



Montgomery County Taxpayers League

Testimony on Increasing FY21 tax rate above Constant Yield Tax Rate

April 21st, 2020

Proposed Tax Hike Is Ill-Advised. Better Cost Control Needed to Ensure Future Services.

Montgomery County faces significant challenges, including fiscal, as we work together to battle the coronavirus pandemic. The County Executive's proposal to raise taxes at a time when county taxpayers are reeling from economic hardships and health concerns is ill-advised.

Instead, we should be redoubling efforts to increase efficiency, so we maintain county services levels even in the face of what will be lower revenues for the county. Yet, despite the county's so-called "lean government" initiative, the County Executive's FY21 budget request contains very little in the way of cost-control or improved efficiency. In the current crisis, county residents would be better served with a revised budget that reflects revenue shortfall scenarios and recommends cutbacks that are not "across the board," but distinguish between the most effective and least effective programs.

Instead of tax hikes, the Council should redouble efforts to control costs and increase efficiencies to maintain county services levels in light of potential revenue shortfalls.

The greatest concern with the budget are the considerable salary and wage increases already built into FY20 and the proposed FY21 budgets. This is, by far, the largest driver of the budget. Montgomery County employees already are paid more than their counterparts in the region. Even before the current crisis, few county taxpayers received pay increases close to those given to county employees over the past two years. This disparity is only heightened now that thousands of county residents face financial hardships.

Moreover, the human cost of overly generous pay increases is *fewer new hires* and *fewer resources for county services* for our most vulnerable residents just at a time when their need is greatest. The cost of increasing taxes year after year is poorer economic performance and reduced support for our most vulnerable residents long-term.

Now also is the time to take steps to collect current property taxes more efficiently and fairly. That way, we can increase revenues without increasing property tax rates. The Taxpayers League recommends that the Council take steps to take over property assessments from the State, like it is done in 48 states in return for the 10% of property taxes we share with the State for its poor service.

Click here to view [Taxpayers League Written Testimony County FY 2021 Budget - April, 2020](#)

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