

The Town of Upper Marlboro

RESOLUTION: 2021-11
SESSION: Regular Town Meeting
DATE: May 11, 2021

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE TOWN OF UPPER MARLBORO TO APPROVE A MULTI-YEAR TOWN TAX RATE STEP PROGRAM

WHEREAS, according to the Maryland Legislative Handbook Series, Volume VI (2014), property taxes are the largest revenue source for most municipalities in Maryland, accounting for 37.0% of total revenues and that the dependence on property taxes is 57.9% on average for municipalities in Prince George's County; and

WHEREAS, the Board of Commissioners on December 21, 2020 discussed and found in a staff report that the Town of Upper Marlboro had the lowest residential property tax rate of the County's 27 municipalities by \$0.09, with the next 2nd lowest being the City of College Park, which does not have its own police department, and the Town staff had further researched but could not find the last date that the Town's residential property tax rate was adjusted and it concluded, therefore, that it had been at least several decades since the tax rate was changed; and

WHEREAS, pursuant Sections 82-48 and 82-16(2)(v) of the Town Charter, municipal taxes must be levied by ordinance and the levy must be done each year in June as opposed to being set for multiple years; and

WHEREAS, after discussion at the recent March 16th Budget Work Session, it was determined that the Board wished to explore a "step" tax rate increase spread out over the next three years, with set small increases every two years afterwards to account for cost of living and inflation, and that this tax step policy, although subject to a formal levy by ordinance enacted each year, would remain in place unless a future Board intervenes and passes a new Town Tax Rate Step Program Resolution and/or superseding ordinance; and

WHEREAS, this plan places the larger increase in FY 22, with smaller increases for FY 23 and FY 24 as indicated in the table below:

Classification	Current Rates (FY 21)	FY 22 Rates	FY 23 Rates	FY 24 Rates	Total Change
Residential Property Tax	\$0.24	\$0.30	\$0.34	\$0.38	\$ 0.14
Commercial Property Tax	\$0.52	\$0.54	\$0.56	\$0.57	\$0.05
Business Personal Property	\$0.45	\$0.50	\$0.53	\$0.55	\$0.10
Public Utility Tax	\$0.75	\$1.50	\$1.75	\$2.00	\$1.25

WHEREAS, after FY 2024, the residential tax rates could then continue to increase at a rate of \$0.005 per \$100 assessed value every other year (starting in FY2026) to account for cost of living and inflation, in other words, it would take 8 years for the residential property tax rate to increase from \$0.38 to \$0.40 with these gradual increases; and

WHEREAS, below is a chart outlining the estimated Town tax rate and payment the average household will pay in Town taxes with this step rate:

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Residential Property Value	FY 21 (Current)	FY 22	FY 23	FY 24	FY 26	FY 28	FY 30
\$200,000	\$480	\$600	\$680	\$760	\$770	\$780	\$790

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF UPPER MARLBORO that the Board, supports and approves the Town Tax Rate Step Program as described hereinabove and in a Memorandum regarding a "Town Tax Rate Step Program Discussion" dated March 19, 2021, attached hereto and incorporated by reference herein as Exhibit 1, as an official policy of the Town; and

BE IT FURTHER RESOLVED and this tax rate step plan will remain in place unless a future Board intervenes and passes a new Town Tax Rate Resolution or Budget/Tax Levy Ordinance; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon passage and that the President/Mayor is authorized to execute the subject application and any related documents.

PASSED by the Board of Commissioners of the Town of Upper Marlboro, Maryland at a regular meeting on the 11th day of May, 2021.

ATTEST:

BOARD OF COMMISSIONERS OF THE TOWN
OF UPPER MARLBORO, MARYLAND


M. David Williams, Clerk


Linda Pennoyer, President


Sarah Franklin, Commissioner


Janice Duckett, Commissioner



CERTIFICATION

I, the undersigned, hereby certify that I am the Clerk of the Town of Upper Marlboro and that the Board of Town Commissioners of the Town of Upper Marlboro at a public meeting at which a quorum was present adopted this Resolution, and that said Resolution is in full force and effect and has not been amended or repealed. In witness whereof, I have hereunto set my hand and seal of the municipal corporation, this 11th day of May, 2021.


M. David Williams, Town Clerk