

**RESOLUTION NO. 2121**

A RESOLUTION OF THE CITY OF SALISBURY AUTHORIZING THE SUBMITTAL OF A REQUEST TO WICOMICO COUNTY FOR A TAX DIFFERENTIAL

WHEREAS, the General Assembly of the State of Maryland has authorized counties, and the cities located therein, to meet and discuss tax setoffs of county property taxes to recognize that certain tax supported county services are not provided within the incorporated areas of these counties; and

WHEREAS, the City of Salisbury desires to arrange such a discussion with Wicomico County, and

WHEREAS, the City of Council in Resolution No. 1948 on July 26, 2010 accepted the Real Property Tax Differential Study which is the basis for the City to request a tax setoff from Wicomico County, and


WHEREAS, the joint Real Property Tax Differential study, recently undertaken by Wicomico County, the cities of Salisbury, Fruitland, and the Town of Delmar, has determined that the City is entitled to request the County reduce its property tax rate for property within the City limits by \$.082 per \$100 assessed valuation pursuant to Section 6-306 A.1. of the Tax Property Article of the Maryland State Code, and

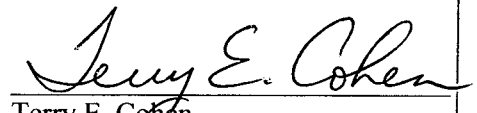
WHEREAS, the City Council finds that the study fairly and accurately sets forth the computations for a tax set off;

NOW, THEREFORE, BE IT RESOLVED THAT the Salisbury City Council hereby authorizes the submittal of the attached request for a tax differential to Wicomico County in the form of the attached letter to the Wicomico County Council.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on November 28, 2011 and is to become effective immediately.

ATTEST:

  
Brenda J. Colegrove  
CITY CLERK

  
Terry E. Cohen  
COUNCIL PRESIDENT

APPROVED BY ME THIS

30<sup>th</sup> day of November, 2011

  
James Ireton, Jr.  
Mayor

**City of Salisbury**



**MARYLAND**

JAMES IRETON, JR.  
MAYOR

JOHN R. PICK  
CITY ADMINISTRATOR

LORÉ L. CHAMBERS  
ASSISTANT CITY ADMINISTRATOR

125 NORTH DIVISION STREET  
SALISBURY, MARYLAND 21801  
Tel: 410-548-3100  
Fax: 410-548-3102



November 29, 2011

# City of Salisbury



MARYLAND

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November 29, 2011



Honorable Richard M. Pollitt, Jr., Wicomico  
County Executive and Honorable Members of  
The Wicomico County Council  
P.O. Box 870  
Salisbury, MD 21803-0870

Dear County Executive Pollitt and Members of the County Council:

Under the authority of Section 6-306 of the Tax – Property Article of the Maryland State Code, please be advised that the City of Salisbury proposes that it be granted a property tax setoff by Wicomico County for the fiscal year beginning July 1, 2012. The desired level of such setoff is the proportion of the County's property tax rate which represents expenditures on the following parallel services: fire, police, animal control, and recreation and culture.

In support of this request, the City submits the following:

- 1) A description of the scope and nature of the services or programs provided by the City in lieu of similar services or programs provided by the County.
  - A) Fire – The Salisbury Fire Department provides residents in the City of Salisbury with 24 hour protection and emergency services. The Salisbury Fire Department has 62 career and 120 volunteer firefighters. The City of Salisbury Fire Department also provides fire protection outside the City to the Fire District (48 miles). A portion of the cost of providing fire protection outside the City is offset by contributions from Wicomico County under an existing agreement.
  - B) Police – The Salisbury Police Department is a full-service, accredited law enforcement agency, which provides an urban-level of police protection to the area located within the Salisbury city limits. In addition, to the basic patrol function, the Salisbury Police Department also provides a number of special services, including bike patrols, foot patrols, tactical unit, negotiators, and

victim-witness assistance. With the exception of back-up assistance, the Salisbury Police Department handles all calls for police service within the City limits.

The Wicomico County Sheriff's Department provides law enforcement services to the unincorporated portions of the County. Since these services are not provided to the area located within the City limits, City taxpayers do not receive a benefit from these expenditures, but do pay a portion of the costs through their County tax bill. In addition to law enforcement the Sheriff's Department provides constitutionally mandated services such as court security, and legal document service, which benefit all County residents. A study prepared by the Institute for Government Services and previously forwarded to the County determined that 25% of the cost of the Sheriff's Department was attributable to these duties. A subsequent work session between the City and County should develop an allocation percentage; until then we have assumed the 25% allocation used in prior years.

- C) Animal Control – The Salisbury Police Department provides animal control services to the area located within the Salisbury city limits. The Wicomico County Humane Society provides animal control services to the unincorporated areas of the County, under an agreement with the County. Since these services are not provided within the City limits, City taxpayers pay a portion of these costs but receive no benefit.
- D) Recreation and Culture – The Salisbury Department of Public Works maintains a system of City owned parks, some of which are used by the Wicomico County Department of Parks and Recreation to provide recreational programming. The Wicomico County Department of Parks and Recreation provides parks maintenance services to county owned parks throughout the unincorporated areas of the county. Recreation and Culture is another area of duplication of services.

2) Financial records and other documentation regarding municipal revenues and expenditures.

The City and County participated in a Tax Differential Study prepared by Municipal and Financial Services Group completed in April 2010 which determined the amount of the proposed setoff.

The amount of the setoff proposed is equal to \$.082 on the County's tax rate, or a payment to the City from the County in the amount of \$1,584,321 (based on the assessment value in the study of \$1,932,098,839).

We request that the County provide a copy of the FY2011 Wicomico County, Maryland Financial Statements, when they are available.

I look forward to your response and the opportunity to discuss this matter with you.

With kind regards,

A handwritten signature in black ink, appearing to read "Ireton Jr.", written in a cursive style.

James Ireton, Jr.  
Mayor, City of Salisbury

cc: City Council Members  
John R. Pick  
Lore' Chambers  
Gerri L. Moore  
Paul Wilber

# Memo

**To:** John Pick, City Administrator  
**From:** Gerri Moore, Acting Director Internal Services  
**Date:** November 21, 2011  
**Re:** Tax Differential Explanation

*Gerri Moore*

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Under Maryland State Law, municipalities have the opportunity to ask the county, within which they are located, for a tax setoff or a tax differential. A tax differential is a way for Counties in Maryland to compensate municipalities for services not provided by the county in those municipalities. This is done by a tax setoff, either reducing the county tax rate in that municipality, or making a payment directly to the municipality for those services.

Attached is a resolution which serves to comply with the law and give timely notice that Salisbury wants to meet with Wicomico County to provide evidence why a tax differential is justified. Attached also is a letter from the Mayor which serves as our tax differential request for this year. The amount requested is based on the tax differential study completed by Municipal and Financial Services Group in April 2010.

Every year since 1999 the City has formally asked the County for a tax differential, and every year since 1999 we have been denied. By State law there are eight counties that are mandated to make a tax setoff. They are high density counties (with the one exception of Allegany County that has fewer residents per square mile than Wicomico). In the remaining counties the tax setoff is voluntary, and Wicomico is among them. However, many counties less populated than Wicomico, such as Caroline, Garrett, and Talbot still voluntarily grant a tax setoff because they have determined that is the right thing to do.

Salisbury is the only City our size in the State of Maryland not receiving a tax setoff from the County. Salisbury is the 7<sup>th</sup> largest city in Maryland and all other cities in the top 20 get either a rebate of a lower tax rate.