

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

May 5, 2008

CALL TO PODIUM:

Harold Belton

RESPONSIBLE STAFF:

Harold Belton, Director
Finance and Administration

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
X	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	04/21/08
Advertised	04/16/08
Hearing Date	05/05/08
Record Held Open	05/28/08
Policy Discussion	

TITLE:
Public Hearing on Constant Yield Tax Rate and Proposed Property Tax Increase for the City of Gaithersburg for FY 2009

SUPPORTING BACKGROUND:
<p>Pursuant to State law, local governments are required to hold a public hearing if maintaining the current property tax rate will result in increased revenues. If we maintain the \$.212 per \$100 of assessed value property tax rate, our property tax revenues will increase by 11 percent.</p> <p>To collect the same amount of property tax revenue as last year, the City would need to reduce our tax rate to \$.191 (the constant yield rate) per \$100 of assessed value; however, the City is proposing a tax rate of \$.212.</p> <p>This hearing was introduced on April 21, 2008 and advertised according to State law on April 16, 2008.</p> <p>After any interested party has testified, the Mayor and City Council should vote to hold the record open until May 28, 2008, 5 p.m. The Mayor should notify the public that the proposed tax rate of \$.212 Per \$100 of assessed value will be voted on during the Mayor and Council meeting of June 2, 2008.</p>

DESIRED OUTCOME:
Conduct the public hearing and make a motion to hold the record open until the close of business on Wednesday, May 28, 2008, 5 p.m.

**CITY OF GAITHERSBURG NOTICE
OF A PROPOSED
REAL PROPERTY TAX INCREASE**

The Mayor and City Council of the City of Gaithersburg proposes to increase real property taxes.

1. For the tax year beginning July 1, 2008, the estimated real property assessable base will increase by 11.0%, from \$7,919,058,596 to \$8,793,576,905.

2. If the City of Gaithersburg maintains the current tax rate of \$0.212 per \$100 of assessment, real property tax revenues will increase by 11.0%, resulting in \$1,853,979 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 \$0.191, the constant yield tax rate.

4. The City is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City proposes to adopt a real property tax rate of \$0.212 per \$100 of assessment. This tax rate is 11.0% higher than the constant yield tax rate and will generate \$1,853,979 in additional property tax revenues.

A public hearing on the proposed real property tax increase will be held at 7:30 p.m., May 5, 2008, at City Hall, 31 South Summit Avenue, Gaithersburg, Maryland 20877.

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call 301-258-6310 for further information.