

# Understanding “Question A” and the Talbot County Property Tax Revenue Cap

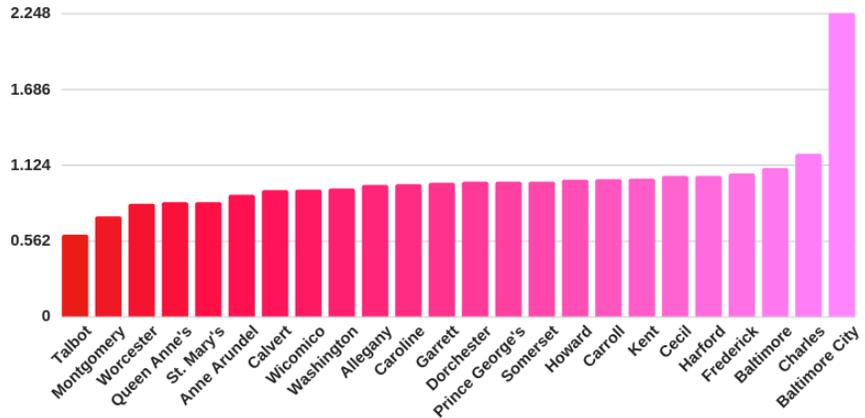
## What is property tax revenue?

Property tax revenue is the income generated by county residents through property taxes. The funds pay for county services such as emergency services, public education, county roads and public safety.

## The Property Tax Revenue Cap Dilemma

Talbot County has a law in place that limits the county government’s ability to raise revenues to fund essential county services. Under current law the county cannot increase property taxes more than 2% or the Consumer Price Index for all Urban Consumers (CPI-U), whichever is lower. Talbot County has the lowest property tax rate (.6061 in 2019) in the state of Maryland.

Maryland Property Tax Rate by County 2019  
(per \$100 of assessed value)



## Talbot County Property Tax Increase 2013-2018

Fiscal Year	CPI-U	Tax Increase
2013	3.0%	2.0%
2014	1.7%	1.7%
2015	1.5%	1.5%
2016	0.8%	0.8%
2017	0.7%	0.7%
2018	2.1%	2.0%

\*CPI-U is from 2 calendar years prior to the fiscal year referenced

## Why does Talbot County Have a Property Tax Revenue Cap?

**Talbot County was forced to transfer \$2 million from prior year resources to balance the budget because of insufficient revenues.**

In 1996, Talbot County citizens voted to put in place a tax revenue cap of “2% or the CPI-U whichever is less.” This tax rate was meant to protect taxpayers, who had experienced 2.9% to 3.3% increases over multiple years when tax increases were strictly tied to the CPI-U. However, in recent years the CPI-U has remained significantly lower than 2%, resulting in insufficient revenues and funding shortfalls for essential county services.

**A Resolution was passed by the Talbot County Council to place a question on the ballot in the 2018 election to amend the Tax Revenue Cap.**

**Voting for “Question A”** will amend section 214 of the Talbot County Charter to lift the revenue cap from 2% to 2.5%; to eliminate the reference to Consumer Price Index; to clarify the terminology for properties included on the tax rolls; and to authorize a temporary increase of one cent per one hundred dollars of assessed value above the 2.5% limit for each of the four fiscal years following the adoption of the amendment.

## What voting for “Question A” means for Talbot County property owners in 2019.

Assessed Value of your Property	\$200,000	\$300,000	\$350,000	\$500,000
County Taxes Under Current Law \$.6061 per \$100	\$1,212.20	\$1,818.30	\$2,121.35	\$3,030.50
County Taxes with 2.5% Cap + 1¢	\$1,257.20	\$1,885.80	\$2,200.10	\$3,143
<b>Difference in Your Taxes</b>	<b>\$44.70</b>	<b>\$67.50</b>	<b>\$78.75</b>	<b>\$112.5</b>