



Calvert County NEWS

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Calvert County Commissioners' Fiscal Year 2017 Budget Proposal to Include Income and Property Tax Increases *Modest Increases Will Address Critical Services Following Years of Cost Cutting*

PRINCE FREDERICK, Md. – April 28, 2016 – As Calvert County faces a mounting shortfall in the Fiscal Year 2017 budget now under consideration, the Calvert County Board of County Commissioners (BOCC) is proposing modest increases in the county income tax rate and property tax rate. If approved, the real property tax increase would take effect July 1, 2016; the income tax increase will take effect Jan. 1, 2017.

The proposal calls for increasing the local income tax rate from 2.8 percent to 3 percent. This would mark the first income tax rate increase in 13 years or since Jan. 2004. The new 3 percent rate would place Calvert County near the state average, and in line regionally with Charles and St. Mary's counties. Local income tax is collected on the state income tax return.

The BOCC's property tax proposal would increase the rate from .892 to .952 per one hundred dollars of assessed value. Real property taxes have not been raised in Calvert County since 1987 or 29 years. Under the new rate, Calvert County's real property taxes would be the 9th lowest among Maryland's 23 counties and Baltimore City. Property tax bills are prepared by the County and are based on property assessments determined by the Maryland Department of Assessments and Taxation.

"Ultimately, the role of the Board of County Commissioners is to ensure the best services are provided to the citizens while taking from them as little money as possible," said Commissioners' President Evan Slaughenhoupt Jr. "This is a delicate balancing act.

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We believe these modest tax increases will support much-needed services while placing a minimal burden on county taxpayers.”

The tax proposals come on the heels of a prolonged national economic downturn. The county prepared for the downturn and continued to budget conservatively. Calvert County Government cut operating budgets for several years, postponed needed purchases and held the line on hiring new employees through a soft hiring freeze. Statewide, counties also absorbed a 90 percent cut in state highway user revenues which, for Calvert County, was and continues to be a loss of approximately \$5.2 million annually. Additionally, there has been a phased-in shift of school system employee retirement benefit costs from the state to the counties which will reach approximately \$5.3 million dollars for Calvert County in Fiscal Year 2017.

In response to these challenges, Calvert County Government instituted a new budgeting analysis to ensure operational efficiency. This analysis revealed that 99 percent of the county's expenditures were mandated or mission-critical.

“While the prospect of raising taxes is not pleasing, it will help avoid further use of county reserve funds to support county services.” Commissioner Slaughenhaupt said. “This proposal, supported by the plurality of the board, will go far in protecting the county's strong bond ratings which are essential to lower borrowing costs. Increased funding will also allow us to add some long-overdue staffing changes to address needs such as in senior services, technology services and the agriculture community.”

“During the economic downturn the county also put on hold many needed infrastructure upgrades or replacements, and in such cases the situation has become intolerable,” said Commissioners' Vice President Tom Hejl. “This is in addition to the roadway maintenance that had to be deferred due to the state's reduction of funds.”

The county looks forward to additional tax revenue from the Dominion Cove Point LNG liquefaction project. However, revenue from the expansion will not be available until Fiscal Year 2018. A majority of the revenue anticipated will be used to fund public schools retiree, as well as, Calvert County Government retiree health benefits, known as other post-employment benefits or OPEB, and to fund operational expenditures that have been deferred.

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The BOCC will present its Fiscal Year 2017 budget proposal at a public hearing Tuesday, May 24, at 7 p.m. at Calvert Pines Senior Center in Prince Frederick. For information on Calvert County Government, visit www.co.cal.md.us or like us on [Facebook](#).

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Calvert County is Maryland's smallest county in land area with 213 square miles. It is home to more than 90,000 people and has one of the highest standards of living in Maryland. Major industries include defense contracting, information technology, tourism, energy, advanced manufacturing and administrative services. Like us on Facebook by searching for Calvert County Government, Calvert County, Maryland.