

# **FY 2023**

## **Requested Budget**

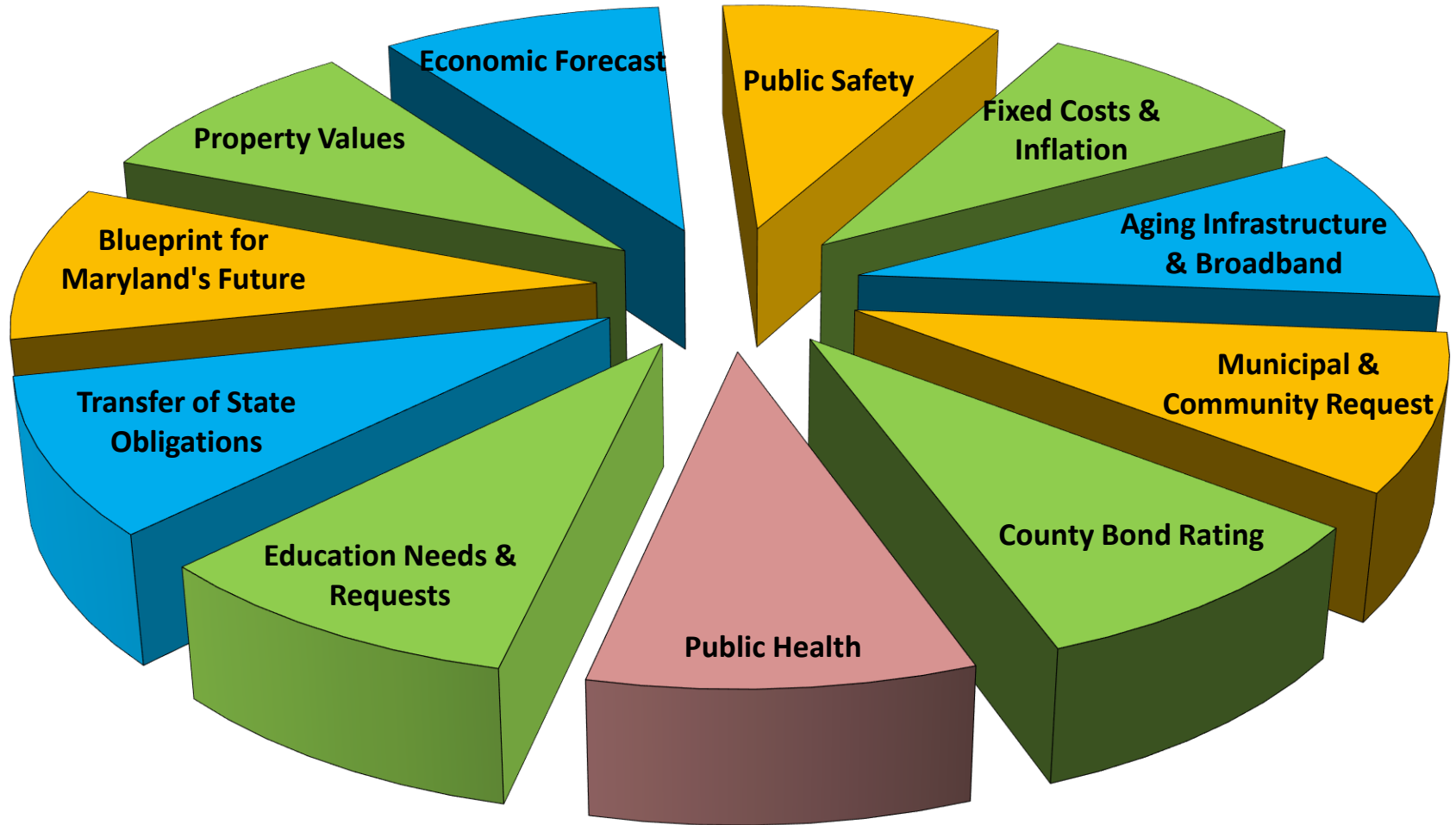
### **Public Hearing**



FY2023 Budget totals by Department and Agency may be found on the County website [www.co.worcester.md.us](http://www.co.worcester.md.us).

**May 3, 2022**

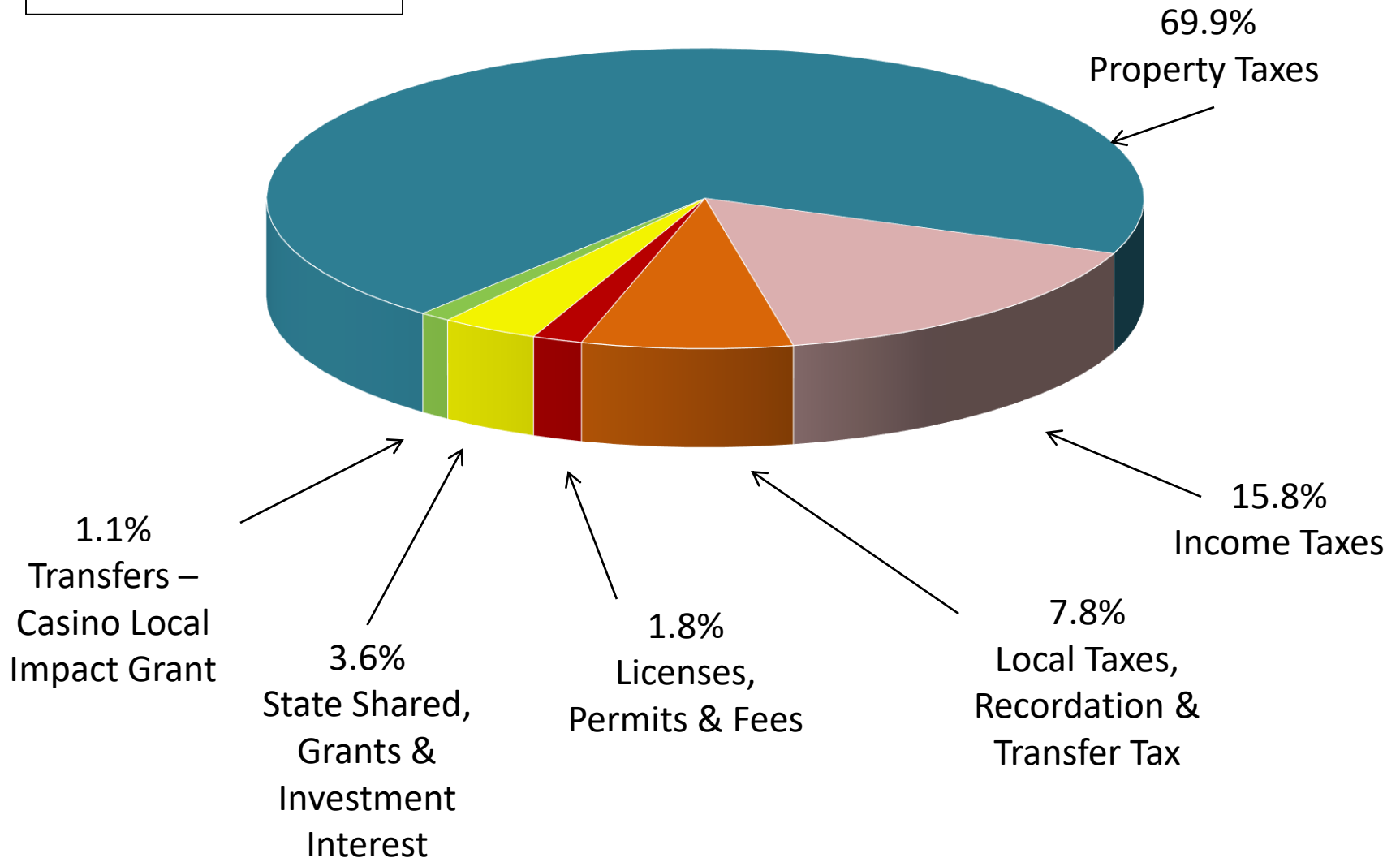
# FY2023 Budget Issues



# General Fund Estimated Revenues

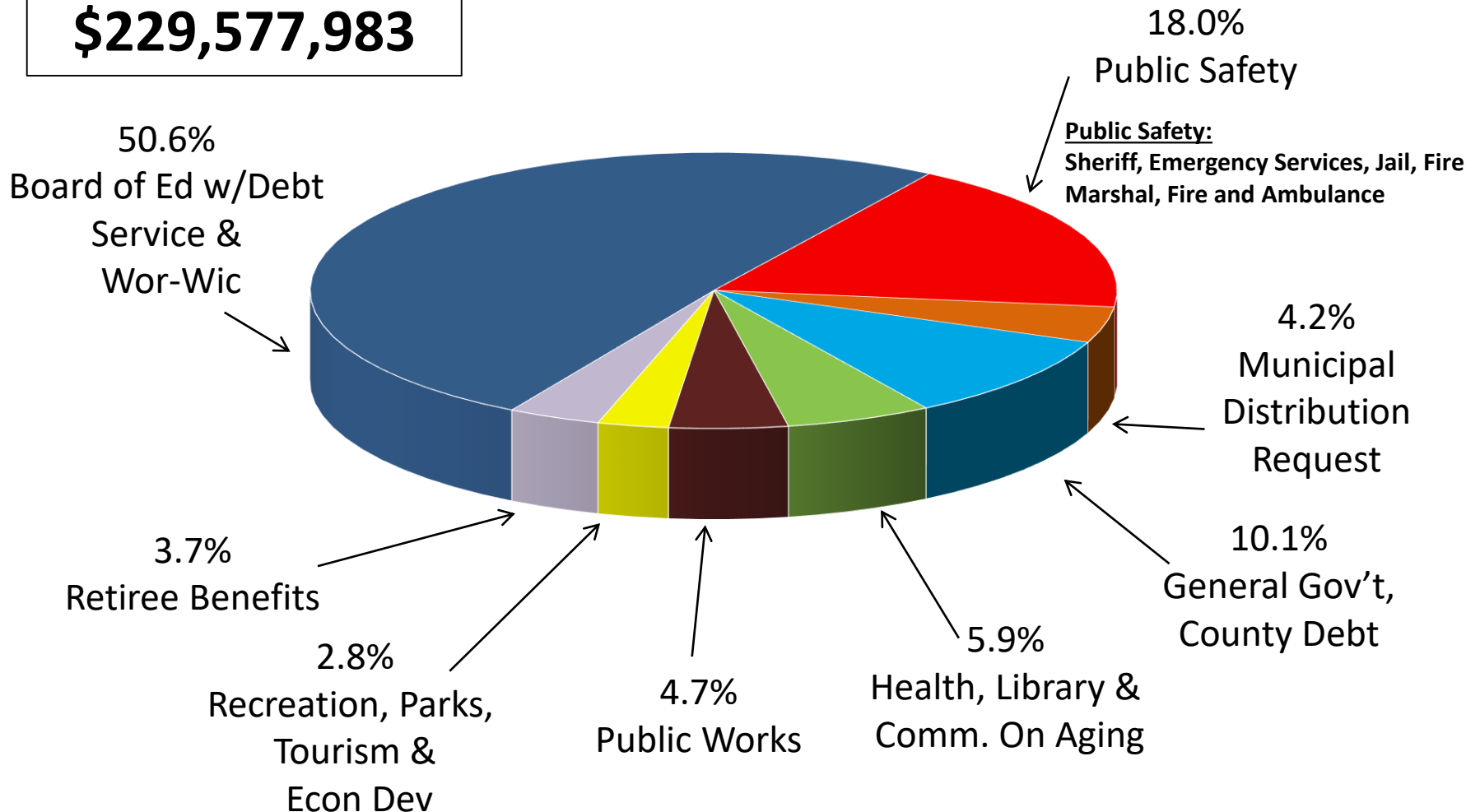
**\$218,290,579**

**FY 2023**



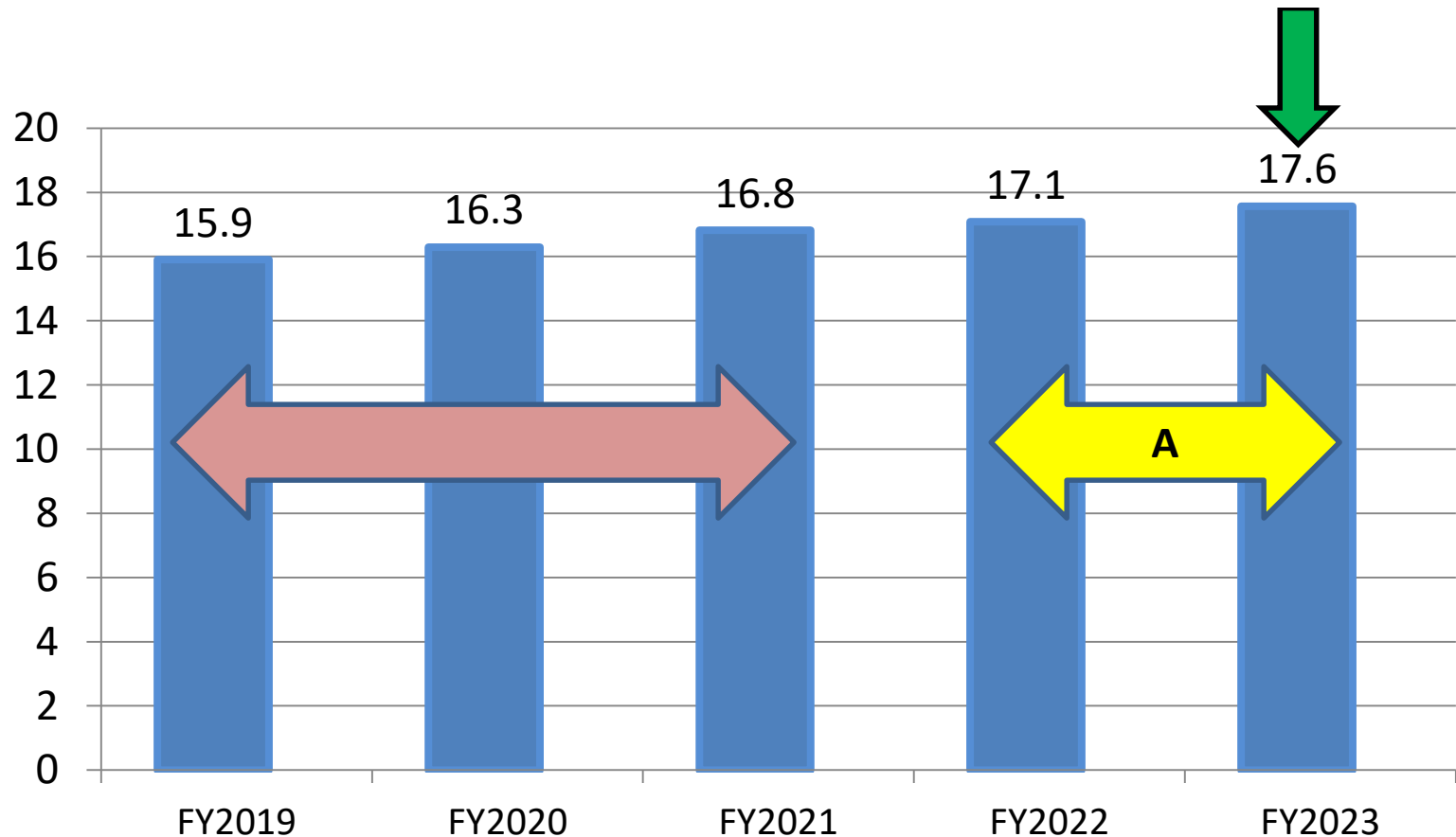
# General Fund Requested Expenditures FY 2023

**\$229,577,983**



# WORCESTER COUNTY ASSESSABLE TAX BASE

## \$ In Billions



State Dept of Assessment & Taxation estimate FY2023



Rose Arrow – Previous Cycle



Current cycle A beginning with Ocean City – FY22-FY24

# General Fund

## Major Revenues

Major Revenue	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Estimate
Property Taxes	\$142,160,874	\$146,756,684	\$148,385,337	<b>\$152,507,544</b>
Income Taxes	28,891,384	35,824,894	30,000,000	<b>34,500,000</b>
Recordation and Transfer Taxes	<u>11,796,343</u>	<u>20,398,664</u>	<u>15,000,000</u>	<u><b>15,000,000</b></u>
Total Major Revenues	<u><b>\$182,848,601</b></u>	<u><b>\$202,980,242</b></u>	<u><b>\$193,358,337</b></u>	<u><b>\$202,007,544</b></u>
Variance from Prior Year	\$10,714,054	\$20,131,641	(\$9,621,905)	<b>\$8,649,207</b>

FY2020-FY2023 Budget reflects Real Property Tax rate of \$0.845, Income tax rate of 2.25%

# General Fund Revenue Comparison FY20-FY23

Major Categories	Actual FY2020	Actual FY2021	Budget FY2022	Estimate FY2023
Property Taxes	\$ 143,411,802	\$ 147,996,713	\$149,586,378	\$154,225,353
Homestead Tax Credit	(1,250,928)	(1,240,029)	(1,201,041)	(1,717,809)
Income Taxes	28,891,384	35,824,894	30,000,000	34,500,000
Recordation/Transfer	11,796,342	20,398,664	15,000,000	15,000,000
Other Taxes	1,746,858	1,612,285	1,811,000	1,941,000
State Shared	1,699,242	1,761,262	2,469,458	2,572,746
Licenses & Permits	2,027,965	2,901,494	2,429,376	2,496,231
Charges for Services	4,775,728	1,962,123	2,949,595	1,532,555
Intergov – Fed/State	4,745,136	23,226,714	4,692,274	4,723,017
Interest on Investments	1,424,410	103,318	200,000	100,000
Other Revenue	1,404,121	770,396	388,343	418,486
Casino/Local Impact Grant	3,067,811	2,497,400	3,857,893	2,499,000
Transfer in Bond Premium/Other	366,940	13,108	0	0
Transfer in Prior Year Surplus	0	0	4,325,935	0
Transfer in Health Ins. Reinvest.	<u>6,248,286</u>	<u>1,437,487</u>	<u>0</u>	<u>0</u>
Total	<u>\$210,355,097</u>	<u>\$239,265,829</u>	<u>\$216,509,211</u>	<u>\$218,290,579</u>
Revenue Variance	<b>\$13,983,371</b>	<b>\$28,910,732</b>	<b>(\$22,756,618)</b>	<b>\$1,781,368</b>

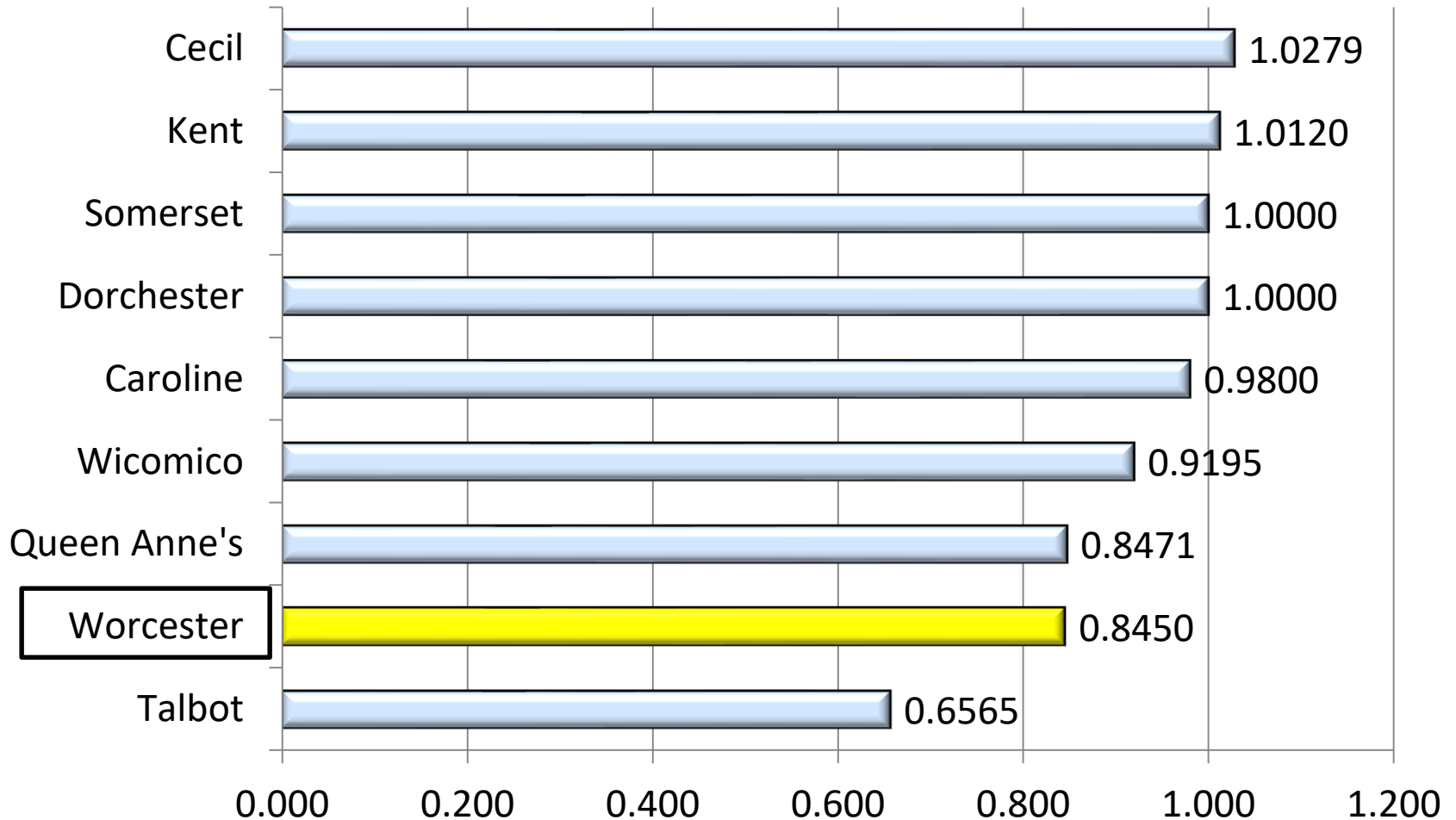
# General Fund Expenditure Comparison FY20 – FY23

Major Categories	Actual FY2020	Actual FY2021	Budget FY2022	Request FY2023
Board of Ed w/Debt Service	\$103,476,037	\$107,141,723	\$109,471,577	\$113,710,095
Wor-Wic Community College	2,333,092	2,530,242	2,530,242	2,530,242
Public Safety	32,755,011	34,619,772	39,384,917	41,231,216
Municipal Grants & shared Revenues	8,314,671	9,248,873	8,916,448	9,658,024
General Government & Buildings	16,979,616	19,305,280	18,759,106	21,365,119
Health, Library, Commission on Aging	12,111,406	12,577,897	12,805,564	13,430,828
Public Works	7,907,968	8,251,786	8,885,859	10,888,377
Recreation, Parks, Tourism, Economic Dev., Boat Landings	4,507,630	17,108,443	6,305,044	6,504,494
Transfer Out: Solid Waste/Reserve Fund County Debt & OPEB	394,893 <u>14,703,334</u>	143,939 <u>8,378,610</u>	0 <u>9,450,454</u>	0 <u>10,259,588</u>
TOTAL	<u>\$203,483,658</u>	<u>\$219,306,565</u>	<u>\$216,509,211</u>	<u>\$229,577,983</u>
Expenditure Variance	<b>\$10,654,725</b>	<b>\$15,822,907</b>	<b>(\$2,797,354)</b>	<b>\$13,068,772</b>



# FY 2022 Real Property Tax Rates\*

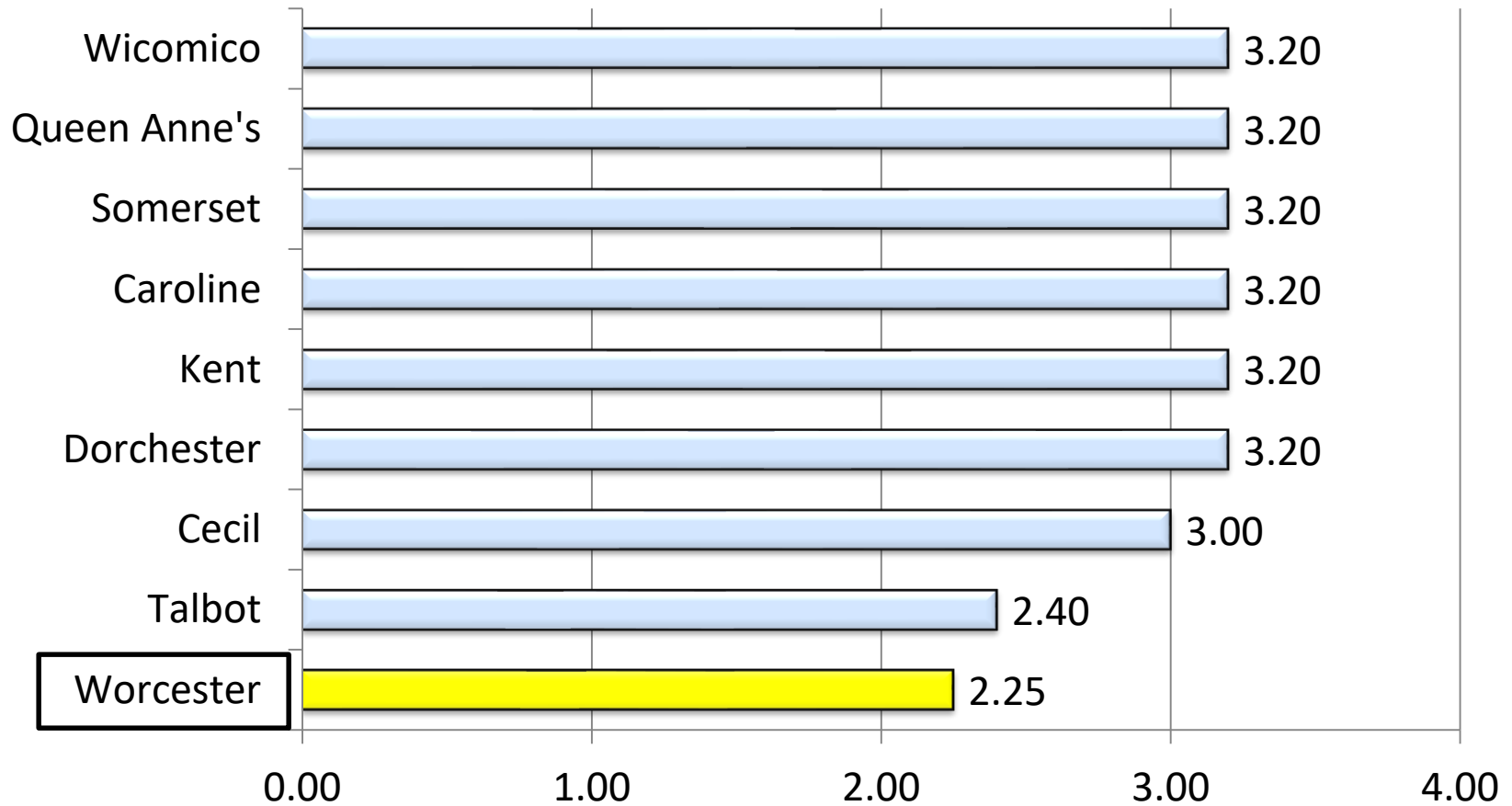
## Eastern Shore Counties



\*Rate Per \$100 of assessed value

# 2022 Income Tax Rates

## Eastern Shore Counties



# CONSTANT YIELD

The Constant Yield Tax Rate is simply the real property tax rate that, when applied to FY23 assessments, will result in Worcester County receiving the **SAME REVENUE** in the coming year that was produced in the current year.

The anticipated increase of real property revenue of \$2,628,527 in FY23 would require a tax decrease of \$.0156 to **REMAIN CONSTANT** with the current year FY22.

The County is considering **NOT** reducing its real property tax rate enough to fully offset increasing assessments and plans to maintain the real property tax rate of \$.845 for FY23.

## WORCESTER COUNTY NOTICE OF A PROPOSED REAL PROPERTY TAX INCREASE

The Board of County Commissioners of Worcester County proposes to increase real property taxes.

1. For the tax year beginning July 1, 2022, the estimated real property assessable base will increase by 1.9% from \$16,485,090,727 to \$16,796,158,998.
2. If Worcester County maintains the current tax rate of \$0.845 per \$100 of assessment, real property tax revenues will increase by 1.9% resulting in \$2,628,527 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 \$0.8294, the constant yield tax rate.
4. The County is considering not reducing its real property tax rate enough to fully offset increasing assessments. The County proposes to adopt a real property tax rate of \$0.845 per \$100 of assessment. This tax rate is 1.9% higher than the constant yield tax rate and will generate \$2,628,527 in additional real property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:00 P.M., on Tuesday, May 3, 2022 at the Worcester County Government Center in Snow Hill, Maryland.

The hearing is open to the public, and public testimony is encouraged. Participants may view the public hearing or submit comments in writing in advance.

Persons with questions or wanting additional information regarding this hearing may call (410)632-1194.

# County Commissioners Public Hearing for FY2023 Budget

Determine how taxpayers would like their tax dollars to be spent in the upcoming FY2023 Budget.

Estimated Revenues	\$218,290,579*
Requested Expenditures	<u>\$229,577,983</u>
Difference (Shortfall)	(\$11,287,404)

Reconciled either through reductions in requested expenditures, the creation of additional revenues, or both.

\*A real property tax rate of \$.9076 would fully fund the revenue shortfall.

## **Budget Work Sessions – Government Center:**

Tuesday, May 10, 2022 @ 9:00 a.m.

Tuesday, May 17, 2022 @ 1:00 p.m.

## **Budget & Tax Rate Adoption**

Tuesday, June 7, 2022

## **Additional Information**

Contact Worcester County Commissioners Office 410-632-1194

Check the County website for meeting times and agendas at  
[www.co.worcester.md.us](http://www.co.worcester.md.us)

