

INFORMATION CONCERNING
CURRENT AND PROPOSED TAX RATES VERSUS CONSTANT YIELD TAX
RATE OF \$0.9874

The constant yield tax rate is calculated by the Department of Assessments and Taxation for each taxing authority in the State of Maryland. It represents the real property tax rate for the coming tax year that will generate the same amount of real property tax 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 real property tax rate that is higher than the constant yield tax rate, that taxing authority must advertise the tax increase and hold a public hearing. Today's public hearing is mandated by the State of Maryland because the County is proposing to approve a tax rate for Fiscal Year 2012 higher than that of the constant yield tax rate.

The Assessable Base increased by 0.3% from Fiscal Year 2011 to Fiscal Year 2012:

	Assessable Base
Fiscal Year 2011 (Actual)	From \$4,533,348,242
Fiscal Year 2012 (Estimated)	To \$4,545,459,692
\$ Increase in Assessable Base	\$12,111,450
% Increase in Assessable Base	0.3%

After taking into consideration the increase in real property assessments, in order to receive the same amount of tax revenue in Fiscal Year 2012 as the County received in Fiscal Year 2011, the State of Maryland has calculated that the tax rate for Fiscal Year 2012 should be \$0.9874 per \$100 of assessment.

	Fiscal Year 2011		Fiscal Year 2012
Assessable Base	\$4,533,348,242		\$4,545,459,692
County Tax Rate	\$0.990	Constant Yield Tax Rate	\$0.9874
Revenue Yield	\$44,880,148		\$44,880,148

Keeping the tax rate at the current rate of \$0.990 per \$100 of assessment and not reducing the tax rate to that of the constant yield tax rate of \$0.9874 per \$100 of assessment would result in a 0.3% increase in revenue amounting to \$119,903.

	Fiscal Year 2011	Fiscal Year 2012	Additional Revenue
Assessable Base	\$4,533,348,242	\$4,545,459,692	
County Tax Rate	\$0.990	\$0.990	
Revenue Yield	\$44,880,148	\$45,000,051	\$119,903

Last fiscal year, the incorporated Town of Mountain Lake Park received a tax differential or a reduction in County tax due to taxation of parallel services that are provided by both the County and the Town and included on both the Town's Tax Bill and the County's Tax Bill. Subsequently, the effect of continuing with the tax differential agreement for the Town of Mountain Lake Park will result in an increase to the County in tax revenue from this town by an amount of \$1,822. This, in turn, will result in an overall figure of \$121,725 in total additional revenue to the County as a result of maintaining the proposed tax rate versus the constant yield tax rate.

Town of Mountain Lake Park			Fiscal Year 2012	Additional Revenue
Assessable Base	\$95,901,848		\$95,901,848	
Constant Yield Tax Rate	\$0.9371	Proposed County Tax Rate	\$0.939	
Revenue Yield	\$898,696		\$900,518	\$1,822

Summary of Fiscal Year 2012 Additional Real Property Tax Revenue		Additional Revenue
Garrett County – Excluding Mountain Lake Park		\$119,903
Town of Mountain Lake Park		\$1,822
Net Additional Revenue		\$121,725