2002 Report on County-Municipal Tax Differentials

Department of Legislative Services
Office of Policy Analysis

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF THE EXECUTIVE DIRECTOR
MARYLAND GENERAL ASSEMBLY

Karl S. Aro
Executive Director

December 2002

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates
Honorable Members of the General Assembly

Ladies and Gentlemen:

Tax set-off systems – generally referred to as "tax differentials" or "tax rebates" – are of continuing interest to State and local government officials. The Department of Legislative Services, Office of Policy Analysis, in accordance with Joint Resolution 31 of 1978, conducts an annual review of local tax set-off systems, and this report summarizes the tax set-off systems for fiscal 2002. The report also provides an overview of the current law relating to tax set-offs. This report was prepared by Christopher Kelter of the Office of Policy Analysis and reviewed by Hiram Burch.

The Department of Legislative Services trusts that the study will be useful to members of the General Assembly and to other persons interested in matters relating to tax set-off systems.

Sincerely,

Karl S. Aro
Executive Director

KSA/jab

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Contents

	Page
Executive Summary	vii
Introduction	1
Background	1
Scope	2
Conclusion	3
Exhibit 1	4
Exhibit 2	5
Exhibit 3	6
Exhibit 4	7
Exhibit 5	8
Tax Differentials/Tax Rebates by County	
Allegany County	10
Anne Arundel County	10
Baltimore County	11
Calvert County	11
Caroline County	11
Carroll County	12
Cecil County	13
Charles County	13
Dorchester County	14
Frederick County	15
Garrett County	15
Harford County	16
Howard County	16

Contents, continued

	Page
Kent County	16
Montgomery County	17
Prince George's County	18
Queen Anne's County	19
St. Mary's County	20
Somerset County	20
Talbot County	20
Washington County	21
Wicomico County	21
Worcester County	21

Executive Summary

In accordance with Joint Resolution 31 of 1978, the Department of Legislative Services conducts an annual review of local tax set-off programs for municipalities. This review utilizes a written survey followed by telephone calls when necessary.

A property tax set-off enables county governments to compensate municipalities for governmental services or programs that municipalities provide in lieu of similar county services or programs. These set-offs can take the form of either property tax rate differentials or tax rebates. The major governmental services performed by municipalities that may result in tax set-offs include police protection, highway and street maintenance, sanitation and waste collection, planning and zoning services, and recreation and parks services.

Sixteen of the twenty-three counties in Maryland had property tax set-offs for municipalities in their jurisdictions in fiscal 2002. Of the seven remaining counties, Howard County has no municipalities, while Baltimore, Kent, Queen Anne's, Somerset, Wicomico, and Worcester counties chose not to establish tax set-offs.

Seven counties (Anne Arundel, Calvert, Caroline, Charles, Garrett, Harford, and Talbot) provided tax rate differentials totaling $17.6 million for the municipalities in their jurisdictions. Seven counties (Carroll, Cecil, Dorchester, Frederick, Montgomery, St. Mary's, and Washington) returned to the municipalities rebates totaling $10.5 million. Prince George's County provided both tax rebates and tax rate differentials to its municipalities totalling $11.6 million. Allegany County provided tax differentials to five of its six municipalities and a tax rebate to one muncipality totalling $1.1 million. In sum, tax differentials and rebates totaled $40.7 million in fiscal 2002, a 4.7 percent increase over the prior year.

Over the last decade, the level of tax set-offs provided to municipalities has increased from $35.9 million in fiscal 1993 to $40.7 million in fiscal 2002. Tax set-offs in fiscal 2002 is the largest aggregate total in Maryland's history exceeding the previous high of $39.7 million provided to municipalities in fiscal 1994.

Since fiscal 1994, several counties have lowered the amount of tax set-offs provided to municipalities, most noticeably Allegany, Anne Arundel, and Prince George's counties. In fiscal 1994, tax set-offs totaled $1.5 million in Allegany County, $12.0 million in Anne Arundel County, and $15.5 million in Prince George's County.

Since decreasing the county's set-offs to a low of $10.0 million in fiscal 1998, Anne Arundel County increased the level of tax set-offs to its municipalities in fiscals 1999 ($10.2 million), 2000 ($10.4 million), 2001 ($11.1 million), and 2002 ($11.7 million). Prince George's County increased its tax set-offs in fiscal 2000, decreased the amounts in fiscal 2001, and increased the set-offs again in fiscal 2002. However, despite these changes, the level of tax set-offs in Anne Arundel and Prince George's counties are still below the amounts provided in fiscal 1994. Allegany County, despite fluctuating levels of tax set-offs, remains below the level of 1994. Only

five counties (Calvert, Carroll, Cecil, Frederick, and Harford) have increased or maintained the amount of tax set-offs in each of the fiscal years since 1994.

In comparison to fiscal 2001, the amount of tax set-offs provided to municipalities in fiscal 2002 increased by 4.7 percent; however, the five year average annual growth from fiscal 1997 through fiscal 2002 is 2.6 percent. Of the sixteen counties providing tax set-offs in fiscal 2002, the tax set-off amount increased in thirteen counties (Anne Arundel, Calvert, Caroline, Carroll, Cecil, Charles, Frederick, Garrett, Harford, Prince George's, St. Mary's, Talbot, and Washington), decreased in two counties (Allegany and Montgomery), and remained constant in one county (Dorchester). In addition, every county that provided a tax set-off in fiscal 2001 provided a tax set-off in fiscal 2002 except Kent and Queen Anne's counties.

While the amount of tax differentials and rebates have increased, the types of services that the municipalities performed remained basically unchanged. The services included police protection, highway and street maintenance, sanitation and waste collection, planning and zoning, and recreation and parks.

2002 Report on
County-Municipal Tax Differentials

Introduction

Property tax set-offs are meant to compensate for double taxation of municipal taxpayers occurring when both municipal and county property taxes are levied to fund similar services. Therefore, counties compensate municipal taxpayers with property tax set-offs through a tax rate differential or through a tax rebate. A tax rate differential results in a lower county property tax rate within the boundaries of a municipal corporation, whereas a tax rebate is a direct payment to a municipality for providing the services or programs.

Background

Section 6-305 of the Tax-Property Article of the Annotated Code of Maryland mandates that the following counties – Allegany, Anne Arundel, Baltimore, Frederick, Garrett, Harford, Howard, Montgomery and Prince George's – meet annually with the governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that a municipal corporation performs services or programs in lieu of similar county services and programs, the governing body of the county **shall impose** the county property tax on assessments of property in the municipal corporation at a rate that is less than the general county property tax rate.

Section 6-306 governs the procedure for the setting of a tax differential in the other counties. The governing bodies of the counties are required to meet annually with governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that the municipal corporation performs services or programs in lieu of similar county services, the county **may establish** a county property tax rate for property in the municipal corporation that is lower than the general county property tax rate.

Alternatively, both of the above sections provide the counties with the option of making a payment to the municipal corporation to aid the municipal corporation in funding municipal services or programs that are similar to county services or programs. This is commonly known as a tax rebate.

Subsections (d) and (e) of Sections 6-305 and 6-306 of the Tax-Property Article define the procedures for determining the county property tax rate within a municipal corporation. The provisions follow:

(d) *Setting county rate for municipal corporation.* - In determining the county property tax rate to be set for assessments of property in a municipal corporation, the governing body of the county shall consider:

(1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and

(2) the extent that the similar services and programs are funded by property tax revenues.

(e) *Rate need not be uniform.* - The county property tax rate for assessments of property located in a municipal corporation is not required to be:

(1) the same as the rate for property located in other municipal corporations in the county; or

(2) the same as the rate set in a prior year.

Scope

This report identifies tax differentials and tax rebates made by the governing bodies of the counties during fiscal 2002. Information was obtained from a survey of the counties and the Maryland Department of Assessments and Taxation. The tax rate differential is calculated per $100 of assessed property value. A summary of the survey results is presented in **Exhibits 1** and **2**. **Exhibit 3** shows the trend in tax set-offs between fiscal 1999 and 2001, and **Exhibit 4** compares a county's tax set-off in fiscal 2002 with the amount provided in fiscal 1997. **Exhibit 5** shows the assessable base for those jurisdictions that provide tax differentials (Allegany, Anne Arundel, Calvert, Caroline, Charles, Garrett, Harford, Prince George's, and Talbot counties).

The following payments are excluded from amounts reported as tax rebates:

- mandatory State pass-throughs from the counties to the municipalities such as supplemental police aid and distributions from the State fire, rescue, and ambulance fund;
- county sales and services taxes, license fees, and alcoholic beverage dispensary profits required by State law to be shared with municipalities;
- payments to municipalities specified in State law such as the financial institutions (bank shares) grant; and
- funds to which a municipal corporation has a claim, such as Program Open Space.

Conclusion

Overall, of the twenty-two counties in Maryland with municipalities, sixteen granted property tax set-offs to municipal corporations in fiscal 2002: seven counties provided tax rate differentials, seven counties granted tax rebates, and two counties provided a combination of differentials and rebates. Six counties with municipalities did not provide tax set-offs in fiscal 2002.

Exhibit 1
2002 Survey on County-Municipal Tax Differentials

	Municipal Corporations	(1) Sec. 6-305	(2) Sec 6-306	Tax Differential	Tax Rebate
Allegany	Y	Y	N	Y	Y
Anne Arundel	Y	Y	N	Y	N
Baltimore City	N	N	N	N	N
Baltimore	Y	Y	N	N	N
Calvert	Y	N	Y	Y	N
Caroline	Y	N	Y	Y	N
Carroll	Y	N	Y	N	Y
Cecil	Y	N	Y	N	Y
Charles	Y	N	Y	Y	N
Dorchester	Y	N	Y	N	Y
Frederick	Y	Y	N	N	Y
Garrett	Y	Y	N	Y	N
Harford	Y	Y	N	Y	N
Howard	N	Y	N	N	N
Kent	Y	N	Y	N	N
Montgomery	Y	Y	N	N	Y
Prince George's	Y	Y	N	Y	Y
Queen Anne's	Y	N	Y	N	N
St. Mary's	Y	N	Y	N	Y
Somerset	Y	N	Y	N	N
Talbot	Y	N	Y	Y	N
Washington	Y	N	Y	N	Y
Wicomico	Y	N	Y	N	N
Worcester	Y	N	Y	N	N

Key: Y indicates yes; N indicates no.

Note: (1) Sec. 6-305 requires an annual meeting between county and municipality. Property tax differentials or rebates are mandated if a municipality provides a service in lieu of similar county services. Howard County does not have any municipalities.
(2) Sec. 6-306 requires an annual meeting between county and municipality, but property tax differentials or rebates are optional.

Source: Department of Legislative Services, November 2002

Exhibit 2

Tax Differentials and Tax Rebates
Fiscal 2002

	Tax Differential *	Tax Rebate	Total
Allegany	$482,075	$582,221	$1,064,296
Anne Arundel	11,702,059	0	11,702,059
Baltimore City	na	na	na
Baltimore	0	0	0
Calvert	1,218,813	0	1,218,813
Caroline	416,514	0	416,514
Carroll	0	1,553,968	1,553,968
Cecil	0	341,145	341,145
Charles	375,015	0	375,015
Dorchester	0	69,000	69,000
Frederick	0	3,045,698	3,045,698
Garrett	25,314	0	25,314
Harford	3,488,809	0	3,488,809
Howard	na	na	na
Kent	0	0	0
Montgomery	0	4,433,059	4,433,059
Prince George's	11,016,976	577,662	11,594,638
Queen Anne's	0	0	0
St. Mary's	0	44,558	44,558
Somerset	0	0	0
Talbot	324,878	0	324,878
Washington	0	1,026,517	1,026,517
Wicomico	0	0	0
Worcester	0	0	0
Total	**$29,050,453**	**$11,673,828**	**$40,724,282**

* Represents the property tax equivalent of the tax differential.
na: indicates the jurisdiction has no municipalities.

Prepared by: Department of Legislative Services, November 2002

Exhibit 3
Tax Differentials and Tax Rebates
Fiscal 1999 - 2001

	Tax Differential	FY 1999 Tax Rebate	Total	Tax Differential	FY 2000 Tax Rebate	Total	Tax Differential	FY 2001 Tax Rebate	Total
Allegany	$1,063,234	$0	$1,063,234	$1,235,859	$0	$1,235,859	$1,187,331	$0	$1,187,331
Anne Arundel	10,160,600	0	10,160,600	10,403,000	0	10,403,000	11,089,800	0	11,089,800
Baltimore City	na	na	na	na	na	na	na	na	na
Baltimore	0	0	0	0	0	0	0	0	0
Calvert	959,505	0	959,505	1,054,083	0	1,054,083	1,054,083	0	1,054,083
Caroline	364,090	0	364,090	379,387	0	379,387	398,356	0	398,356
Carroll	0	1,273,145	1,273,145	0	1,315,166	1,315,166	0	1,384,574	1,384,574
Cecil	0	302,354	302,354	0	311,712	311,712	0	323,305	323,305
Charles	306,838	0	306,838	321,562	0	321,562	322,948	0	322,948
Dorchester	0	69,000	69,000	0	69,000	69,000	0	69,000	69,000
Frederick	0	1,747,332	1,747,332	0	1,749,479	1,749,479	0	2,153,755	2,153,755
Garrett	0	86,000	86,000	0	0	0	16,847	0	16,847
Harford	3,078,598	0	3,078,598	3,284,569	0	3,284,569	3,381,030	0	3,381,030
Howard	na	na	na	na	na	na	na	na	na
Kent	0	93,513	93,513	0	94,263	94,263	0	94,263	94,263
Montgomery	0	4,744,444	4,744,444	0	4,450,868	4,450,868	0	5,057,414	5,057,414
Prince George's	10,706,764	440,315	11,147,079	10,598,276	566,537	11,164,813	10,399,534	566,072	10,965,606
Queen Anne's	0	77,037	77,037	0	114,152	114,152	0	131,283	131,283
St. Mary's	0	34,252	34,252	0	41,409	41,409	0	42,887	42,887
Somerset	0	0	0	0	0	0	0	0	0
Talbot	121,688	0	121,688	202,401	0	202,401	208,923	0	208,923
Washington	0	1,059,633	1,059,633	0	1,106,304	1,106,304	0	1,006,530	1,006,530
Wicomico	0	0	0	0	0	0	0	0	0
Worcester	0	400,000	400,000	0	0	0	0	0	0
Total	**$26,761,317**	**$10,327,025**	**$37,088,342**	**$27,479,137**	**$9,818,890**	**$37,298,027**	**$28,058,852**	**$10,829,083**	**$38,887,935**

* Represents the property tax equivalent of the tax differential.
na: indicates the jurisdiction has no municipalities.
Prepared by: Department of Legislative Services, November 2002.

Exhibit 4

Changes in Local Tax Set-offs (Tax Differentials and Tax Rebates) Over a Five-Year Period

County	FY 1997	FY 2002	Difference	% Change
Allegany	$1,112,923	$1,064,296	($48,627)	-4.4%
Anne Arundel	10,007,233	11,702,059	1,694,826	16.9%
Baltimore City	0	0	0	N/A
Baltimore	0	0	0	N/A
Calvert	843,277	1,218,813	375,536	44.5%
Caroline	389,955	416,514	26,559	6.8%
Carroll	1,130,473	1,553,968	423,495	37.5%
Cecil	281,331	341,145	59,814	21.3%
Charles	278,247	375,015	96,768	34.8%
Dorchester	0	69,000	69,000	N/A
Frederick	1,572,451	3,045,698	1,473,247	93.7%
Garrett	0	25,314	25,314	N/A
Harford	2,712,147	3,488,809	776,662	28.6%
Howard	0	0	0	N/A
Kent	87,088	0	(87,088)	N/A
Montgomery	4,391,344	4,433,059	41,715	0.9%
Prince George's	12,002,455	11,594,638	(407,817)	-3.4%
Queen Anne's	75,066	0	(75,066)	N/A
St. Mary's	32,527	44,558	12,031	37.0%
Somerset	0	0	0	N/A
Talbot	106,946	324,878	217,932	203.8%
Washington	903,221	1,026,517	123,296	13.7%
Wicomico	0	0	0	N/A
Worcester	0	0	0	N/A
Total	**$35,926,684**	**$40,724,282**	**$4,797,598**	**13.4%**

Prepared by: Department of Legislative Services, November 2002

Exhibit 5

Assessable Base for Municipalities with Tax Differentials
Fiscal 2002

	Real Property Base	Personal Property Base	Total Assessable Base
Allegany County			
Barton	$7,942,280	$1,021,490	$8,963,770
Frostburg	187,895,520	18,242,290	206,137,810
Lonaconing	18,781,900	4,066,440	22,848,340
Luke	64,067,830	169,999,260	234,067,090
Midland	7,631,880	485,440	8,117,320
Westernport	40,554,835	2,754,600	43,309,435
Anne Arundel County			
Annapolis	2,538,089,456	143,383,950	2,681,473,406
Calvert County			
Chesapeake Beach	263,481,340	2,330,690	265,812,030
North Beach	91,128,340	922,250	92,050,590
Caroline County			
Denton	120,906,620	7,705,810	128,612,430
Federalsburg	99,579,987	48,167,790	147,747,777
Goldsboro	6,191,787	1,771,090	7,962,877
Greensboro	46,051,045	2,878,360	48,929,405
Henderson	2,376,040	290,110	2,666,150
Hillsboro	5,696,430	232,840	5,929,270
Marydel	3,261,163	596,390	3,857,553
Preston	25,037,649	3,638,860	28,676,509
Ridgely	49,033,297	4,813,260	53,846,557
Templeville	1,932,873	42,260	1,975,133
Charles County			
Indian Head	130,765,905	4,699,330	135,465,235
LaPlata	427,111,960	18,495,090	445,607,050
Garrett County			
Mountain Lake Park	57,231,110	3,443,650	60,674,760
Oakland	87,936,920	16,364,840	104,301,760
Harford County			
Aberdeen	642,698,862	62,931,990	705,630,852
Bel Air	688,584,915	71,553,330	760,138,245
Havre de Grace	478,647,077	36,108,710	514,755,787

Exhibit 5, contd.

	Real Property Base	Personal Property Base	Total Assessable Base
Prince George's County			
Berwyn Heights	154,363,886	23,437,950	177,801,836
Bladensburg	230,397,494	23,168,490	253,565,984
Bowie	3,080,915,766	104,206,890	3,185,122,656
Brentwood	98,724,114	6,329,250	105,053,364
Capitol Heights	158,986,313	8,137,180	167,123,493
Cheverly	298,808,062	55,770,180	354,578,242
College Park	870,560,488	207,897,080	1,078,457,568
Colmar Manor	50,247,912	3,932,790	54,180,702
Cottage City	51,888,192	4,515,920	56,404,112
District Heights	213,953,210	5,294,780	219,247,990
Eagle Harbor	3,812,030	51,000	3,863,030
Edmonston	77,797,762	10,946,440	88,744,202
Fairmount Heights	54,815,435	1,552,760	56,368,195
Forest Heights	102,596,038	3,021,530	105,617,568
Glenarden	216,059,816	2,524,690	218,584,506
Greenbelt	1,068,366,395	139,495,280	1,207,861,675
Hyattsville	583,309,315	88,863,410	672,172,725
Landover Hills	52,800,176	3,727,310	56,527,486
Laurel	1,127,751,068	111,966,470	1,239,717,538
Morningside	63,050,695	2,293,080	65,343,775
Mount Rainier	188,904,791	6,007,150	194,911,941
New Carrollton	399,423,040	19,148,080	418,571,120
North Brentwood	23,774,699	2,490,750	26,265,449
Riverdale Park	270,152,532	23,535,250	293,687,782
Seat Pleasant	163,309,096	9,476,290	172,785,386
University Park	178,138,557	1,952,450	180,091,007
Upper Marlboro	57,145,875	21,164,870	78,310,745
Talbot County			
Easton	823,948,618	128,215,520	952,164,138
Oxford	167,007,436	1,096,080	168,103,516
Queen Anne's	7,486,970	362,210	7,849,180
St. Michael's	126,434,265	11,226,570	137,660,835
Trappe	37,540,637	1,970,120	39,510,757

Source: Maryland Department of Assessments and Taxation
Prepared by: Department of Legislative Services, November 2002.

Tax Differentials/Tax Rebates by County

Allegany County

During fiscal 2002, Allegany County provided a tax rate differential to all but one of its municipalities (Cumberland) for performing governmental services in the areas of planning and zoning, corrections and police protection, public works, highway maintenance, and solid waste disposal. The rates are determined by calculating the net property tax support of each area of service and dividing it by the amount of money generated by $1 of property tax levy. The City of Cumberland received a tax rebate of $582,221 in fiscal 2002 instead of a tax differential.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount	Tax Rebate Amount	Total Amount
Barton	$0.0327	$0.0818	$3,433	$0	$3,433
Cumberland	0	0	0	582,221	582,221
Frostburg	0.0712	0.1780	166,253	0	166,253
Lonaconing	0.0510	0.1275	14,763	0	14,763
Luke	0.0553	0.1383	270,538	0	270,538
Midland	0.0327	0.0818	2,893	0	2,893
Westernport	0.0510	0.1275	24,195	0	24,195
Total			**$482,075**	**$582,221**	**$1,064,296**

Anne Arundel County

Anne Arundel County set a tax rate differential of $0.404 for real property and $1.01 for personal property for the City of Annapolis for providing police protection (excluding animal control), fire (excluding communications and training), public works, recreation and parks, planning and zoning services, and inspections and permits services. The estimated value of the tax differential is $11,702,059. Highland Beach, the other incorporated municipality in Anne Arundel County, did not receive a tax differential because such services are not performed by the town. In calculating the tax rate differential, several steps were involved. First, spending was allocated into county-wide (education, human services) and non-city (park, police, fire services) categories. Second, all revenues, except property taxes, are allocated to offset the cost of either county-wide or non-city services. Third, costs that are offset are used to calculate county-wide and non-city property tax rates. Finally, this non-city property tax rate serves as the Annapolis tax rate differential.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Annapolis	$0.404	$1.010	$11,702,059

Baltimore County

While the Town of Hampstead (Carroll County) has annexed land within Baltimore County, the county does not provide a tax rate differential or tax rebate to the town.

Calvert County

Calvert County provided a tax rate differential in the following municipalities for police protection, road maintenance, trash collection, and street lighting.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Chesapeake Beach	$0.336	$0.840	$904,875
North Beach	0.336	0.840	313,938
Total			**$1,218,813**

Caroline County

Pursuant to Section 166-48 of the Caroline County code, property tax rebates were discontinued in 1997. Rebates were replaced by a tax rate differential of (1) $0.12 on property in municipalities that provide water and/or sewer services; or (2) $0.04 on property in all other municipalities. Caroline County does not provide a tax differential for personal property. In fiscal 2002 Caroline County provided tax differentials totaling $416,514.

Municipality	Real Property Tax Rate Differential	Differential Amount
Denton	$0.12	$145,088
Federalsburg	0.12	119,496
Goldsboro	0.04	2,477
Greensboro	0.12	55,261
Henderson	0.04	950
Hillsboro	0.04	2,279
Marydel	0.04	1,305
Preston	0.12	30,045
Ridgely	0.12	58,840
Templeville	0.04	773
Total		**$416,514**

Carroll County

In lieu of tax rate differentials, Carroll County provided its municipalities tax rebates totaling $1,553,968. This amount was calculated by determining a per capita allocation amount ($37.4418) and multiplying it by the town's estimated population. This per capita grant is then adjusted by an index relating each town's assessable base per capita to the average assessable base per capita of all the towns. The tax rebates were distributed as follows:

Municipality	Tax Rebate Amount
Hampstead	$188,605
Manchester	145,845
Mt. Airy	90,909
New Windsor	48,112
Sykesville	171,038

Municipality	Tax Rebate Amount
Taneytown	227,135
Union Bridge	50,519
Westminster	631,805
Total	**$1,553,968**

Cecil County

Cecil County returned to its municipalities a rebate equivalent to $0.028 per $100 of assessed property values for police protection, street maintenance, and street lighting (general rebate). In addition, the county made rebate payments to its municipalities totaling $45,669 in order to offset the cost of refuse and garbage collection. The amounts were distributed as follows:

Municipality	General Rebate	Trash Rebate	Tax Rebate Amount
Cecilton	$5,221	$2,751	$7,972
Charlestown	13,189	3,251	16,440
Chesapeake City	11,985	4,134	16,119
Elkton	148,854	0	148,854
North East	35,560	10,761	46,321
Perryville	50,389	13,815	64,204
Port Deposit	8,477	3,853	12,330
Rising Sun	21,801	7,104	28,905
Total	**$295,476**	**$45,669**	**$341,145**

Charles County

Charles County provided a tax rate differential to two of its three municipalities for performing government services in the areas of planning and zoning, police services, growth management, parks, and public works. The rate was determined by calculating the expenditures

funded by property taxes. This amount was divided by the town's assessable base. A tax differential was not implemented for the Town of Port Tobacco as the town did not perform any services in lieu of those performed by the county.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Indian Head	$0.024	$0.060	$34,203
La Plata	0.072	0.180	340,812
Total			**$375,015**

Dorchester County

In fiscal 2002, Dorchester County's nine municipalities received tax rebates totaling $69,000 for police, planning, and zoning services.

Municipality	Tax Rebate Amount
Brookview	$450
Cambridge	54,000
Church Creek	425
East New Market	1,350
Eldorado	425
Galestown	700
Hurlock	8,950
Secretary	1,350
Vienna	1,350
Total	**$69,000**

Frederick County

Frederick County provided tax rebates totaling $3,045,698 to all twelve of its municipalities for police protection, highway maintenance, planning and zoning, waste collection, and parks and recreation. The tax rebates were distributed as follows:

Municipality	Tax Rebate Amount
Brunswick	$212,110
Burkittsville	862
Emmitsburg	80,318
Frederick City	2,103,613
Middletown	99,160
Mt. Airy	118,056
Myersville	10,608
New Market	1,461
Rosemont	1,345
Thurmont	209,202
Walkersville	204,647
Woodsboro	4,316
Total	**$3,045,698**

Garrett County

As required by law, the governing body of Garrett County met with the officers of its eight municipalities to discuss the possibility of a "tax rate differential" or "tax rebate." The county decided to provide a tax rate differential to two municipalities, Mountain Lake Park and Oakland, in fiscal 2002.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Mountain Lake Park	$0.003	$0.007	$1,958
Oakland	0.018	0.046	23,356
Total			**$25,314**

Harford County

Harford County provided a tax differential for its municipalities for services performed in the area of road maintenance and public works. The differential is based on the county's highway property tax rate that is imposed in the non-incorporated section of the county.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Aberdeen	$0.156	$0.390	$1,248,045
Bel Air	0.156	0.390	1,353,251
Havre de Grace	0.156	0.390	887,513
Total			**$3,488,809**

Howard County

There are no incorporated municipalities in Howard County.

Kent County

In fiscal 2002, Kent County did not provide a tax differential or a tax rebate to its five municipalities. However, in fiscal 2002, Kent County provided a 2 percent property tax discount to owners of real property. Prior to fiscal 2002, Kent County had provided tax rebates to its municipalities.

Montgomery County

Pursuant to Council Resolution 9-1752 of April 1982, Montgomery County reimbursed its municipalities for street and road maintenance, code enforcement, park maintenance, human relations commissions, police crossing guards, and senior transportation. The amounts distributed in fiscal 2002 were as follows:

Municipality	Tax Rebate Amount
Barnesville	$0
Battery Park *	0
Brookeville	3,535
Chevy Chase, Sec. III	17,138
Chevy Chase, Sec. V	12,297
Chevy Chase View	26,130
Chevy Chase Village	63,558
Town of Chevy Chase	86,687
Drummond *	2,920
Friendship Heights *	76,918
Gaithersburg	642,375
Garrett Park	30,127
Glen Echo	13,142
Kensington	95,439
Laytonsville	8,223
Martin's Addition	16,985
North Chevy Chase	15,140
Oakmont *	2,075
Poolesville	125,348
Rockville	1,416,161

Municipality	Tax Rebate Amount
Somerset	32,586
Takoma Park	1,723,834
Washington Grove	22,441
Total	**$4,433,059**

* denotes a special taxing district

Prince George's County

County law requires the municipalities to develop service recognition values based on the degree to which certain county services are provided by the municipality. These values are reduced by the municipal share of the local income surtax before being converted to a property tax rate equivalent. Services provided by the municipalities include police and fire services, public works, property and animal control standards, community development, and aging/social services. The county also provides tax rebates to reimburse its municipalities for tipping fees and tipping code enforcement.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount	Tax Rebate Amount	Total Amount
Berwyn Heights	$0.141	$0.352	$300,155	$8,231	$308,386
Bladensburg	0.150	0.374	432,246	22,486	454,732
Bowie	0.024	0.061	802,986	130,259	933,245
Brentwood	0.023	0.058	26,378	8,379	34,757
Capitol Heights	0.113	0.282	202,601	10,723	213,324
Cheverly	0.138	0.344	604,205	16,795	621,000
College Park	0.028	0.070	389,285	66,125	455,410
Colmar Manor	0.030	0.075	18,024	3,483	21,507
Cottage City	0.130	0.326	82,177	3,446	85,623
District Heights	0.140	0.349	318,013	18,713	336,726

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount	Tax Rebate Amount	Total Amount
Eagle Harbor	0.024	0.059	945	143	1,088
Edmonston	0.137	0.342	144,020	3,343	147,363
Fairmount Heights	0.036	0.089	21,116	3,908	25,024
Forest Heights	0.093	0.233	102,454	7,997	110,451
Glenarden	0.126	0.316	280,213	16,371	296,584
Greenbelt	0.150	0.374	2,124,262	57,333	2,181,595
Hyattsville	0.148	0.371	1,192,981	38,659	1,231,640
Landover Hills	0.141	0.353	87,606	5,644	93,250
Laurel	0.163	0.407	2,293,938	54,514	2,348,452
Morningside	0.129	0.322	88,719	3,427	92,146
Mount Rainier	0.152	0.379	309,902	22,179	332,081
New Carrollton	0.024	0.061	107,542	33,467	141,009
North Brentwood	0.018	0.045	5,400	1,428	6,828
Riverdale Park	0.150	0.375	493,486	17,335	510,821
Seat Pleasant	0.133	0.332	248,662	14,943	263,605
University Park	0.140	0.350	256,228	6,254	262,482
Upper Marlboro	0.076	0.189	83,432	2,077	85,509
Total			**$11,016,976**	**$577,662**	**$11,594,638**

Queen Anne's County

Queen Anne's County did not provide tax rebates to its municipalities in fiscal 2002.

St. Mary's County

St. Mary's County provided a tax rebate in the amount of $44,558 to the Town of Leonardtown in fiscal 2002. The rebate is based on the assesed value of county-owned tax exempt property within the town's corporate limits and the amount of property taxes due for those properties.

Municipality	Tax Rebate Amount
Leonardtown	$44,558

Somerset County

In fiscal 2002, Somerset County decided that a tax differential or tax rebate would not be implemented for its municipalities: Town of Princess Anne and the City of Crisfield.

Talbot County

In fiscal 2002, Talbot County provided a tax rate differential to five of its municipalities for performing governmental services in the areas of planning and zoning, police protection, building code enforcement, and parks and recreation. Talbot County does not provide a tax differential for personal property.

Municipality	Real Property Tax Rate Differential	Personal Property Tax Rate Differential	Differential Amount
Easton	$0.025	$0.06	$282,916
Oxford	0.012	0.03	20,370
Queen Anne	0.006	0.015	504
St. Michael's	0.012	0.03	18,540
Trappe	0.006	0.015	2,548
Total			**$324,878**

Washington County

Washington County provided a tax rebate to its municipalities for providing police protection and road and park maintenance. The rebate is based on the municipality's assessable base, net taxable income, and population in relation to the county's.

Municipality	Tax Rebate Amount
Boonsboro	$63,095
Clear Spring	2,000
Funkstown	5,277
Hagerstown	820,663
Hancock	38,829
Keedysville	2,589
Sharpsburg	3,709
Smithsburg	48,306
Williamsport	42,049
Total	**$1,026,517**

Wicomico County

In fiscal 2002, Wicomico County decided that a tax differential or tax rebate would not be implemented for its eight municipalities.

Worcester County

In fiscal 2002, Worcester County did not provide tax rebates to its four municipalities.