



Takoma Park City Council Meeting – April 27, 2022 Agenda Items 1 and 2

Public Hearings

Public Hearing on the FY 2023 Tax Rate (Constant Yield Tax Rate Public Hearing)

Public Hearing on the City Manager's Recommended FY 2023 Budget

Recommended Council Action

Receive residents' comments on the recommended budget and tax rate.

Context with Key Issues

The City's new fiscal year will begin July 1, 2022. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a recommended budget for consideration by the City Council.

The proposed budget for Fiscal Year 2023 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 public hearing on the proposed budget was held on Wednesday, April 13th. The second public hearing will be held on Wednesday, April 27th at 7:30 pm. The Wednesday, April 27th meeting will also include the public hearing on the Constant Yield Tax Rate.

The first two Budget Work Sessions were held on April 18th and April 25th. The third Budget Work Session (Reconciliation) is scheduled for Monday, May 2nd. The First Reading of the Budget Ordinances is scheduled for Wednesday, May 11th. The Second Reading of the Budget Ordinances is scheduled for Wednesday, May 18th. On Thursday, May 19th, the City will submit the FY23 tax rate to the State and County.

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 recommended budget continues investment in improving the environment, including, but not limited to general sustainability efforts.

Fiscal Considerations

Total revenues (all funds) of \$41,659,150. Total expenditures (all funds) of \$49,109,299. Total General Fund revenues of \$27,838,118. Total General Fund expenditures of \$34,819,752. Real property tax rate is proposed to increase from \$0.5397 to \$0.5697 per \$100 of assessed valuation.

Racial Equity Considerations

The recommended budget includes funds to address racial equity through ARPA funding for COVID-19 recovery efforts, consideration of the recommendations of the Reimagining Public Safety Task Force, and community engagement efforts.

Attachments and Links

- [FY23 Proposed Budget](#)
- Constant Yield Tax Rate Public Hearing Notice (published in the April 14, 2022 issue of the Washington Post)

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

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

1. For the tax year beginning July 1, 2022, the estimated real property assessable base will increase by 3.9%, from \$2,572,983,283 to \$2,672,932,216.
2. If the City of Takoma Park maintains the current tax rate of \$0.5397 per \$100 of assessment, real property tax revenues will increase by 3.9% resulting in \$539,424 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 \$0.5195, 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 \$0.5697 per \$100 of assessment. This tax rate is 9.7% higher than the constant yield tax rate and will generate \$1,341,812 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:30 pm on Wednesday, April 27, 2022 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.