

Mayor and City Council Agenda Item Request

Meeting Date: 3/21/2016

Type: Other

Call to Podium:

Stephanie M. Walker, Director of Finance & Administration

Agenda Item Title:

Notification of a Public Hearing to Establish a Constant Yield Tax Rate for the City of Gaithersburg for Tax Year Beginning July 1, 2016 (Fiscal Year 2017)

Responsible Staff and Department:

Stephanie M. Walker, Director of Finance and Administration

Desired Outcome from Council:

Make Announcement that the Public Hearing for the Constant Yield Tax will be held April 18, 2016.

| Public Hearing History | |
|----------------------------|-----------|
| Introduction Date: | 3/21/2016 |
| Advertisement Date : | 3/31/2016 |
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| | |
| Public Hearing Date: | 4/18/2016 |
| Record Held Open Date: | |
| Policy Discussion Date: | |
| Anticipated Adoption Date: | |

SUPPORTING BACKGROUND ON NEXT PAGE

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Supporting Background Information:

In order to comply with state law, a public hearing is required if the tax rate proposed for the fiscal year exceeds the Constant Yield Tax Rate.

In accordance with state law, as the City's assessable tax base increases, causing the amount of revenue from year to year to increase, the City must hold a public hearing to inform citizens of that increase. As projected by the State Department of Assessments and Taxation, the City's assessable base will increase by 2.0 percent in FY 2017. As the City's assessments increase, the tax rate needed to generate the amount of revenue for the prior year decreases. This Constant Yield Tax Rate would ensure that the City's tax revenue would remain flat from FY 2016 to 2017.

The City of Gaithersburg is proposing a tax rate of \$.2620 which will exceed the \$.2568 Constant Yield Tax Rate, therefore requiring a public hearing. This tax rate is the same rate as used in FY16.

Attached is a copy of the publication that will be made in regards to this requirement.