The budget also reflects about \$100,000 in reduced costs for streetlighting resulting from the transition to LEDs.

Fiscal Considerations

Total revenues (all funds) of \$31,366,327. Total expenditures (all funds) of \$35,100,930. Total General Fund revenues of \$25,970,116. Total General Fund expenditures of \$29,758,028. Real property tax rate increases from \$0.5291 to \$0.556 per \$100 of assessed valuation.

Racial Equity Considerations

This budget includes funds to address racial equity through implementation of the housing and economic development strategic plan to expand access to affordable housing, assistance to small businesses, community grants and partnerships, racial equity training for staff, and continued funding for bias training for Council board and committee members. The Police Department is also better poised to implement community policing and build a closer partnership between officers and residents of color in Takoma Park.

Staff will be expending considerable effort on major construction projects (like the Flower Avenue Green Street and Library Renovation and Expansion). Flower Avenue is located in a ward with a majority of residents of color. In addition, continuing programs for young people in the Recreation Department, Police Department, and Library are geared towards assisting residents of color. Some of the sustainability programs of the Public Works Department are geared towards assisting residents with lower incomes with energy efficiency improvements.

Attachments and Links

- [Proposed FY 2020 Budget](#)
- Notice of Proposed Real Property Tax Increase

**CITY OF TAKOMA PARK NOTICE
OF A PROPOSED
REAL PROPERTY TAX INCREASE**

The City Council of the City of Takoma Park, Maryland proposes to increase real property taxes.

1. For the tax year beginning July 1, 2019, the estimated real property assessable base will increase by 0.59%, from \$2,418,294,183 to \$2,432,557,181.
2. If the City of Takoma Park maintains the current tax rate of \$0.5291 per \$100 of assessment, real property tax revenues will increase by 0.59% resulting in \$75,465 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 \$0.5260, the constant yield tax rate.
4. The City is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City proposes to adopt a real property tax rate of \$0.5560 per \$100 of assessment. This tax rate is 5.7% higher than the constant yield tax rate and will generate \$729,768 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:30 pm on April 24, 2019 at the City of Takoma Park Community Center, 7500 Maple Avenue, Takoma Park, Maryland. The hearing is open to the public, and public testimony is encouraged. Persons with questions regarding this hearing may call 301-891-7267 for further information.