

Real Estate's Contributions to Public Education in Maryland



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Sage Policy Group, Inc.
Submitted to: Maryland REALTORS®

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Executive Summary

Maryland REALTORS® tasked Sage Policy Group, Inc. (Sage) with estimating the extent to which real estate-related taxes support pre-k-12 public education spending in Maryland. There are a number of sources of revenues that inure to local governments and to public school systems traceable to real estate, including most prominently property taxes (real and personal). In addition to these sources of local government revenue are transfer and recordation taxes as well as developer impact fees. This report finds that:

- Across all 24 major jurisdictions, total local government appropriations for Maryland public schools stood at just under \$8 billion in FY2018, while real estate's fiscal contributions to these local governments totaled \$9.4 billion;
- Support for public education and other public services financed by real estate has been on the rise in recent years. Between FY2010 and FY2018, total real estate-related tax/fee revenues inuring to Maryland's local governments rose 30 percent, which represents an annual rate of increase of 3.4 percent;
- In FY2018, local real estate tax collections represented approximately 58 percent of total public school revenues and nearly 120 percent of total local appropriations to public schools statewide;
- In 22 of Maryland's 24 jurisdictions, real estate-generated tax and fee revenues finance the equivalent of more than 100 percent of local government contributions to local public school systems;
- The clearest example of this is in Baltimore City, where real estate-related tax and fee revenues finance the equivalent of 338 percent of the City's contributions to the Baltimore City Public School System.

Conclusion

Local real estate-related tax/fee revenues finance the equivalent of more than 100 percent of total local contributions to pre-k-12 public education. This means that these revenues have the capacity to finance all local contributions with some level of revenue left over to finance other social needs, whether affordable housing, public health, transit, parks, or firefighters.

While it is true that some real estate-related revenues do not directly enter local government general funds, money is fungible. Therefore, a dollar of impact fee revenue that helps finance infrastructure ultimately frees up another dollar to finance public education. Revenues from real estate will become even more important as State policymakers consider how to finance much-needed improvement in student outcomes. Accordingly, policies that benefit real estate activity and valuations will also help support much-needed reform.

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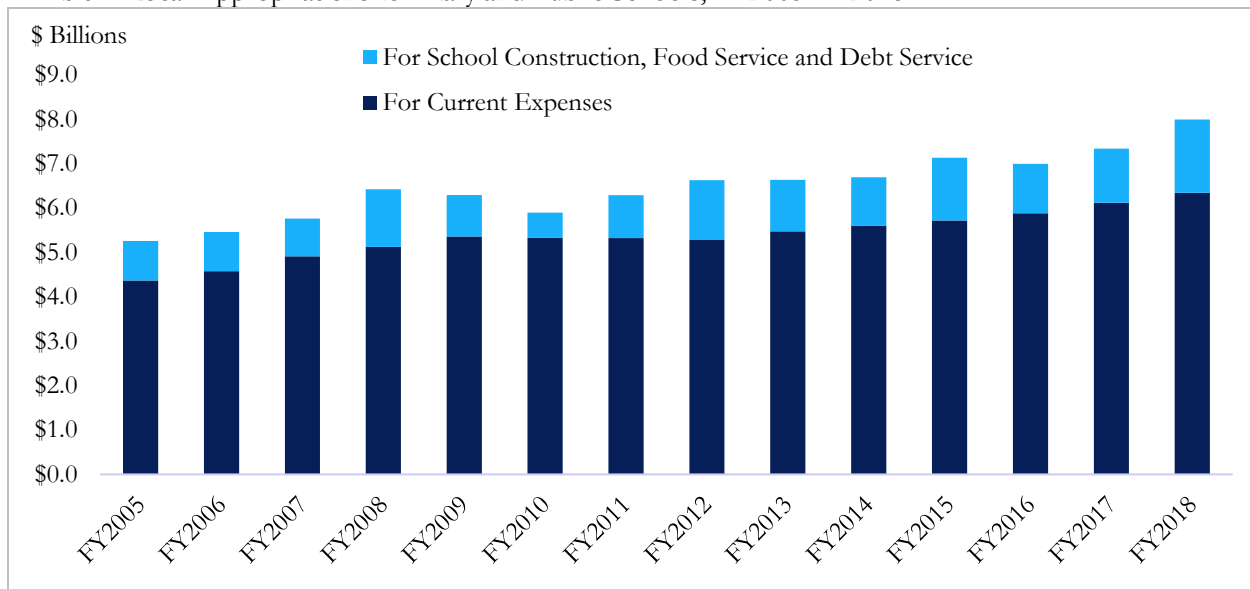
Introduction

Maryland REALTORS® tasked Sage Policy Group, Inc. (Sage) with estimating the extent to which real estate-related taxes support pre-k-12 public education spending in Maryland. There are a number of sources of revenues that inure to local governments and to public school systems traceable to real estate, including most prominently property taxes. In addition to this are transfer and recordation taxes, and developer impact fees. Spending on public education often represents the majority of local government budgets. Therefore, any form of commerce that delivers revenues to local governments also supplies resources to public schools.

Local Public Education Funding in Maryland

Local appropriations for Maryland public schools totaled just under \$8 billion across all counties in FY2018. Approximately 80 percent of local appropriations are for public schools' current public expenses. The remaining 20 percent are for school construction, food service, and debt service.

Exhibit 1. Local Appropriations for Maryland Public Schools, FY2005-FY2018



Source: Maryland State Department of Education, Selected Financial Data.

Maryland has a system of shared State and local financial responsibility for funding education. One of the principles guiding funding of education in Maryland is equity — that each student should have a similar opportunity to meet educational performance standards regardless of where they live or their socioeconomic status.

Accordingly, to achieve funding equity, educational opportunities should not and cannot depend on local capacity to raise revenues, the primary sources of which are property and income taxes. To compensate for substantial differences in tax receipts per capita, a significant portion of State education aid is distributed inversely to local wealth as measured by net taxable income and assessable property tax base. The implication is straightforward. Less wealthy school systems

receive more State aid per pupil than wealthier systems. Maintenance of effort requirements ensure that counties do not reduce their support for public schools, however, including jurisdictions with relatively smaller tax bases on a per capita basis.¹

Despite substantial contributions from the State of Maryland, counties still provide a significant share of funding for public education. According to the Department of Legislative Services, nearly 48 percent of per pupil revenues came from local sources in FY2019 on average. Another approximately 48 percent of per pupil revenues came from State funds and 4.5 percent came from federal funding. Exhibit 2 supplies relevant statistical detail. The highest local share of public school system revenues emerged from Worcester County at nearly 74 percent – the lowest from Caroline County at a bit more than 18 percent. Exhibit A1 in the Appendix supplies additional detail regarding revenue sources on a per pupil basis.

Exhibit 2. Per Pupil Revenues & Funding Sources for Maryland Public Schools by County, FY2019

County	Per Pupil Revenues	Funding Source (% of Total)		
		Federal	State	Local
Allegany	\$16,148	7.2%	69.1%	23.6%
Anne Arundel	\$14,341	3.6%	36.9%	59.5%
Baltimore City	\$17,493	8.5%	69.9%	21.7%
Baltimore	\$15,231	5.1%	45.6%	49.2%
Calvert	\$14,912	4.0%	41.1%	54.9%
Caroline	\$14,852	6.8%	74.9%	18.4%
Carroll	\$14,519	3.1%	42.1%	54.8%
Cecil	\$14,537	4.6%	56.6%	38.9%
Charles	\$15,255	3.3%	51.0%	45.7%
Dorchester	\$15,835	6.6%	65.8%	27.6%
Frederick	\$13,970	3.8%	48.3%	48.0%
Garrett	\$15,180	5.6%	45.0%	49.5%
Harford	\$13,776	4.0%	46.9%	49.1%
Howard	\$16,630	2.4%	33.2%	64.4%
Kent	\$17,239	6.0%	37.8%	56.2%
Montgomery	\$16,859	2.9%	32.7%	64.5%
Prince George's	\$16,664	4.7%	58.8%	36.5%
Queen Anne's	\$13,970	4.6%	39.8%	55.6%
St. Mary's	\$14,390	8.3%	49.0%	42.8%
Somerset	\$18,353	9.8%	69.9%	20.4%
Talbot	\$14,066	5.5%	28.5%	66.0%
Washington	\$14,289	5.3%	62.8%	31.9%
Wicomico	\$14,882	7.0%	72.0%	21.1%
Worcester	\$18,472	4.0%	22.3%	73.7%
Total	\$15,848	4.5%	47.6%	47.9%

Source: Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019.

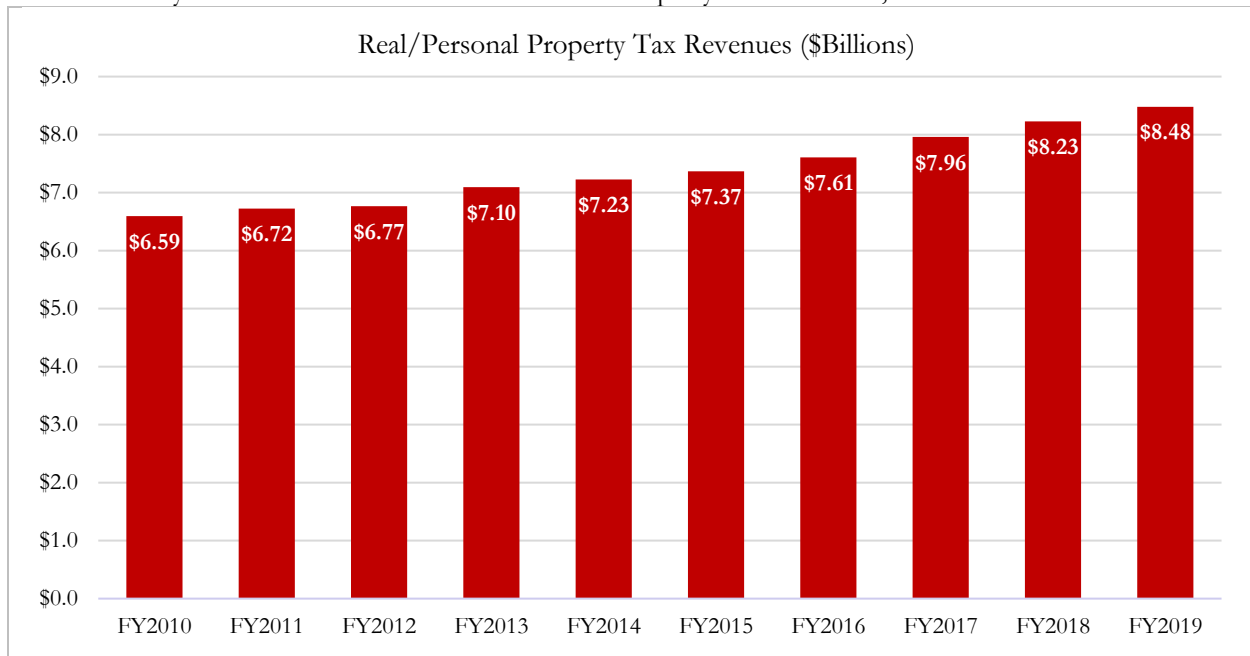
¹ "Overview of Education Funding in Maryland", Presentation to the House Ways and Means Committee Education Subcommittee. Department of Legislative Services, Office of Policy Analysis, January 23, 2018.

Real Estate's Support for Public Education Funding

- Types of Real Estate Taxes Supporting Public Education

As indicated in Exhibit 3, Maryland counties' local real and personal property tax revenues totaled nearly \$8.5 billion in FY2019, which means that these streams of revenue generated more money by themselves than the total level of local government contributions to prek-12 public education in Maryland. On average, real/personal property taxes represent a bit more than 50 percent of counties' total general fund revenues.

Exhibit 3. Maryland Counties' Local Real & Personal Property Tax Revenues, FY2010-FY2019



Source: Maryland Department of Legislative Services (DLS). "County Revenue Outlook" reports.

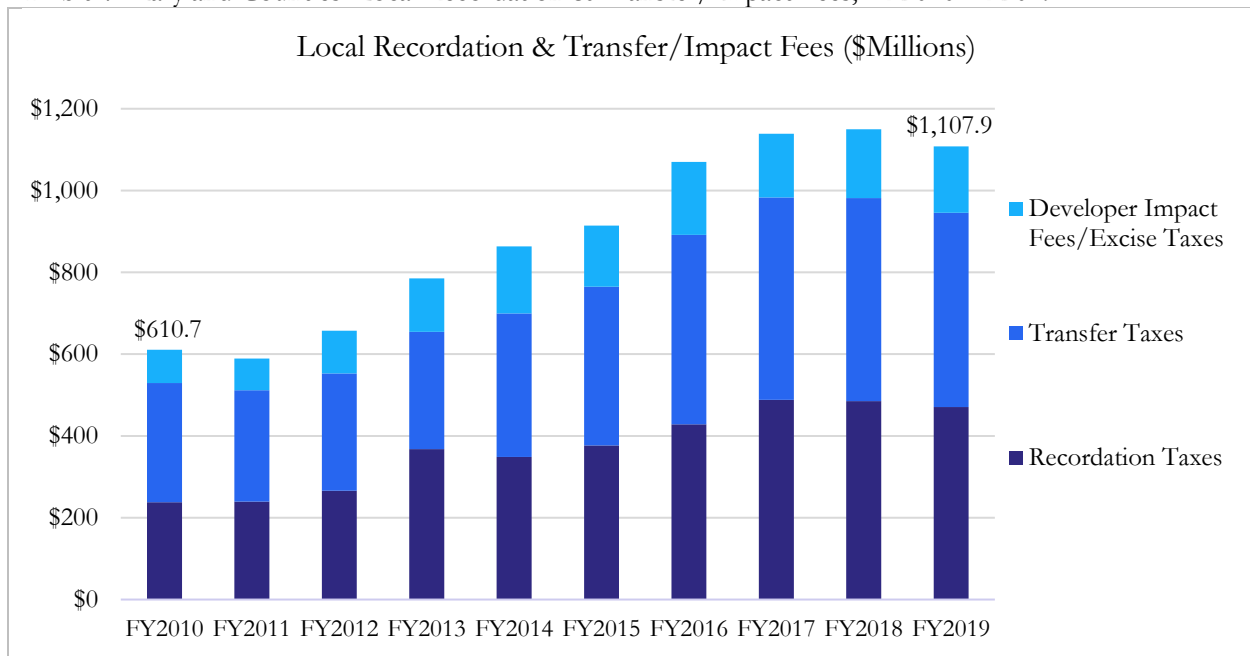
Other local real estate related taxes, including recordation and transfer taxes and development impact fees and excise taxes, collectively totaled a bit more than \$1 billion in FY2019. That total is almost twice the amount of local government revenues from these sources in FY2010. There are a number of reasons for this surge in local government revenues attributable to the other real estate-derived sources, including the rise in transactional volume that generally accompanies economic expansion cycles.

Real estate-related revenue has generally climbed faster than revenue from other sources. In FY2010, revenues from real estate-related taxes/fees such as recordation and transfer taxes, impact fees, and excise taxes represented about 5 percent of local governments' total general fund revenues. That share reached 7.5 percent in FY2019. Exhibit 4 displays Maryland counties' revenues (including Baltimore City) from local recordation taxes, transfer taxes, and development impact fees/excise taxes from FY2010 to FY2019.

The study team is well aware that not all of these real estate-related revenues end up in the general funds of local governments. This discussion is merely intended to help stakeholders understand the relative magnitudes of revenues that real estate generates on an ongoing basis vis-à-vis public school outlays.

As a practical matter, impact fee revenues often do not enter general funds and are frequently set aside to finance infrastructure needs (including school construction) often created by the delivery of new development. For example, in Howard County, while recordation taxes translate into general fund revenues, transfer tax revenues are dedicated to the County’s capital budget plan.² However, to the extent that these impact fee-generated revenues are available to finance infrastructure, this frees up a dollar from a different source to be invested in some other initiative, including public education (at least theoretically). One could simply exclude impact fee revenues from the computations supplied in this report along with other revenues that are not directed to general funds, but to do so would be to understate real estate’s contributions to meeting societal needs.

Exhibit 4. Maryland Counties’ Local Recordation & Transfer/Impact Fees, FY2010-FY2019



Source: Maryland Department of Legislative Services (DLS). “Overview of Maryland Local Governments, Finances and Demographic Information” reports.

² Howard County Spending Affordability Advisory Committee Report for Fiscal Year 2020.

- [Assessing the Extent to which Real Estate Taxes Finance Public Education](#)

While a large portion of real estate taxes may support public schools, these revenues are of course not dedicated solely to public schools. Local appropriations to public schools may come from a variety of general fund revenue sources, such as income taxes and other local revenue sources such as parking fees.

But revenues are fungible. Theoretically, a tax dollar generated via real estate transactions or property tax collections that is spent on public safety, parks, roads, or some other public need frees up a dollar from another source that can be spent on education. In other words, trying to figure out which real estate-derived dollars are used to fund education and which are used for other purposes is impossible. It results in circular reasoning that has the potential to drive one mad.

Accordingly, as noted above, Sage analysts have striven to supply readers with an understanding of the magnitude of real estate-related tax and fee collections relative to local contributions to public schools and total public school budgets. Relevant computations are presented on the pages below.

Exhibit 5. Total Local Real Estate Tax Revenues by County, FY2010 v. FY2018

County	Local RE Taxes (\$M)		FY 2010 v. FY2018	
	FY2010	FY2018	Net Change	CAGR (%)
Allegany	\$41.4	\$42.9	\$1.5	0.4%
Anne Arundel	\$603.9	\$847.4	\$243.4	4.3%
Baltimore City	\$784.0	\$967.6	\$183.5	2.7%
Baltimore	\$870.2	\$1,056.2	\$186.0	2.5%
Calvert	\$143.3	\$184.6	\$41.2	3.2%
Caroline	\$25.0	\$28.2	\$3.2	1.5%
Carroll	\$212.0	\$221.7	\$9.7	0.6%
Cecil	\$105.9	\$119.9	\$14.0	1.6%
Charles	\$205.0	\$258.1	\$53.1	2.9%
Dorchester	\$32.3	\$32.7	\$0.4	0.2%
Frederick	\$309.5	\$349.4	\$39.8	1.5%
Garrett	\$46.8	\$51.8	\$5.0	1.3%
Harford	\$275.2	\$331.5	\$56.3	2.4%
Howard	\$541.4	\$747.8	\$206.4	4.1%
Kent	\$28.9	\$32.0	\$3.1	1.3%
Montgomery	\$1,584.8	\$2,087.1	\$502.3	3.5%
Prince George's	\$839.2	\$1,418.3	\$579.1	6.8%
Queen Anne's	\$63.0	\$74.2	\$11.3	2.1%
St. Mary's	\$106.1	\$121.4	\$15.3	1.7%
Somerset	\$16.3	\$16.0	-\$0.3	-0.2%
Talbot	\$34.7	\$49.3	\$14.6	4.5%
Washington	\$135.6	\$132.7	-\$2.9	-0.3%
Wicomico	\$63.3	\$66.3	\$3.0	0.6%
Worcester	\$136.5	\$142.2	\$5.7	0.5%
Total	\$7,204.3	\$9,379.1	\$2,174.8	3.4%

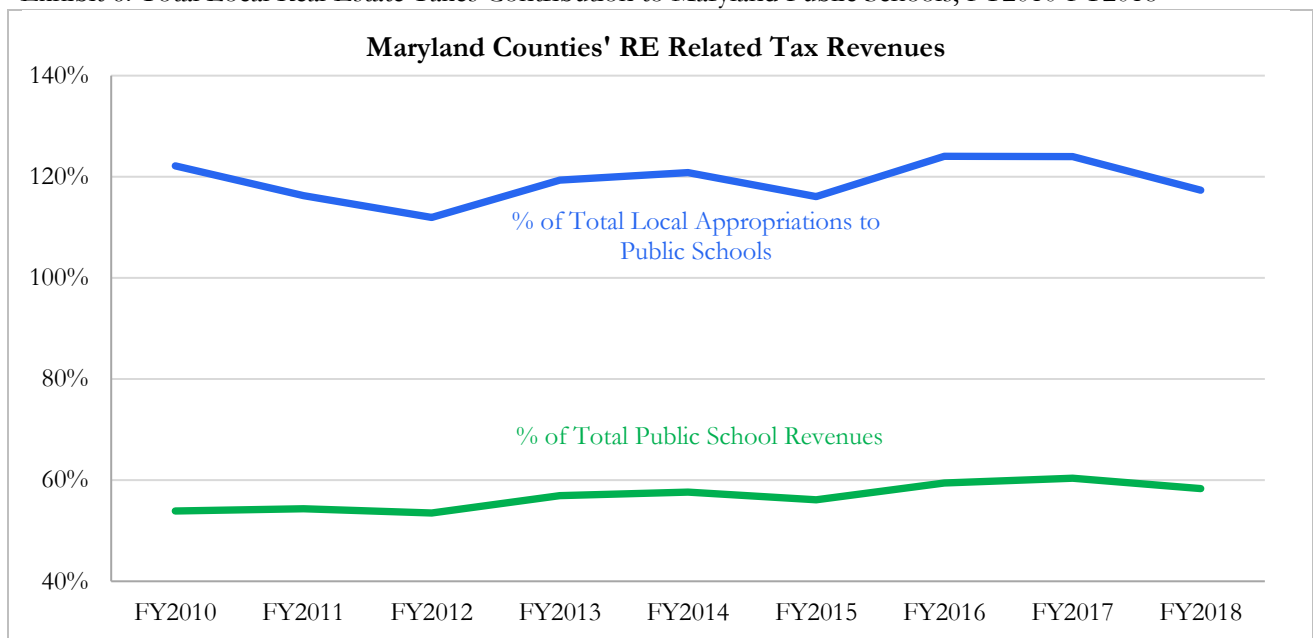
Source: Sage; Maryland Department of Legislative Services; Maryland Public Schools.

Notes: 1. Dollar values in millions. 2. Total real estate related taxes include real/personal property taxes, recordation taxes, transfer taxes, and development impact fees/excise taxes.

In total, all local real estate related taxes supplied \$9.4 billion in revenues in FY2018, up from \$7.2 billion in FY2010, an increase in the range of 30 percent. Exhibit 5 details total local real estate related tax revenues by county/city in FY2010 and FY2018, respectively. Across Maryland, these tax revenues grew at an average annual rate of 3.4 percent from FY2010 to FY2018. Much of the fastest growth took place in a geographically contiguous area that encompasses Montgomery, Prince George’s, Howard, Anne Arundel, and Calvert counties. Exhibit A2 in the Appendix breaks out real/personal property taxes versus other local real estate taxes by county.

Exhibit 6 presents local real estate related tax revenues (aggregated across all 24 major Maryland jurisdictions) in relationship to public school revenues and local appropriations to public schools from FY2010 to FY2018. Local real estate taxes represented **approximately 58 percent** of total public school revenues statewide in FY2018, though that share varies substantially by county. In Wicomico County, real estate-related revenues equate to 25 percent of the total local school system’s budget. However, in neighboring Worcester County, the corresponding proportion is 115 percent, in large measure because of the large population of second homes – homes that are associated with sizeable tax payments, but not a supply of public school students (see Exhibit 7).

Exhibit 6. Total Local Real Estate Taxes Contribution to Maryland Public Schools, FY2010-FY2018



Source: Sage; Maryland Department of Legislative Services; Maryland Public Schools. Notes: Maryland public schools’ revenues for Current Expenses, School Construction, Food Service and Debt Service/local appropriations for Current Expenses, School Construction, Food Service and Debt Service.

Local real estate tax revenues represented nearly 120 percent of total local appropriations to public schools in the same year. In other words, local real estate-related revenues in Maryland finance more than 100 percent of total local contributions to prek-12 public education. This means that these revenues have the capacity to finance all local contributions with some level of revenue left over to finance other social needs, whether affordable housing, public health, transit, parks, or firefighters.

There are only two major jurisdictions in which real estate-related tax revenues do not cover more than 100 percent of the total contributions of local governments to local school systems, Montgomery (87%) and Frederick (91%) counties. In Baltimore City, these revenues equate to an astonishing 338 percent of local government’s contribution to the local school system.

In short, the better the performance of real estate in terms of valuation and transactional volume, the better circumstances are for school children. This becomes especially important in light of ongoing efforts to expand funding for public education to vastly improve student outcomes.

Exhibit 7. Total Local Real Estate Taxes Contribution to Public Schools by County, FY2018

County	Local RE Related Tax Revenues as a Share of	
	Total Local Appropriations to Public Schools	Total Public School Revenues
Allegany	107.2%	26.8%
Anne Arundel	106.2%	59.3%
Baltimore City	337.9%	63.0%
Baltimore	104.7%	53.6%
Calvert	127.8%	67.6%
Caroline	198.2%	32.4%
Carroll	107.7%	58.1%
Cecil	133.4%	49.5%
Charles	119.1%	56.6%
Dorchester	113.5%	33.8%
Frederick	90.8%	48.1%
Garrett	185.7%	87.4%
Harford	114.9%	56.8%
Howard	111.9%	73.1%
Kent	186.0%	102.2%
Montgomery	87.3%	60.6%
Prince George’s	155.8%	59.9%
Queen Anne’s	122.7%	67.1%
St. Mary’s	109.8%	47.0%
Somerset	144.5%	25.7%
Talbot	114.8%	73.7%
Washington	125.5%	40.3%
Wicomico	119.8%	25.0%
Worcester	162.5%	114.9%
Total	117.3%	58.3%

Source: Sage; Maryland Department of Legislative Services; Maryland Public Schools.

Notes: 1. Total real estate related taxes include real/personal property taxes, recordation taxes, transfer taxes, and development impact fees/excise taxes. 2. Maryland public schools’ revenues for Current Expenses, School Construction, Food Service and Debt Service/local appropriations for Current Expenses, School Construction, Food Service and Debt Service.

- **Another Consideration: Constant Yield Property Tax Rates**

The Maryland General Assembly passed legislation in 1977 requiring county governments to hold public hearings regarding proposals to adopt a property tax rate exceeding the constant yield rate. The constant yield property tax rate is the rate that, when applied to the current assessable base, yields the same amount of property tax revenues as during the prior year.³

When the assessable base grows, counties may be able to generate additional property tax revenues while reducing their property tax rates. That can still result in an overall property tax increase for homeowners even though the tax rate has been reduced. Generally, if the assessable base is increasing, the constant yield rate stands below the current tax rate.⁴

In FY2019, nineteen jurisdictions had property tax rates set above the constant yield rate. Three counties had property tax rates set below the constant yield rate and two counties had rates equal to the constant yield rate. Exhibit 8 below displays the property tax rate compared to the constant yield rate for each major Maryland jurisdiction in FY2019. Exhibit A3 in the Appendix provides a more detailed comparison of actual property tax rates and constant yield rates by county in FY2019.

Exhibit 8. FY2019 Property Tax Rates, Amount in Excess of Constant Yield-Ranking by Highest to Lowest

Rank	County	Difference From Constant Yield Rate	Rank	County	Difference From Constant Yield Rate
1	Prince George's	\$0.040	13	Anne Arundel	\$0.009
2	Talbot	\$0.032	14	Worcester	\$0.008
3	Frederick	\$0.025	15	Harford	\$0.008
4	Charles	\$0.023	16	Washington	\$0.007
5	Baltimore County	\$0.021	17	Dorchester	\$0.005
6	Howard	\$0.019	18	Allegany	\$0.005
7	Carroll	\$0.018	19	St. Mary's	\$0.003
8	Wicomico	\$0.016	20	Garrett	\$0.000
9	Baltimore City	\$0.014	21	Kent	\$0.000
10	Queen Anne's	\$0.013	22	Somerset	-\$0.006
11	Cecil	\$0.012	23	Calvert	-\$0.006
12	Caroline	\$0.010	24	Montgomery	-\$0.009

Source: Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019.

In FY2019, the revenue yield from counties setting property tax rates above the constant yield is estimated at \$94.5 million and the potential revenue forgone due to counties setting rates below the constant yield rate is approximately \$18.4 million. Exhibit 9 presents the collective revenue

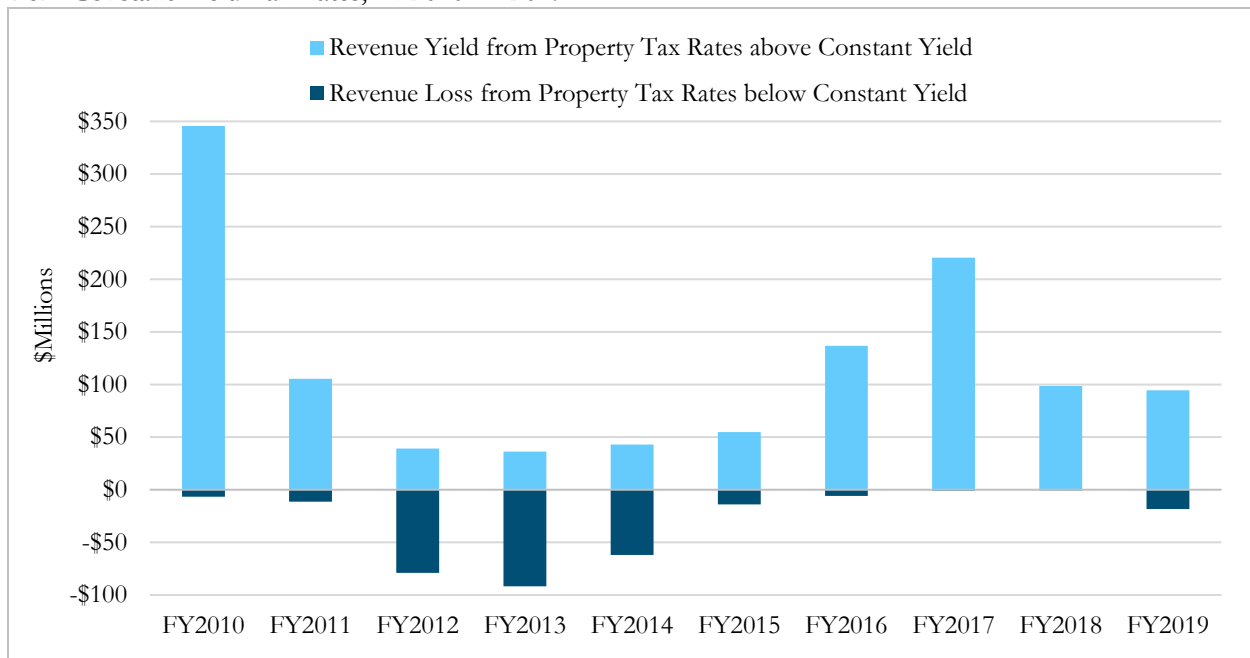
³ New construction and annexed land are not included in the calculation of the constant yield rate.

⁴ Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019.

yield/loss due to counties setting property tax rates above/below constant yield rates from FY2010 to FY2019. The Appendix includes a table detailing revenue yield/loss from property tax rates different from constant yield rates by Maryland county in FY2019 (Exhibit A4).

These data may be important for policymakers considering the optimal property tax rate. Sage researchers are agnostic on this issue. Optimal tax rates are not an element of inquiry in this analysis. However, as this report has demonstrated, the better the performance of real estate, the better circumstances are for public school students. Based on that, policymakers may want to consider how substantially the optimal tax rate is likely to deviate from the constant yield tax rate. Higher tax rates may easily translate into less rapid appreciation of property values. They may also translate into less construction, which ultimately translates into diminished tax/fee collections and less money available to finance public education.

Exhibit 9. Maryland Counties’ Real & Personal Property Tax Yield/Loss from Property Tax Rates Different from Constant Yield Tax Rates, FY2010-FY2019



Source: Maryland Department of Legislative Services (DLS). “Overview of Maryland Local Governments, Finances and Demographic Information” reports.

Conclusion

Local real estate-related tax/fee revenues finance the equivalent of more than 100 percent of total local contributions to pre-k-12 public education. This means that these revenues have the capacity to finance all local contributions with some level of revenue left over to finance other social needs, whether affordable housing, public health, transit, parks, or firefighters. Ongoing growth in these revenues will be critical during the years ahead as Maryland’s policymakers search for resources to finance much-needed educational reform.

Appendix

Exhibit A1. Per Pupil Revenues for Maryland Public Schools by County and Funding Source, FY2019

County	Federal	State	Local	Misc.	Total
Allegany	\$1,165	\$11,165	\$3,770	\$49	\$16,148
Anne Arundel	\$520	\$5,290	\$8,482	\$49	\$14,341
Baltimore City	\$1,482	\$12,223	\$3,703	\$85	\$17,493
Baltimore	\$780	\$6,951	\$7,426	\$73	\$15,231
Calvert	\$602	\$6,129	\$8,153	\$28	\$14,912
Caroline	\$1,005	\$11,118	\$2,617	\$112	\$14,852
Carroll	\$444	\$6,118	\$7,749	\$208	\$14,519
Cecil	\$666	\$8,223	\$5,616	\$32	\$14,537
Charles	\$504	\$7,776	\$6,921	\$54	\$15,255
Dorchester	\$1,048	\$10,417	\$4,232	\$138	\$15,835
Frederick	\$525	\$6,744	\$6,571	\$130	\$13,970
Garrett	\$844	\$6,825	\$7,496	\$15	\$15,180
Harford	\$551	\$6,465	\$6,666	\$94	\$13,776
Howard	\$393	\$5,524	\$10,603	\$110	\$16,630
Kent	\$1,032	\$6,524	\$9,572	\$111	\$17,239
Montgomery	\$481	\$5,507	\$10,807	\$64	\$16,859
Prince George's	\$784	\$9,792	\$5,982	\$106	\$16,664
Queen Anne's	\$647	\$5,559	\$7,584	\$181	\$13,970
St. Mary's	\$1,188	\$7,046	\$6,092	\$64	\$14,390
Somerset	\$1,795	\$12,822	\$3,618	\$118	\$18,353
Talbot	\$775	\$4,010	\$9,251	\$29	\$14,066
Washington	\$759	\$8,970	\$4,518	\$43	\$14,289
Wicomico	\$1,035	\$10,713	\$2,963	\$170	\$14,882
Worcester	\$739	\$4,122	\$13,528	\$84	\$18,472
Total	\$713	\$7,543	\$7,507	\$85	\$15,848

Source: Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019.

Exhibit A2. Total Local Real Estate Related Tax Revenues by County, FY2010 v. FY2018

County	FY2010 (\$M)			FY2018 (\$M)		
	Real/Personal Property Taxes	Other RE Taxes	Total RE Taxes	Real/Personal Property Taxes	Other RE Taxes	Total RE Taxes
Allegany	\$39.7	\$1.7	\$41.4	\$41.2	\$1.7	\$42.9
Anne Arundel	\$537.7	\$66.2	\$603.9	\$726.1	\$121.3	\$847.4
Baltimore City	\$737.1	\$47.0	\$784.0	\$874.5	\$93.1	\$967.6
Baltimore	\$809.2	\$61.0	\$870.2	\$946.6	\$109.6	\$1,056.2
Calvert	\$134.0	\$9.4	\$143.3	\$174.0	\$10.5	\$184.6
Caroline	\$23.2	\$1.7	\$25.0	\$25.4	\$2.8	\$28.2
Carroll	\$201.5	\$10.5	\$212.0	\$207.1	\$14.7	\$221.7
Cecil	\$101.5	\$4.4	\$105.9	\$113.0	\$6.9	\$119.9
Charles	\$190.1	\$14.9	\$205.0	\$231.0	\$27.1	\$258.1
Dorchester	\$29.0	\$3.3	\$32.3	\$29.6	\$3.1	\$32.7
Frederick	\$288.8	\$20.8	\$309.5	\$301.8	\$47.5	\$349.4
Garrett	\$43.6	\$3.2	\$46.8	\$48.7	\$3.1	\$51.8
Harford	\$250.4	\$24.8	\$275.2	\$300.5	\$31.0	\$331.5
Howard	\$493.3	\$48.1	\$541.4	\$679.6	\$68.2	\$747.8
Kent	\$27.4	\$1.5	\$28.9	\$30.2	\$1.8	\$32.0
Montgomery	\$1,447.4	\$137.3	\$1,584.8	\$1,766.8	\$320.3	\$2,087.1
Prince George's	\$725.5	\$113.7	\$839.2	\$1,185.2	\$233.1	\$1,418.3
Queen Anne's	\$59.2	\$3.7	\$63.0	\$65.8	\$8.4	\$74.2
St. Mary's	\$94.3	\$11.8	\$106.1	\$108.3	\$13.1	\$121.4
Somerset	\$15.8	\$0.6	\$16.3	\$15.6	\$0.5	\$16.0
Talbot	\$28.3	\$6.3	\$34.7	\$38.6	\$10.7	\$49.3
Washington	\$129.2	\$6.4	\$135.6	\$123.6	\$9.1	\$132.7
Wicomico	\$60.2	\$3.1	\$63.3	\$62.9	\$3.4	\$66.3
Worcester	\$127.0	\$9.5	\$136.5	\$132.9	\$9.3	\$142.2
Total	\$6,593.5	\$610.8	\$7,204.3	\$8,229.1	\$1,149.9	\$9,379.1

Source: Sage; Maryland Department of Legislative Services. Notes: 1. Dollar values in millions. 2. Other local real estate taxes include recordation taxes, transfer taxes, and development impact fees/excise taxes.

Exhibit A3. Property Tax Rates Compared to Constant Yield Rate by County, FY2019

County	FY2019 Actual Rate	Constant Yield Rate	Difference
Allegany	\$0.980	\$0.970	\$0.010
Anne Arundel	\$0.902	\$0.893	\$0.009
Baltimore City	\$2.248	\$2.234	\$0.014
Baltimore	\$1.100	\$1.079	\$0.021
Calvert	\$0.937	\$0.943	-\$0.006
Caroline	\$0.980	\$0.970	\$0.010
Carroll	\$1.018	\$1.000	\$0.018
Cecil	\$1.041	\$1.030	\$0.012
Charles*	\$1.205	\$1.182	\$0.023
Dorchester	\$1.000	\$0.995	\$0.005
Frederick	\$1.060	\$1.035	\$0.025
Garrett	\$0.990	\$0.990	\$0.000
Harford	\$1.042	\$1.034	\$0.008
Howard*	\$1.190	\$1.171	\$0.019
Kent	\$1.022	\$1.022	\$0.000
Montgomery*	\$0.993	\$1.002	-\$0.009
Prince George's*	\$1.374	\$1.337	\$0.037
Queen Anne's	\$0.847	\$0.834	\$0.013
St. Mary's	\$0.848	\$0.844	\$0.003
Somerset	\$1.000	\$1.006	-\$0.006
Talbot	\$0.606	\$0.574	\$0.032
Washington	\$0.948	\$0.941	\$0.007
Wicomico	\$0.940	\$0.924	\$0.016
Worcester	\$0.835	\$0.827	\$0.008

Source: Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019. Notes: *Includes Special Property Tax Rates.

Exhibit A4. Maryland Counties' Real & Personal Property Tax Revenues: Yield/Loss from Property Tax Rates Different from Constant Yield Tax Rates, FY2019

County	Estimated Revenue Yield	Estimated Revenue Loss	Per Capita Yield	Per Capita Loss
Allegany	\$170,000	\$0	\$2.37	\$0.00
Anne Arundel	\$6,482,000	\$0	\$11.31	\$0.00
Baltimore City	\$5,262,000	\$0	\$8.60	\$0.00
Baltimore	\$17,469,000	\$0	\$20.98	\$0.00
Calvert	\$0	-\$743,000	\$0.00	-\$8.12
Caroline	\$242,000	\$0	\$7.29	\$0.00
Carroll	\$3,521,000	\$0	\$20.99	\$0.00
Cecil	\$1,102,000	\$0	\$10.73	\$0.00
Charles*	\$4,002,000	\$0	\$25.06	\$0.00
Dorchester	\$136,000	\$0	\$4.23	\$0.00
Frederick	\$7,339,000	\$0	\$29.12	\$0.00
Garrett	\$0	\$0	\$0.00	\$0.00
Harford	\$2,093,000	\$0	\$8.30	\$0.00
Howard*	\$9,590,000	\$0	\$29.86	\$0.00
Kent	\$0	-\$3,000	\$0.00	-\$0.15
Montgomery*	\$0	-\$17,585,000	\$0.00	-\$16.61
Prince George's*	\$30,148,000	\$0	\$33.03	\$0.00
Queen Anne's	\$1,112,000	\$0	\$22.34	\$0.00
St. Mary's	\$427,000	\$0	\$3.79	\$0.00
Somerset	\$0	-\$82,000	\$0.00	-\$3.16
Talbot	\$2,333,000	\$0	\$62.88	\$0.00
Washington	\$871,000	\$0	\$5.78	\$0.00
Wicomico	\$939,000	\$0	\$9.12	\$0.00
Worcester	\$1,213,000	\$0	\$23.47	\$0.00
Total	\$94,451,000	-\$18,413,000	\$15.61	-\$3.04

Source: Maryland Department of Legislative Services (DLS). "Overview of Maryland Local Governments, Finances and Demographic Information". January 2019. Notes: *Includes Special Property Tax Rates.