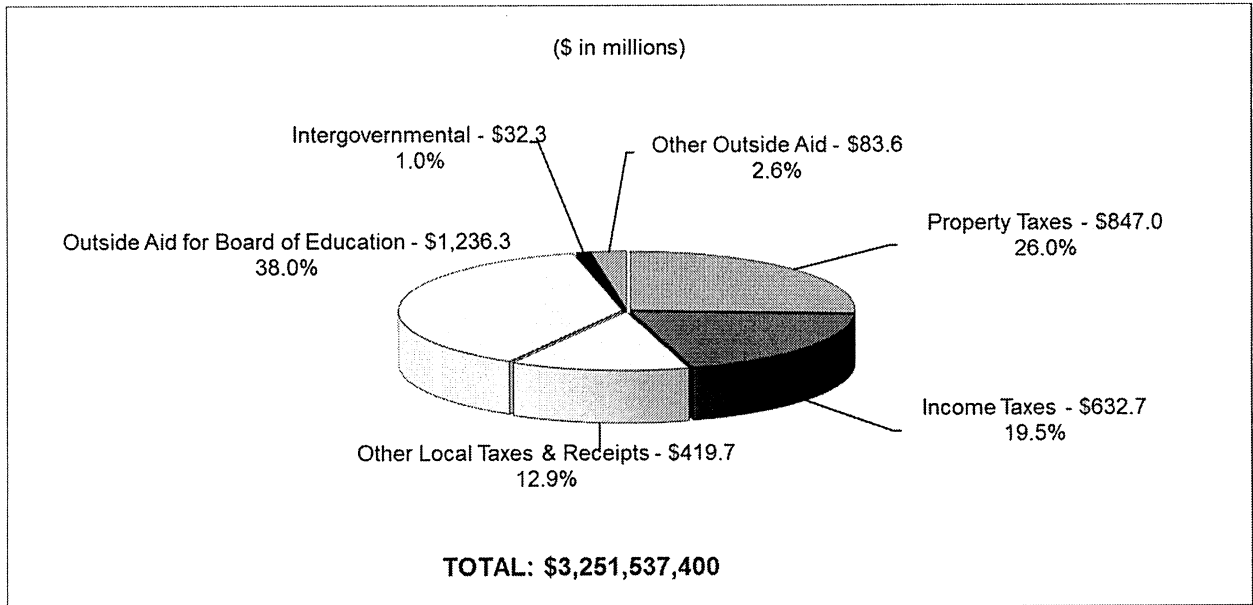


FY 2018 REVENUES AT A GLANCE

GENERAL FUND REVENUE OVERVIEW

- The approved FY 2018 General Fund budget is \$3,251,537,400, an increase of \$134.6 million or 4.3% over the FY 2017 approved budget.
- County source revenues increase by \$121.7 million or 6.7% from the FY 2017 approved budget. Outside aid for the Board of Education, Community College and Memorial Library increases by \$12.9 million, or 1.0%.



INTERNAL SERVICE FUNDS REVENUE OVERVIEW

- The approved FY 2018 Internal Service Funds budget is \$51,762,300, an increase of \$7.6 million or 17.3% over the FY 2017 approved budget.
- The Fleet Management Fund revenues total \$14.4 million, an increase of \$1.4 million or 11.0% over the FY 2017 approved budget.
- The Information Technology Fund totals \$37.4 million, an increase of \$6.2 million or 19.9% primarily due to increase use of fund balance.

ENTERPRISE FUNDS REVENUE OVERVIEW

- The approved FY 2018 Enterprise Funds budget is \$184,412,200, an increase of \$4.4 million or 2.5% over the FY 2017 approved budget.
- The Stormwater Management Fund revenues total \$71.1 million, an increase of \$3.5 million or 5.2% over the FY 2017 approved budget. This is primarily due to an increase in revenues generated through property taxes.
- The Solid Waste Fund revenues total \$98.5 million, an increase of \$0.9 million or 0.9% over the FY 2017 approved budget due to refuse collection charges.

- The Local Watershed Protection and Restoration Fund revenues total \$14,772,300 and will not change from the FY 2017 approved budget.

SPECIAL REVENUE FUNDS OVERVIEW

- The approved FY 2018 Special Revenue Funds budget is \$190,162,400, an increase of \$25.3 million or 15.3% over the FY 2017 approved budget.
- The Debt Service Fund revenues total \$173.3 million, an increase of 13.0% above the FY 2017 approved budget. The debt incurred by the County pays for various capital projects throughout the County, such as school construction and renovations, road improvements and repairs, among other projects.
- The Drug Enforcement Fund revenues total \$1.9 million, an increase of \$85,400 or 4.7% above the FY 2017 approved budget.
- The Property Management Fund revenues total \$0.4 million, an increase of \$108,900 or 36.3% over the FY 2017 approved budget.
- The Domestic Violence Fund revenues total \$390,000 in FY 2018 and will remain unchanged from the FY 2017 approved budget.
- The Collington Center Fund revenues total \$5,000 and will not change from the FY 2017 approved budget.
- The Industrial Development Fund revenues are \$37,700 and continue at the same level from the FY 2017 approved budget.
- The Economic Development Fund revenues total \$9.0 million in FY 2018 and remain flat from the FY 2017 budget.
- The Housing Investment Trust Fund revenues total \$5.1 million in FY 2018 for the Workforce Housing Gap Financing and Pathways to Purchase program.

GRANT PROGRAM FUNDS OVERVIEW

- The approved FY 2018 Grant Program Funds budget is \$198,604,500 in FY 2018, a decrease of \$7.9 million or 3.8% under the FY 2017 approved budget.

GENERAL FUND REVENUES

INTRODUCTION

The revenue table that accompanies each revenue source compares three years of data. In every instance, the dollar and percent change is from the prior year actual or approved amount. (Numbers in this document may not add due to rounding.)

REAL PROPERTY TAXES are the taxes levied on both land and improvements of taxable real property. Taxes are levied annually and each quarter of the fiscal year as new properties are added to the base. Real Property Tax is the largest tax revenue of the County. The revenue yield is dependent on the following variables:

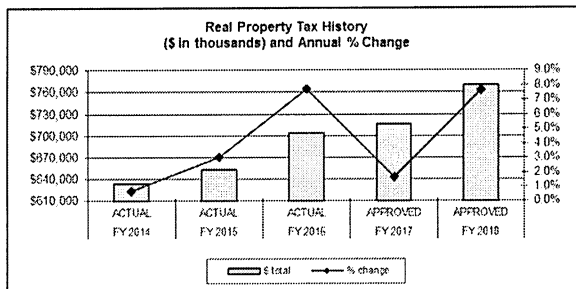
- The State's triennial assessment process
- Assessment growth caps for owner-occupied property (also called Homestead Tax Credit)
- The assessment percentage
- The housing market and the economy in general
- The tax rate - including changes in the Municipal Tax Differential rates
- Delinquencies and the required reserves
- Appeals and adjustments in assessments
- State funding of State credits

rate, tax base and adjustments made to factor in reductions due to the homestead tax credit, municipal tax differential, delinquent tax payments and incremental tax revenues from Tax Increment Financing (TIF) districts that are designated for debt service. Additionally, the projection factors in an anticipated \$6.7 million of revenues to be generated from the MGM Casino at National Harbor.

Based on the County Council's approval, the Real Property Tax rate increased from \$0.96 to \$1.00 per \$100 of assessable value in FY 2016. The County is subject to the Tax Reform Initiative by Marylanders (TRIM). Based on this charter provision, the General Fund County Real Property Tax rate could not exceed \$2.40 per \$100 of assessable value before FY 2002, and cannot exceed \$0.96 per \$100 of assessable value since FY 2002, when the real property assessable value was adjusted from 40% to 100% of market value. In 2012, the Maryland Senate passed Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County's charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. Excluding the additional revenue assigned to the Prince George's County Public Schools (PGCPS) system, the County's real property tax revenues are projected to increase by \$51.9 million or 7.6% in FY 2018 from the FY 2017 budget.

REAL PROPERTY TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$704,315	\$715,982	\$732,835	\$770,763
\$ CHG	50,457	11,666	28,520	54,782
% CHG	7.7%	1.7%	4.0%	7.7%

The State Department of Assessments and Taxation (SDAT) projected in February 2017 that the County's real property base will grow by 4.3% in FY 2018 before the homestead tax credit cap and other deductions. Net taxable base including adjustments and credits is projected to increase by 6.4% from the FY 2017 estimated level.



Each year, one third of each County's real property base is reassessed by the SDAT. The reassessment growth is phased in over the next three years; a decrease, however, is realized immediately. The upward reassessment experienced by the County in the previous fiscal year is expected to continue in FY 2018, with Group 2 of the County's real property base's reassessment value rising by 13.5%, according to the SDAT.

In FY 2018, the County's Real Property Tax revenues are projected to be \$770.8 million, an increase of \$54.8 million or 7.7% over the FY 2017 budget. The projection is based on the tax

The County's real property tax revenue capacity is not fully realized due to the structure of the County's Homestead Tax Credit. The credit, tied to the Consumer Price Index growth for the 12 months ending in June, caps the growth of owner-occupied property assessment for tax purposes at 1% in FY 2018. According to the SDAT's estimate, this tax credit is estimated to cause a County revenue loss of approximately \$6.2 million in FY 2018.

The municipal tax differential also reduces the County's property tax revenues. Each year, the County reduces its property tax rates (both real and personal) to recognize governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that such services are funded through property tax revenues. In FY 2018, County real property tax revenue is reduced by \$28.3 million for the municipal tax differential program, compared with \$26.0 million in FY 2017. FY 2018 marks the third time in the last six years of the program that the value of the credit increased year-over-year. This is due to the rise in assessable value within the municipalities and the resultant expansion of municipal services.

PERSONAL PROPERTY TAXES are the taxes levied on tangible personal property and commercial and manufacturing inventory of businesses. The assessment is made annually at fair market value and determined from annual reports filed with the SDAT.

The Personal Property Tax base is influenced by the:

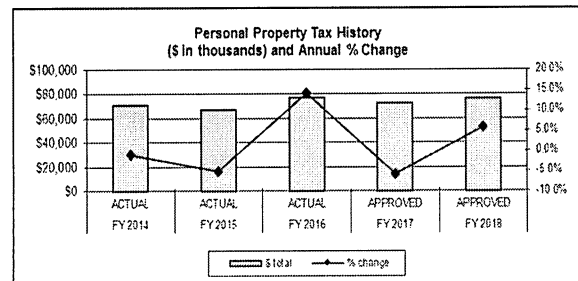
- Business cycle
- Availability of commercial credit
- Public utilities' income performance
- Replacement of equipment
- The State law on personal property assessment and depreciation
- Tax rate - including changes in the Municipal Tax Differential rates

The FY 2018 Personal Property Tax revenue is expected to increase by \$4.1 million or 5.7% from the FY 2017 budget, based on the SDAT's February 2017 projections of the assessable base. The projection includes anticipated revenue of \$1.3 million from the MGM Casino at National Harbor.

In accordance with State law, the County's Personal Property Tax rate shall be no more than 2.5 times the rate for real property. Based on the County Council's approval, the Personal Property Tax rate increased from \$2.40 to \$2.50 per \$100 of assessable value in FY 2016, to align with the approved change in the Real Property Tax rate. The additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. Excluding the additional revenue assigned to the PGCPSS system, the County's personal property tax revenues are projected to increase by \$4.0 million or 5.7% in FY 2018 from the FY 2017 budget.

The tax base has remained relatively flat in the past few years. Similar to real property revenue, the loss of Personal Property Tax revenues due to the municipal tax differential program increased for some years because of expanding municipal services (such as police patrol, public works, etc.) until FY 2012, when tax differential credits started to decrease.

PERSONAL PROPERTY TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$76,509	\$72,064	\$68,895	\$76,197
\$ CHG	9,507	-4,445	-7,614	4,133
% CHG	14.2%	-5.8%	-10.0%	5.7%



INDIVIDUAL INCOME TAXES are distributions made by the Maryland Comptroller's Office for the local tax on individual income. The State distributes the taxes to the County on a quarterly basis based on withholdings, declarations and estimated returns filed by employers and taxpayers. The State distributions are net of reserves for refunds, administrative costs, unallocated taxes (taxes for which no return has been filed) and municipal corporation shares. Municipalities receive a share of their residents'

local income tax liability based on the greatest of 8.5% of the State income tax liability, 17% of the county income tax liability or 0.37% of the Maryland taxable income of municipal residents. Tax tables are usually adjusted at the beginning of the calendar year when any tax law changes take effect.

The following variables influence the annual tax yield:

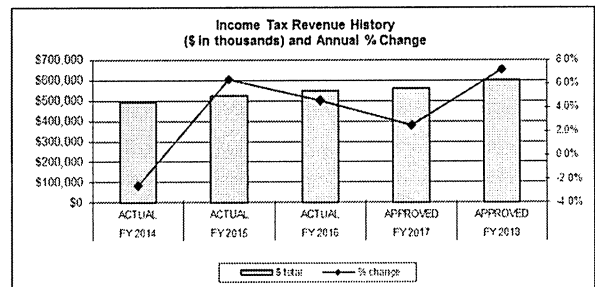
- County income tax rate
- Economy
- Federal and State tax changes
- Employment growth
- Population growth
- The share to municipal governments
- Other State distribution policy changes
- Taxpayer behavior
- Capital gains realization rates
- Disparity Grant

INCOME TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
TAX RECEIPTS	\$547,567	\$561,317	\$577,602	\$601,808
\$ CHG	23,970	13,750	30,035	40,491
% CHG	4.6%	2.5%	5.5%	7.2%
DISPARITY GRANT	\$23,088	\$30,175	\$26,632	\$30,877
TOTAL YIELD	\$570,655	\$591,492	\$604,234	\$632,685
\$ CHG	25,364	20,837	12,742	41,193
% CHG	4.7%	3.7%	2.2%	7.0%

The County's income tax revenue includes both income tax receipts and a State Income Disparity Grant. FY 2018 income tax receipts are projected to increase by 7.2% from the FY 2017 budget. The growth is based on a better than expected FY 2017 performance. FY 2017 income tax receipts are estimated to rise above the budgeted level, based on year-to-date performance. The increase is due to upward adjustments in the calculation formula used by the State to distribute income tax revenues and a potential improvement in the County's labor market. FY 2017 income tax projections also include estimated gains from the General Assembly's adjustments of income tax exemptions that became effective January 1, 2012.

As a result, both current year receipts and the reconciliation amount for prior years are expected to increase in FY 2017 and FY 2018. Baseline income tax growth (excluding one-time impacts) in FY 2017 is expected to reach 5.5%, close to the historical average level, assuming a steady recovery in the local job market and regional economy.

According to the Maryland Department of Labor, Licensing and Regulation, the County's average unemployment rate improved from 5.3% in calendar year 2015 to 4.4% in calendar year 2016, but remained relatively high historically.



In FY 2018, the County is projected to receive \$30.9 million of State Income Disparity Grant, an increase of \$702,000 or 2.3% from the FY 2017 budget. This grant is provided to counties where per capita local income tax revenue falls below 75% of the State average. The FY 2018 disparity grant is calculated by the State Department of Budget and Management based on calendar year 2015 income and population data. The improved performance is reflected in the overall growth of the County's income tax receipts that rose above the State average in tax year 2015.

TRANSFER TAXES are taxes imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the Board of Education. The tax rate is unchanged at 1.4% for FY 2018.

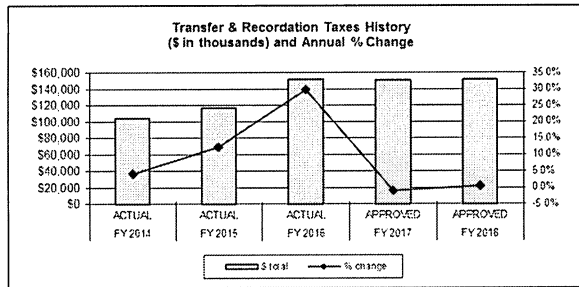
RECORDATION TAXES are taxes on the recordation of written instruments conveying title to real or personal property, conveying leasehold interests in real property or creating liens and encumbrances on real or personal property. In FY 2018, the recordation tax rate stays unchanged at \$2.75 per \$500 of instrument of writing subject to this tax.

Transfer and recordation taxes are usually the most volatile major revenue source for the

County due to the strong correlation between the revenue collection and the activity of the local housing market. The variables influencing Transfer and Recordation Taxes include:

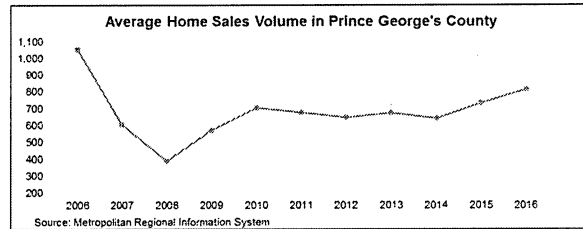
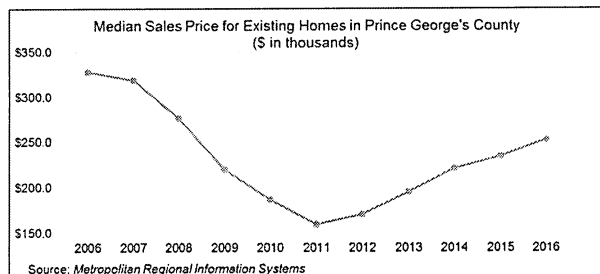
- Tax rate
- Business cycle
- Interest rates
- Availability of credit
- Real estate market

TRANSFER AND RECORDATION TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$152,241	\$150,798	\$155,244	\$151,592
\$ CHG	35,032	-1,443	3,003	794
% CHG	29.9%	-0.9%	2.0%	0.5%



In FY 2018, transfer taxes are projected to increase by 2.5% from the FY 2017 budget, as the housing market shows stable but steady improvements from previous years. Recordation taxes are projected to decrease by -4.1%, compared to the FY 2017 budget.

Reports from the Metropolitan Regional Information Systems, Inc. indicate that the County's median home sales price in 2016 increased by 7.8% from 2015 and reached \$252,500. Sales volume increased by 10.9% in the same period.



As of the fourth quarter in 2016, a total of 8,475 foreclosures occurred in the County, a decrease of 30% from the same period in 2015. However, the County accounts for the largest number of foreclosures in the State. The large number of foreclosures in the judicial process and anticipated increase in mortgage rates are expected to slow but not halt the recent recovery in the County's housing market.

Prince George's County Foreclosure Trend				
	Total Foreclosure Events	Qtr/Qtr % Change	Yr/Yr % Change	% of State Total
Q1 2011	2,005	15%	-47%	42.0%
Q2 2011	1,499	-25%	-65%	33.3%
Q3 2011	892	-40%	-78%	27.4%
Q4 2011	1,035	16%	-40%	29.5%
Q1 2012	1,129	9%	-44%	27.0%
Q2 2012	1,228	9%	-18%	28.3%
Q3 2012	1,295	5%	45%	31.2%
Q4 2012	1,438	11%	39%	22.5%
Q1 2013	1,422	-1%	26%	-84.8%
Q2 2013	1,522	7%	24%	13.9%
Q3 2013	2,019	33%	56%	17.4%
Q4 2013	2,215	10%	54%	17.4%
Q1 2014	3,350	51%	136%	26.6%
Q2 2014	2,278	-32%	50%	20.1%
Q3 2014	2,684	18%	33%	23.1%
Q4 2014	2,852	6%	29%	20.4%
Q1 2015	2,415	-15%	-28%	20.1%
Q2 2015	2,293	-5%	1%	19.0%
Q3 2015	2,408	5%	-10%	22.2%
Q4 2015	2,445	2%	-14%	19.3%
Q1 2016	2,741	12%	13%	22.1%
Q2 2016	2,182	-20%	-5%	20.1%
Q3 2016	1,839	-16%	-24%	20.7%
Q4 2016	1,713	-7%	-30%	22.5%

Source: DHCD Quarterly Report

OTHER LOCAL TAXES include Energy Taxes, Telecommunications Taxes, Hotel/Motel Taxes, Admissions and Amusement Taxes, Penalties and Interest on Delinquent Taxes, and Trailer Camp Taxes.

OTHER LOCAL TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$123,715	\$131,153	\$130,124	\$133,053
\$ CHG	3,592	7,438	6,409	1,900
% CHG	3.0%	6.0%	5.2%	1.4%

In FY 2018, the total revenue from Other Local Taxes is expected to increase by 1.4% from the FY 2017 budget, primarily due to increases in Energy and Hotel Tax revenues.

The Energy Tax comprises over half of the total FY 2018 revenue in this category. This revenue is projected to increase by 1.7% in FY 2018. Among the different energy tax components, two thirds of the tax receipts are from the sale of electricity and approximately one third of the receipts are from the sale of natural gas.

ENERGY TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$66,395	\$69,189	\$66,590	\$70,372
\$ CHG	-391	2,794	195	1,184
% CHG	-0.6%	4.2%	0.3%	1.7%

The Energy Tax unit rates for a certain fiscal year are determined by the total consumption and sales of the calendar year two years prior to that fiscal year. For example, the FY 2018 rates are based upon calendar year 2016 data. The formula divides total calendar year 2016 sales (by type of energy used) by total 2016 consumption, which is then multiplied by 7.5%, the current effective tax rate, to arrive at the FY 2018 unit charge per kilowatt hour, thermal, gallon or other unit. The FY 2018 rates compared to FY 2017 are shown below:

ENERGY TAX COMPONENTS			
	FY 2017 Rates	FY 2018 Rates	% Change
Electricity (KWH)	0.009366	0.009908	6%
Natural Gas (Therm)	0.059196	0.057534	-3%
Fuel Oil (Gal.)	0.212812	0.178664	-16%
Propane (Gal)	0.419655	0.192840	-54%

Fluctuations in energy usage due to weather conditions and price instability of fuels such as natural gas and oil can cause major deviations in rates between fiscal years. Rate changes granted to the major utilities by the Public Service Commission also influence the yield from this revenue source.

The law exempts energy tax payment for Federal, State and local governments and provides a refund for certain qualifying residents based on income, age and other criteria. The entire Energy Tax is earmarked for the Board of Education.

Another major revenue item is the **Telecommunications Tax**, which represents 23.3% of the FY 2018 approved revenues generated by "Other Local Taxes." The telecommunication tax revenue has been declining for eight years in a row due to the economic downturn as well as a market shift from landlines to wireless services (some of which are non-taxable). In FY 2016, the telecommunications tax rate was increased to 9% on the gross receipts for telecommunication service in the County. The FY 2018 projection reflects a decrease of \$1.2 million or 3.8% below the FY 2017 budget.

TELECOMMUNICATIONS TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$31,228	\$32,290	\$32,958	\$31,051
\$ CHG	-45	1,062	1,731	-1,238
% CHG	-0.1%	3.4%	5.5%	-3.8%

The State mandated that the net proceeds of this tax be used only for expenditures of the County's school system. An administrative fee of one percent of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting, remitting and administering the tax.

Starting in FY 2005, the County started implementing the provisions of Chapter 187 of the 2004 Laws of Maryland (HB 589) that authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax for school renovation and systemic replacement projects. As a result, the Telecommunications Tax revenue in the general fund does not

include the up to 10% of receipts dedicated for capital budget expenditures.

In FY 2018, **Hotel/Motel Taxes** are expected to increase 22.3% over the FY 2017 budget due to better than expected year-to-date collections and revenues from the MGM Casino at National Harbor. The FY 2018 approved budget includes \$0.6 million of collections from the MGM facility. This is net any hotel collections dedication to the Special Taxing District to fund bonds issued for infrastructure and the convention center. In FY 2016, the Hotel/Motel Tax rate increased from 5% to 7%.

Municipalities will receive 50% of the revenue received from hotels located within their corporate limits. Occupancy and average room rates are expected to increase in FY 2018.

Admissions and Amusement Taxes are projected to decrease by 1.8% from the FY 2017 budget. The FY 2018 budget includes anticipated collections of \$1.4 million from the MGM Casino at the National Harbor, which offset anticipated reductions in other receipts. The Admissions and Amusement Tax rate will remain at 10%.

STATE SHARED TAXES consist of highway user and corporate transfer taxes that are shared between the State and the County.

STATE SHARED TAXES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$3,521	\$3,732	\$3,431	\$3,494
\$ CHG	-210	211	-90	-237
% CHG	-5.6%	6.0%	-2.6%	-6.4%

State-Shared Taxes, primarily Highway User Revenue, used to be one of the major resources of the County. In FY 2009, the County received \$24.8 million in highway user revenues. Since then, this revenue source has experienced severe reductions each year, until it stabilized at \$2.6 million in FY 2013. In the approved FY 2018 budget, Highway User Revenues are projected to reach \$2.9 million, a decrease of 2.1% from the FY 2017 budget. The highway user revenues are restricted State monies and can only be used to construct or maintain roads, including payment of road debt.

LICENSES AND PERMITS include revenue derived from a number of licenses and permits issued for regulatory purposes. They include Building Permits, Street Use Permits, Business Licenses, Liquor Licenses and Permits (authorized by the State), Animal Licenses, Health Permits and various other permits. This category also reflects video lottery terminal and table game revenues generated from the MGM at National Harbor facility.

LICENSES AND PERMITS (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$37,407	\$44,434	\$43,647	\$54,934
\$ CHG	12,285	7,027	6,240	10,499
% CHG	48.9%	18.8%	16.7%	23.6%

The largest portion of these revenues is related to the building sector of the economy, and as such is subject to year-to-year changes as the amount of construction in the County varies. In FY 2018, revenues generated by building, grading and street use and other permits are projected to increase by \$10.5 million or 23.6% from the FY 2017 budget to \$54.9 million. The significant growth is due to gaming license revenues of \$21.7 million from over 3,000 video lottery terminal and 160 tables at the MGM Casino at National Harbor.

Building permit revenues experienced strong growth during the housing market boom. In late 2006, the growth in residential building permits began to moderate. Despite signs of recovery in the housing market, the number of single family residential permits issued decreased by 37.4% in FY 2017, according to the County's Department of Permitting, Inspections, and Enforcement, indicating a slowdown in building activity.

USE OF MONEY AND PROPERTY includes revenue derived from the investment of idle County cash and the lease of certain County owned or leased properties. Most of the County's idle cash is invested in short-term vehicles in the money market. A smaller portion is for intermediate term investments.

USE OF MONEY AND PROPERTY (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$6,435	\$4,974	\$6,028	\$5,269
\$ CHG	-894	-1,461	-407	295
% CHG	-12.2%	-22.7%	-6.3%	5.9%

In FY 2018, receipts from Use of Money and Property will total \$5.3 million, an increase of 5.9% from the FY 2017 budget. Interest income is the largest component of this category. In FY 2018, interest income is estimated to total \$3.3 million, which is an increase from the FY 2017 budget.

In FY 2018, Property Rental Income, is expected to decrease by 32.2% from the FY 2017 budget. The FY 2018 projection anticipates a decline in property rental collections.

CHARGES FOR SERVICES are typically known as user fees. These include fees from tax collection services provided to various agencies for whom the County levies taxes, animal control charges such as fines and user fees related to the County shelter and animal control services, fees and charges levied by the Health Department for health-related services, Cable Franchise Charges from cable providers, the 9-1-1 fee allocated to the 9-1-1 emergency system costs, emergency transportation fee, and contractual police service fees for additional police services for events and entities.

CHARGES FOR SERVICES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$44,731	\$41,832	\$40,023	\$44,035
\$ CHG	1,368	-2,900	-4,708	2,203
% CHG	3.2%	-6.5%	-10.5%	5.3%

In FY 2018, Charges for Services are expected to increase by 5.3% from the FY 2017 budget. Sheriff Charges are projected to increase by 2.1% and Emergency Transport Fees are projected to decrease by 8.5%. Other charges for services are projected to increase by 52.8%.

INTERGOVERNMENTAL REVENUES include State restricted grants, transfers and reimbursement from the Maryland-National Capital Park and Planning Commission (M-

NCPPC) for service provided by the County, along with a small portion of federal monies related to emergency preparedness.

INTERGOVERNMENTAL REVENUES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$38,717	\$39,193	\$34,236	\$32,283
\$ CHG	-5,160	476	-4,481	-6,910
% CHG	-11.8%	1.2%	-11.6%	-17.6%

Intergovernmental Revenues will decrease by 17.6% below the FY 2017 budget in FY 2018. This is primarily due to the reduction in Local Health Grant from the State and a decrease in M-NCPPC project charges of \$2.1 million.

The County will continue to receive \$9.6 million in Teacher Retirement Supplemental Grants from the State to partially offset the estimated \$36.5 million impact in the fifth year of the phased-in sharing of teachers' pension cost that started in FY 2013. The Police Aid Grant is projected to be \$10.6 million in FY 2018, a 7.7% decrease from the FY 2017 budget. Federal grants are expected to decrease by 15.3% from the FY 2017 budget level. The intergovernmental revenues from the Maryland-National Capital Park and Planning Commission in FY 2018 are projected to decrease by 21.5% the FY 2017 budget.

MISCELLANEOUS RECEIPTS are used to encompass a number of relatively smaller County revenues. The principal sources are fines and forfeitures (primarily from red light cameras and speed cameras) and the sale of surplus County properties.

MISCELLANEOUS RECEIPTS (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$16,603	\$14,219	\$16,555	\$14,249
\$ CHG	1,498	-2,384	-48	30
% CHG	9.9%	-14.4%	-0.3%	0.2%

Total miscellaneous receipts are projected to increase by 0.2% in FY 2018. In FY 2012, the County started implementing an Automated Speed Enforcement (ASE) program to help reduce speed-related traffic accidents. The program took a phase-in approach. As of May

2015, 72 speed cameras were installed. This program is estimated to provide \$7.3 million gross revenues in FY 2018, a decrease of 8.6% below the FY 2017 budget. This total is before excluding payments to vendors and administrative costs. Fines per camera have experienced a significant decrease in the past several months as road commuters have changed their behavior.

OTHER FINANCING SOURCES include use of fund balance and transfers-in from other County funds.

OTHER FINANCING SOURCES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD		\$112	\$11,866	\$13,116
\$ CHG	-256	112	11,866	13,004
% CHG	-100.0%	100.0%	100.0%	11652.6%

In FY 2018, other financing sources total \$13.1 million, an increase of \$13.0 million or 11652.6% above the FY 2017 budget. This funding includes a \$9.5 million transfer from Fund Balance, \$3.5 million from Economic Development Transfer and \$62,400 transfer from the Stadium Impact Grant fund. The \$9.5 million transfer from Fund Balance reflects \$5 million allocation to the Housing Investment Trust Fund, \$868,500 to provide a one-time technology improvement for the Library, \$1.5 million to the Department of Housing and Community Development for the Housing Rehabilitation Assistance Program, and \$2.2 million for various one-time initiatives.

The County will maintain the Charter mandated 5% (restricted) reserve and fiscal policy required 2% (committed) reserve in FY 2017 and FY 2018.

BOARD OF EDUCATION SOURCES are expected to increase by 0.9% in FY 2018 from the FY 2017 budget. State aid, which is the major source of outside aid to the Board of Education, is 1.8% higher than the FY 2017 budget. Federal aid is projected to decrease by 6.7%. The Board's own sources are expected to decrease by \$2.2 million or 6.0%, primarily due to the reduction in the Board's Use of Fund Balance in the school system's approved budget.

BOARD OF EDUCATION SOURCES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$1,144,754	\$1,225,531	\$1,233,031	\$1,236,262
\$ CHG	6,716	80,777	88,277	10,731
% CHG	0.6%	7.1%	7.7%	0.9%

COMMUNITY COLLEGE SOURCES are projected to increase by \$2.0 million or 2.7% from the FY 2017 budget. The revenue mostly comes from tuition, fees, charges and formula-driven State aid. State aid for Community College is expected to increase 1.7% to \$29.0 million in FY 2018. Tuition and fees are projected to increase by 1.3%. The College is expected to receive \$0.7 million project charges from the M-NCPPC in FY 2018, unchanged from the FY 2017 budget. The FY 2018 budget also includes \$3.5 million use of fund balance of the College, compared to \$2.5 million in its FY 2017 budget.

COMMUNITY COLLEGE SOURCES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$68,967	\$73,121	\$72,318	\$75,073
\$ CHG	-1,045	4,154	3,351	1,952
% CHG	-1.5%	6.0%	4.9%	2.7%

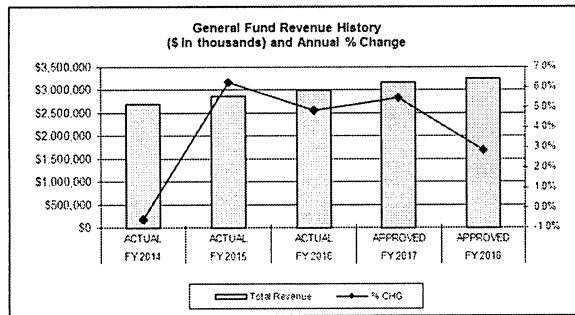
LIBRARY SOURCES in the FY 2018 approved budget are projected to increase by 2.8% from the FY 2017 budget. The majority of this revenue comes from State Aid, however the library system also generates other revenues through interest payments, fines and fees. State aid for the Library is projected to increase 2.3% in FY 2018.

LIBRARY SOURCES (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
YIELD	\$8,279	\$8,299	\$8,299	\$8,533
\$ CHG	338	20	20	234
% CHG	4.3%	0.2%	0.2%	2.8%

SUMMARY: In FY 2018, the County's General Fund revenues total \$3.3 billion, a projected increase of \$134.6 million or 4.3% over the FY 2017 budget. Excluding other financing sources,

General Fund revenues increase by \$121.6 million or 3.9% in FY 2018. The increase is primarily due to the growth in property taxes, income tax receipts, transfer and recordation taxes, admissions and amusement taxes, energy taxes, license and permit revenues.

TOTAL GENERAL FUND (\$ in thousands)				
	FY 2016 ACTUAL	FY 2017 APPROVED	FY 2017 ESTIMATED	FY 2018 APPROVED
COUNTY SOURCE	\$1,774,850	\$1,809,984	\$1,847,117	\$1,931,669
\$ CHG	210,014	35,134	72,267	121,686
% CHG	13.4%	2.0%	4.1%	6.7%
OUTSIDE AID	\$1,221,999	\$1,306,951	\$1,313,648	\$1,319,868
\$ CHG	96,223	84,951	91,648	12,917
% CHG	8.5%	7.0%	7.5%	1.0%
TOTAL YIELD	\$2,996,850	\$3,116,934	\$3,160,765	\$3,251,537
\$ CHG	138,537	120,085	163,915	134,603
% CHG	4.6%	4.0%	5.5%	4.3%



The fiscal challenges that the County has faced in recent fiscal years will continue despite modest improvements in the economic outlook. The job market has experienced continued gains and the housing market has stabilized. However, given the uncertainties and structural imbalances at the Federal and State government levels, the County could be exposed to potential negative impacts as these issues are address by the Federal and State governments. Additionally, approximately 19.4% of the new revenues generated in FY 2018 are tied to the MGM facilities.

**ASSESSABLE BASE
REAL AND PERSONAL PROPERTY**
(\$ in millions)

Location	REAL PROPERTY 2017	PERSONAL PROPERTY 2017	TOTAL BASE 2017	REAL PROPERTY 2018	PERSONAL PROPERTY 2018	TOTAL BASE 2018
Berwyn Heights	\$ 255.25	\$ 17.30	\$ 272.55	\$ 267.52	\$ 17.56	\$ 285.08
Bladensburg	418.24	16.87	435.11	430.10	16.98	447.08
Bowie	6,158.63	119.99	6,278.62	6,278.31	121.17	6,399.48
Brentwood	196.98	4.41	201.39	209.84	4.37	214.21
Capitol Heights	251.77	8.44	260.21	263.40	8.46	271.86
Cheverly	518.38	17.39	535.77	542.89	17.59	560.48
College Park	2,391.59	70.76	2,462.35	2,624.93	70.50	2,695.43
Colmar Manor	80.69	2.59	83.28	85.83	2.51	88.34
Cottage City	83.94	3.32	87.26	90.94	3.33	94.27
District Heights	319.01	5.94	324.95	337.02	5.98	343.00
Eagle Harbor	6.94	0.03	6.97	7.41	0.42	7.83
Edmonston	143.60	5.19	148.79	148.32	5.17	153.49
Fairmount Heights	90.63	1.65	92.28	95.37	1.64	97.01
Forest Heights	157.33	3.58	160.91	165.18	3.53	168.71
Glenarden	410.34	13.43	423.77	428.85	13.61	442.46
Greenbelt	1,845.66	68.20	1,913.86	1,938.89	68.02	2,006.91
Hyattsville	1,709.33	63.33	1,772.66	1,793.11	64.47	1,857.58
Landover Hills	131.08	2.30	133.38	139.06	2.32	141.38
Laurel	2,648.10	75.51	2,723.61	2,886.84	77.23	2,964.07
Morningside	82.65	2.57	85.22	87.94	2.59	90.53
Mount Rainier	362.09	4.74	366.83	395.72	4.76	400.48
New Carrollton	665.54	12.42	677.96	690.61	13.13	703.74
North Brentwood	43.24	0.96	44.20	46.62	0.93	47.55
Riverdale Park	580.22	19.61	599.83	609.82	19.85	629.67
Seat Pleasant	261.75	6.39	268.14	274.42	6.46	280.88
University Park	297.52	2.85	300.37	307.61	2.66	310.27
Upper Marlboro	80.88	24.44	105.32	84.05	25.81	109.86
SubTotal	\$ 20,191.38	\$ 574.21	\$ 20,765.59	\$ 21,230.60	\$ 581.03	\$ 21,811.63
Unincorporated Area	\$ 54,996.12	\$ 2,557.71	\$ 57,553.83	\$ 57,222.79	\$ 2,622.90	\$ 59,845.69
TOTAL COUNTY WIDE	\$ 75,187.50	\$ 3,131.92	\$ 78,319.42	\$ 78,453.39	\$ 3,203.93	\$ 81,657.32

Note: 1) Numbers may not add due to rounding.

2) Starting in FY 2002, real property in Maryland has been assessed at 100% of market value rather than 40% in most cases under prior law. Assessed value of personal property remains unchanged at 100% of market value.

3) Numbers have not factored in certain adjustments such as new construction.

Source: State Department of Assessments and Taxation

PROPERTY TAX LIMITATION FISCAL YEAR 2018

At the 1978 general election, the voters of the County adopted an amendment to Section 817, Article VIII, of the Prince George's County Charter limiting future collections of real property taxes. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to in the County as "TRIM" (TRIM is an acronym for "Tax Reform Initiative by Marylanders"). The amendment forbade the County Council to "levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in FY 1979," or \$143.9 million. At the 1984 general election, an amendment to TRIM was approved by the voters of the County authorizing the County Council to levy taxes on a maximum rate of \$2.40 for each \$100 of assessed value. The County passed legislation capping taxable assessment growth in FY 1994 and future years for owner occupied residences at the lesser of the change in the Consumer Price Index (CPI) or 5% of the prior year's taxable assessment. For FY 2017, the cap is set at 0%. This limitation is a charter mandated computation passed by the voters in November 1994 and is permitted by the Tax Property Article, Section 9-105 of the Annotated Code of Maryland.

In 2000, Maryland Senate Bill 626 provided that beginning in tax year 2001, property tax rates shall be applied to 100%, instead of 40%, of the value of real property, and that the real property tax rate be adjusted to make the impact revenue neutral. The bill also stipulated that any limit on a local real property tax rate in a local law or charter provision shall be constructed to mean a rate equal to 40% times the rate stated in the local law or charter provision. As a result, nominal real property rate of the County was adjusted to \$0.96/\$100 of assessed value in FY 2002. In 2012, Maryland Senate Bill 848 provided, under certain circumstances, for the property tax rate to be set higher than the rate authorized under the County's charter. Additional revenue as a result of the increase in the property tax rate is for the sole purpose of funding the approved budget of the local school board. The Approved FY 2018 Budget sets the County's nominal real property rate at \$1.00/\$100 of assessed value.

Yield Calculation

	FY 2018 Tax Base	FY 2018 Tax Yield
REAL PROPERTY BASE JULY 1, 2017 ¹	\$78,613,644,400	
Adjustments ²	<u>\$993,356,200</u>	
TOTAL REAL PROPERTY BASE FY 2018	\$ 79,607,000,600	
Nominal Real Property Tax Rate/\$100	\$1.00	
REAL PROPERTY TAX YIELD		\$796,070,000
TOTAL PERSONAL PROPERTY BASE FY 2018	\$3,202,930,000	
Nominal Personal Property Tax Rate/\$100	\$2.50	
PERSONAL PROPERTY TAX YIELD		<u>\$80,098,300</u>
TOTAL PROPERTY TAX YIELD (Unadjusted)		\$876,168,300
Less: Collection Allowance		(\$2,388,200)
Municipal Tax Differential		(\$28,276,000)
Other Adjustments ³		\$1,456,500
TOTAL GENERAL FUND PROPERTY TAX YIELD		\$846,960,600
Total County Real Property Nominal Tax Rate/\$100	\$1.00	
Total County Personal Property Nominal Tax Rate/\$100	\$2.50	

¹ Estimates based on reports from the State Department of Assessments and Taxation (as of February 2017). Adjustments for abatements/credits and a 1% cap on reassessment growth are included.

² Adjustments include new construction projected and other development-related changes

³ Other Adjustments include regular and one-time adjustments.

CONSTANT YIELD DATA

The real property tax rates for municipalities and the unincorporated area of the County are detailed below, along with the constant yield tax rates as certified by the State Department of Assessments and Taxation. In accordance with Title 6, Subtitle 6-308 of the Tax-Property Article of the Annotated Code of Maryland, a rate which exceeds the constant yield rate is subject to certain advertising and public hearing requirements. Per Chapter 80, Acts of 2000 (Senate Bill 626), the real property tax rate was adjusted to reflect the conversion to full value assessments of real property, effective October 1, 2000. Starting from February 2001, personal property has been excluded from the constant yield tax rate as reported by the State Department of Assessments and Taxation. The personal property tax rate shall be no more than 2.5 times the rate on real property.

LOCATION	APPROVED 2017			APPROVED 2018		
	TAX RATE	CONSTANT YIELD		TAX RATE	CONSTANT YIELD	
		TAX RATE	OVER (UNDER)		TAX RATE	OVER (UNDER)
Berwyn Heights	\$ 0.8730	\$ 0.8422	\$ 0.0308	\$ 0.8780	\$ 0.8367	\$ 0.0413
Bladensburg	0.8900	0.8561	0.0339	0.8820	0.8511	0.0309
Bowie	0.8680	0.8626	0.0054	0.8600	0.8471	0.0129
Brentwood	0.9280	0.8698	0.0582	0.9360	0.8760	0.0600
Capitol Heights	0.8820	0.8536	0.0284	0.8960	0.8464	0.0496
Cheverly	0.8810	0.8449	0.0361	0.8710	0.8436	0.0274
College Park	0.9700	0.9319	0.0381	0.9680	0.9217	0.0463
Colmar Manor	0.9060	0.8472	0.0588	0.9070	0.8548	0.0522
Cottage City	0.8940	0.8527	0.0413	0.9020	0.8408	0.0612
District Heights	0.8770	0.8396	0.0374	0.8750	0.8356	0.0394
Eagle Harbor	0.9930	0.9789	0.0141	0.9940	0.9240	0.0700
Edmonston	0.8970	0.8679	0.0291	0.9120	0.8676	0.0444
Fairmount Heights	0.9440	0.9093	0.0347	0.9400	0.9027	0.0373
Forest Heights	0.9120	0.8747	0.0373	0.9270	0.8714	0.0556
Glenarden	0.8850	0.8958	(0.0108)	0.8920	0.8581	0.0339
Greenbelt	0.8590	0.8735	(0.0145)	0.8540	0.8339	0.0201
Hyattsville	0.8640	0.8571	0.0069	0.8610	0.8413	0.0197
Landover Hills	0.8890	0.8327	0.0563	0.8990	0.8376	0.0614
Laurel	0.8340	0.8286	0.0054	0.8240	0.8088	0.0152
Morningside	0.9250	0.8911	0.0339	0.9400	0.8778	0.0622
Mount Rainier	0.8660	0.8065	0.0595	0.8640	0.7986	0.0654
New Carrollton	0.8820	0.8536	0.0284	0.8880	0.8532	0.0348
North Brentwood	0.9960	0.9170	0.0790	0.9950	0.9234	0.0716
Riverdale Park	0.8640	0.8229	0.0411	0.8700	0.8190	0.0510
Seat Pleasant	0.8760	0.8388	0.0372	0.8780	0.8358	0.0422
University Park	0.8750	0.8525	0.0225	0.8730	0.8513	0.0217
Upper Marlboro	0.9210	0.9206	0.0004	0.9260	0.8938	0.0322
Unincorporated Area	\$ 1.0000	\$ 0.9857	\$ 0.0143	\$ 1.0000	\$ 0.9780	0.0220

FY 2018 Allocated General Fund Revenues

Some County revenues are allocated to cover some or all costs of specific services. Listed below are the allocated General Fund revenues.

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2016 Approved</u>	<u>FY 2017 Approved</u>	<u>FY 2018 Approved</u>
Board of Education	Energy Tax	\$ 63,394,400	\$ 69,188,600	\$ 70,372,300
	Personal Property Tax	-	-	3,170,400
	Real Property Tax	-	-	34,179,300
	State & Federal Aid/Board Sources	1,163,775,600	1,225,531,000	1,236,262,300
	Teacher Retirement Supplemental Grant	9,628,700	9,628,700	9,628,700
	Telecommunications Tax	34,383,300	32,031,600	31,051,400
	Transfer Tax	86,087,400	105,525,500	108,193,600
	Total Board of Education	\$ 1,357,269,400	\$ 1,441,905,400	\$ 1,492,858,000
Board of Elections	Sale of Voter Material	\$ 11,000	\$ 11,000	\$ 11,000
	Total Board of Elections	\$ 11,000	\$ 11,000	\$ 11,000
Board of License Commissioners	Liquor Licenses	\$ 1,832,400	\$ 1,900,000	\$ 2,049,300
	Total Board of License Commissioners	\$ 1,832,400	\$ 1,900,000	\$ 2,049,300
Circuit Court	Bail Bondsman	\$ 662,300	\$ 662,300	\$ 662,300
	Circuit Court Marriage Certificate	31,600	31,600	31,600
	Court Appearance Fees	206,200	206,200	206,200
	Jury Fees Reimbursement	769,900	769,900	769,900
	Miscellaneous	22,000	22,000	22,000
	Total Circuit Court	\$ 1,692,000	\$ 1,692,000	\$ 1,692,000
Community College	Recreational Activities (M-NCPPC)	\$ 700,000	\$ 700,000	\$ 700,000
	State Aid/Tuition/Other Revenues	73,143,300	72,420,900	74,372,800
	Total Community College	\$ 73,843,300	\$ 73,120,900	\$ 75,072,800
County Council	Zoning Fees - Board of Appeals	\$ 31,100	\$ 31,100	\$ 32,000
	Total County Council	\$ 31,100	\$ 31,100	\$ 32,000
Department of Corrections	Charges for Services - Community Service Program fees	\$ -	\$ 175,000	\$ 100,000
	Total Corrections	\$ -	\$ 175,000	\$ 100,000
Department of the Environment	Animal Licenses	\$ 120,000	\$ 165,400	\$ 88,700
	Water and Sewer Planning (M-NCPPC)	-	-	155,300
	Total Environment	\$ 120,000	\$ 165,400	\$ 244,000
Department of Housing and Community Development	Redevelopment Division (M-NCPPC)	\$ 844,500	\$ 844,500	\$ 844,500
	Total Housing and Community Development	\$ 844,500	\$ 844,500	\$ 844,500
Department of Permitting, Inspections, and Enforcement	Building and Grading Permits	\$ 12,893,700	\$ 15,920,900	\$ 18,886,600
	Business Licenses (Apt., SF & MF Rental)	3,460,000	3,972,100	6,885,900
	Business Licenses (Other)	839,300	963,500	216,000
	Enforcement (M-NCPPC)	1,761,900	1,761,900	1,761,900
	Office of Engineering and Project Management (M-NCPPC)	929,800	929,800	-
	Permitting and Licensing/Inspections (M-NCPPC)	1,816,200	1,816,200	1,816,200
	Street Use Permits	6,329,600	5,215,700	4,347,200
	Water and Sewer Planning (M-NCPPC)	155,300	155,300	-
	Total Permitting, Inspections, and Enforcement	\$ 28,185,800	\$ 30,735,400	\$ 33,913,800

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2016 Approved</u>	<u>FY 2017 Approved</u>	<u>FY 2018 Approved</u>
Department of Public Works and Transportation	Green to Greatness (M-NCPPC)	\$ -	\$ -	\$ 225,000
	Office of Engineering and Project Management (M-NCPPC)	-	-	929,800
	Total Public Works	\$ -	\$ -	\$ 1,154,800
Department of Social Services	State DHR DSS Grant	\$ 250,000	\$ 228,200	\$ 230,400
	Total Social Services	\$ 250,000	\$ 228,200	\$ 230,400
Fire/EMS Department	Contractual Fire Services	\$ 400,000	\$ 400,000	\$ 400,000
	Fees for Emergency Transportation & Related Services (General)	5,645,800	7,353,000	6,725,500
	Fees for Emergency Transportation & Related Services (Volunteer)	3,220,100	4,190,100	3,832,500
	Miscellaneous Sales	5,000	5,000	5,000
	Speed Cameras	2,297,100	2,149,500	1,963,900
	Total Fire	\$ 11,568,000	\$ 14,097,600	\$ 12,926,900
Health Department	Health Fees	\$ 1,200,000	\$ 1,200,000	\$ 2,292,000
	Health Permits	2,100,000	2,200,000	2,447,600
	State Health Grant	6,131,000	6,644,500	2,658,300
	Total Health	\$ 9,431,000	\$ 10,044,500	\$ 7,397,900
Memorial Library	Recreation Programs (M-NCPPC)	\$ 2,712,800	\$ 2,712,800	\$ 1,512,000
	State Aid/Fines	8,026,300	8,298,700	8,532,900
	Total Library	\$ 10,739,100	\$ 11,011,500	\$ 10,044,900
Non-Departmental	Economic Development Corporation (M-NCPPC)	\$ -	\$ -	\$ 316,800
	Green to Greatness (M-NCPPC)	225,000	225,000	-
	Hotel Tax - Conference & Visitors Bureau	-	-	586,900
	Public Safety Surcharge	-	1,600,000	1,600,000
	Total Non-Departmental	\$ 225,000	\$ 1,825,000	\$ 2,503,700
Office of Central Services	Leased Space (M-NCPPC)	\$ 799,200	\$ 741,500	\$ 917,200
	Property Rental	1,000,000	2,000,000	1,479,200
	Total Central Services	\$ 1,799,200	\$ 2,741,500	\$ 2,396,400
Office of Finance	Tax Collection (M-NCPPC)	\$ 423,400	\$ 423,400	\$ 185,600
	Telecommunications Tax	277,100	258,100	310,500
	Total Finance	\$ 700,500	\$ 681,500	\$ 496,100
Office of Homeland Security	911 Fees	\$ 6,520,500	\$ 6,336,100	\$ 6,613,400
	Federal Office of Emergency Preparedness Grant	-	-	-
	Total Office of Homeland Security	\$ 6,520,500	\$ 6,336,100	\$ 6,613,400
Office of the Sheriff	Circuit Court & District Court	\$ 405,000	\$ 500,900	\$ 511,300
	Evictions Revenue	2,342,000	2,896,600	2,957,000
	Miscellaneous Fees	15,000	18,600	19,000
	Total Sheriff	\$ 2,762,000	\$ 3,416,100	\$ 3,487,300
Police Department	Bureau of Patrol (M-NCPPC)	\$ 36,800	\$ 36,800	\$ -
	Contractual Police Services	1,540,000	1,540,000	1,540,000
	Speed Cameras	6,210,700	5,811,700	5,309,900
	State Police Aid Grant	10,736,400	11,517,700	10,630,800
	Total Police	\$ 18,523,900	\$ 18,906,200	\$ 17,480,700
People Zoning Counsel	People Zoning Counsel (M-NCPPC)	\$ -	\$ -	\$ 250,000
	Total People Zoning Counsel	\$ -	\$ -	\$ 250,000
Sub-total		\$ 1,526,348,700	\$ 1,619,868,900	\$ 1,671,799,900
Debt	Highway User Revenues	\$ 3,243,000	\$ 2,981,500	\$ 2,919,100
	Total Debt	\$ 3,243,000	\$ 2,981,500	\$ 2,919,100
Total		\$ 1,529,591,700	\$ 1,622,850,400	\$ 1,674,719,000

Notes:

Highway user revenue is mainly used to retire debt on County General Obligation (GO) Bonds, State Participation Bonds and fund regular road maintenance projects.

Revenue items in Allocated Revenues do not match revenues in Revenue Summary, which shows revenue groups instead of individual revenue accounts.

MGM Casino at National Harbor - Impact Summary

Source	FY 2017 Approved	FY 2017 Estimated	FY 2018 Approved	Change FY17 - FY18
Proposed Sources				
Real Property Tax - Non-Education (\$0.96 per \$100)	\$1,953,500	\$2,463,300	\$6,324,900	223.8%
Real Property Tax - Education (\$0.04 per \$100)	151,200	183,300	397,300	162.8%
Personal Property Tax - Non-Education (\$2.40 per \$100)	840,000	-	1,260,000	50.0%
Personal Property Tax - Education (\$0.10 per \$100)	35,000	-	52,500	50.0%
Admissions and Amusement Taxes (10%)	4,050,000	1,234,200	1,433,500	-64.6%
Hotel Taxes (7%)	282,100	293,300	616,000	118.4%
Video Lottery Terminal (VLT) Revenues (5.5%)	7,503,500	3,606,000	7,103,500	-5.3%
Table Game Revenues (5%)	4,096,900	8,595,800	14,620,200	256.9%
Total Proposed Sources	\$18,912,200	\$16,375,900	\$31,807,900	68.2%
Proposed Uses				
Video Lottery Terminal (VLT) Uses				
<u>Non-Departmental - Grants and Transfers</u>				
Maryland 210 Improvements	\$3,001,400	\$1,442,400	\$2,841,400	-5.3%
Prince George's County Economic Development Corporation - Workforce Development	337,700	-	337,700	0.0%
Excellence in Education Foundation for PGCPs, Inc. - Scholarships for High School Students in Impact Area	-	-	150,000	100.0%
Community Impact Grants - Local Development Council	225,000	225,000	500,000	122.2%
Board of Education - Transfers to the Capital Improvement Program	1,132,000	1,132,000	769,600	-32.0%
Subtotal	\$4,696,100	\$2,799,400	\$4,598,700	-2.1%
<u>Non-Departmental - Other</u>				
Summer Youth Employment Program	\$337,700	\$136,800	\$300,000	-11.2%
Subtotal	\$337,700	\$136,800	\$300,000	-11.2%
<u>Public Safety</u>				
Police - Additional officers at Police District 7	\$787,900	\$0	\$345,700	-56.1%
Fire/EMS - Additional Fire/EMS staff dedicated to facilities in the immediate proximity of the VLT facility	562,800	-	190,100	-66.2%
Subtotal	\$1,350,700	\$0	\$535,800	-60.3%
<u>Board of Education</u>				
Board of Education - Crossland HS program	\$1,119,000	\$1,119,000	\$1,119,000	0.0%
Technology and Classroom Tool Upgrades - Allenwood ES, Apple Grove ES, Flintstone ES, Forest Heights ES, Fort Foote ES, Indian Queen ES, John Hanson Montessori, Oxon Hill MS, Potomac Landing ES and Thurgood Marshall MS. (Each school will be allotted \$55,000)	-	-	550,000	100.0%
Subtotal	\$1,119,000	\$1,119,000	\$1,669,000	49.2%
VLT - Sub-Total	\$7,503,500	\$4,055,200	\$7,103,500	-5.3%

MGM Casino at National Harbor - Impact Summary

Source	FY 2017 Approved	FY 2017 Estimated	FY 2018 Approved	Change FY17 - FY18
Non-Video Lottery Terminal Uses				
<u>Board of Education</u>				
Board of Education - Funding supports operations and reflected under the County's Contribution	\$3,204,400	\$3,204,400	\$5,906,400	84.3%
Targeted High School Initiative - Bladensburg, Central, High Point, Northwestern	-	-	4,763,400	100.0%
Subtotal	\$3,204,400	\$3,204,400	\$10,669,800	233.0%
<u>Community College</u>				
Community College - Funding for Institutional Support	\$1,800,000	\$1,800,000	\$1,800,000	0.0%
Promise Scholarships Initiative	-	-	1,700,000	100.0%
Subtotal	\$1,800,000	\$1,800,000	\$3,500,000	94.4%
<u>Library</u>				
Library - Funding provides for evening hours, materials and programming	\$700,000	\$700,000	\$700,000	0.0%
Books from Birth Initiative	-	-	113,200	100.0%
Subtotal	\$700,000	\$700,000	\$813,200	16.2%
<u>Public Safety</u>				
Police - FY 2017 - Funding supports 150 new recruits (3 classes of 50 recruits)/FY 2018 - 200 new recruits (3 classes of 50 and 2 classes of 25)	\$3,492,000	\$3,492,000	\$5,760,300	65.0%
Fire/EMS - FY 2017 - Funding supports 70 new recruits (2 classes of 35 recruits)/FY 2018 - 115 new recruits - 3 Classes (2 Classes of 35 and 1 class of 45)	2,116,000	2,116,000	2,244,600	6.1%
Sheriff - Funding supports 25 new recruits	96,300	96,300	1,716,500	1682.5%
Subtotal	\$5,704,300	\$5,704,300	\$9,721,400	70.4%
Non-VLT - Sub-Total	\$11,408,700	\$11,408,700	\$24,704,400	116.5%
Total Proposed Uses	\$18,912,200	\$15,463,900	\$31,807,900	68.2%
Excess (Deficit)	\$0	\$912,000	\$0	0.0%
CB 33-2015 Requirement - 50% for Education				
Board of Education	\$5,455,400	\$5,455,400	\$13,108,400	140.3%
Library	700,000	700,000	813,200	16.2%
College	1,800,000	1,800,000	3,500,000	94.4%
Total	\$7,955,400	\$7,955,400	\$17,421,600	119.0%
VLT Summary				
Revenues	\$7,503,500	\$3,606,000	\$7,103,500	-5.3%
Expenses	\$7,503,500	\$4,055,200	\$7,103,500	-5.3%
Surplus (Deficit)	\$0	(\$449,200)	\$0	0.0%
Non-VLT Summary				
Revenues	\$11,408,700	\$12,769,900	\$24,704,400	116.5%
Expenses	\$11,408,700	\$11,408,700	\$24,704,400	116.5%
Surplus (Deficit)	\$0	\$1,361,200	\$0	0.0%
All Summary				
Revenues	\$18,912,200	\$16,375,900	\$31,807,900	68.2%
Expenses	\$18,912,200	\$15,463,900	\$31,807,900	68.2%
Surplus (Deficit)	\$0	\$912,000	\$0	0.0%

CONSOLIDATED GRANT PROGRAM SUMMARY

PROGRAM NAME	FEDERAL CASH	STATE CASH	OTHER CASH	TOTAL OUTSIDE SOURCES	COUNTY CASH	TOTAL PROGRAM SPENDING*
<u>GENERAL GOVERNMENT</u>						
OFFICE OF COMMUNITY RELATIONS FY 2018 TOTALS	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
OFFICE OF CENTRAL SERVICES FY 2018 TOTALS	\$ -	\$ -	\$ 7,810,000	\$ 7,810,000	\$ -	\$ 7,810,000
<u>COURTS</u>						
CIRCUIT COURT FY 2018 TOTALS	\$ -	\$ 3,331,900	\$ -	\$ 3,331,900	\$ 263,900	\$ 3,595,800
ORPHANS' COURT	\$ -	\$ 70,100	\$ -	\$ 70,100	\$ -	\$ 70,100
<u>PUBLIC SAFETY</u>						
OFFICE OF THE STATE'S ATTORNEY FY 2018 TOTALS	\$ -	\$ 1,492,900	\$ -	\$ 1,492,900	\$ -	\$ 1,492,900
POLICE DEPARTMENT FY 2018 TOTALS	\$ 1,159,300	\$ 2,789,500	\$ 162,000	\$ 4,110,800	\$ 30,000	\$ 4,140,800
FIRE/EMS DEPARTMENT FY 2018 TOTALS	\$ 6,321,100	\$ 1,795,000	\$ -	\$ 8,116,100	\$ 703,100	\$ 8,819,200
OFFICE OF THE SHERIFF FY 2018 TOTALS	\$ 2,660,500	\$ 237,000	\$ -	\$ 2,897,500	\$ 962,800	\$ 3,860,300
DEPARTMENT OF CORRECTIONS FY 2018 TOTALS	\$ 345,000	\$ 150,000	\$ -	\$ 495,000	\$ -	\$ 495,000
OFFICE OF HOMELAND SECURITY FY 2018 TOTALS	\$ 1,952,000	\$ 687,700	\$ -	\$ 2,639,700	\$ -	\$ 2,639,700
<u>ENVIRONMENT</u>						
DEPARTMENT OF THE ENVIRONMENT FY 2018 TOTALS	\$ 20,000	\$ 496,800	\$ -	\$ 516,800	\$ 48,300	\$ 565,100
<u>HUMAN SERVICES</u>						
DEPARTMENT OF FAMILY SERVICES FY 2018 TOTALS	\$ 3,504,600	\$ 6,466,000	\$ 174,000	\$ 10,144,600	\$ 384,200	\$ 10,528,800
HEALTH DEPARTMENT FY 2018 TOTALS	\$ 28,706,200	\$ 16,029,000	\$ 2,850,600	\$ 47,585,800	\$ 105,000	\$ 47,690,800
DEPARTMENT OF SOCIAL SERVICES FY 2018 TOTALS	\$ 11,976,100	\$ 2,368,400	\$ 2,346,000	\$ 16,690,500	\$ 747,000	\$ 17,437,500
<u>INFRASTRUCTURE AND DEVELOPMENT</u>						
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION FY 2018 TOTALS	\$ 400,000	\$ 1,628,100	\$ -	\$ 2,028,100	\$ 884,700	\$ 2,912,800
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FY 2018 TOTALS	\$ 83,526,700	\$ -	\$ 2,088,000	\$ 85,614,700	\$ -	\$ 85,614,700
NON-DEPARTMENTAL FY 2018 TOTALS	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
TOTAL FY 2018 GRANTS	\$ 140,631,500	\$ 37,542,400	\$ 20,430,600	\$ 198,604,500	\$ 4,129,000	\$ 202,733,500
*Total Program Spending is the total of County Cash and Total Outside Sources.						

EDUCATION REVENUE DETAIL

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated	FY 2018 Approved	Change FY17 - FY18
BOARD OF EDUCATION					
Federal Sources					
Unrestricted Federal Aid	\$ 71,670	\$ 147,100	\$ 147,100	\$ 80,000	-45.6%
Restricted Federal Aid	86,737,639	96,373,000	96,373,000	89,946,500	-6.7%
Total Federal Sources	\$ 86,809,309	\$ 96,520,100	\$ 96,520,100	\$ 90,026,500	-6.7%
Board Sources					
Board Sources	\$ 16,724,402	\$ 13,383,900	\$ 13,383,900	\$ 13,159,500	-1.7%
Board of Education Fund Balance	-	24,000,000	31,500,000	22,000,000	-8.3%
Total Board Sources	\$ 16,724,402	\$ 37,383,900	\$ 44,883,900	\$ 35,159,500	-6.0%
State Aid					
Foundation Program	\$ 514,335,119	\$ 522,038,400	\$ 522,038,400	\$ 530,518,400	1.6%
Geographic Cost of Education Index	20,297,766	41,084,000	41,084,000	42,000,000	2.2%
Special Education	42,246,017	43,735,100	43,735,100	44,579,000	1.9%
Nonpublic Placements	21,340,958	23,850,900	23,850,900	23,863,700	0.1%
Transportation Aid	39,146,128	39,757,600	39,757,600	40,693,800	2.4%
Compensatory Education	281,138,643	282,243,500	282,243,500	282,089,200	-0.1%
Limited English Proficiency	81,882,976	86,911,200	86,911,200	94,280,500	8.5%
Net Taxable Income - Adjustment	10,041,691	18,460,300	18,460,300	22,370,100	21.2%
Guaranteed Tax Base	6,212,311	8,529,700	8,529,700	5,665,300	-33.6%
Supplemental Grant and Other State Aid	20,529,931	20,505,700	20,505,700	20,505,700	0.0%
Restricted Grants	4,048,382	4,510,600	4,510,600	4,510,600	0.0%
Total State Sources	\$ 1,041,219,922	\$ 1,091,627,000	\$ 1,091,627,000	\$ 1,111,076,300	1.8%
Outside Aid	\$ 1,144,753,633	\$ 1,225,531,000	\$ 1,233,031,000	\$ 1,236,262,300	0.9%
General County Sources					
General County Sources	\$ 430,304,142	\$ 457,011,100	\$ 458,056,900	\$ 492,214,200	7.7%
Real Property/BOE -Tax Increase	30,594,774	31,310,900	31,310,900	34,179,300	9.2%
Personal Property/BOE -Tax Increase	2,985,672	3,003,300	3,076,500	3,170,400	5.6%
Telecommunications Tax	31,227,520	32,289,700	32,289,700	31,051,400	-3.8%
Energy Tax	66,394,765	69,188,600	69,188,600	70,372,300	1.7%
Transfer Tax	107,785,252	105,525,500	105,525,500	108,193,600	2.5%
Subtotal County Revenue	\$ 669,292,125	\$ 698,329,100	\$ 699,448,100	\$ 739,181,200	5.8%
TOTAL	\$ 1,814,045,758	\$ 1,923,860,100	\$ 1,932,479,100	\$ 1,975,443,500	2.7%
COMMUNITY COLLEGE					
County Contribution	\$ 31,648,800	\$ 34,872,800	\$ 34,872,800	\$ 39,866,400	14.3%
State Aid	26,072,536	28,500,300	28,500,300	28,977,000	1.7%
Tuition and Fees	40,797,060	39,970,000	38,748,200	40,495,200	1.3%
Other Revenues	2,097,376	2,102,000	2,102,000	2,102,000	0.0%
Fund Balance	-	2,548,600	2,967,400	3,498,600	37.3%
TOTAL	\$ 100,615,772	\$ 107,993,700	\$ 107,190,700	\$ 114,939,200	6.4%
LIBRARY					
County Contribution	\$ 18,485,200	\$ 19,615,000	\$ 19,615,000	\$ 21,524,900	9.7%
State Aid	6,965,419	7,238,700	7,238,700	7,402,000	2.3%
Interest	7,015	5,000	3,000	3,500	-30.0%
Fines/Fees	300,205	457,700	340,000	340,000	-25.7%
Miscellaneous	1,006,216	597,300	717,000	787,400	31.8%
Fund Balance	-	-	-	-	0.0%
TOTAL	\$ 26,764,055	\$ 27,913,700	\$ 27,913,700	\$ 30,057,800	7.7%

Notes:

(1) Numbers may not add due to rounding.

(2) FY 2017 Estimated Board Sources for the Board of Education includes an additional use of fund balance in the amount of \$7,500,000.

Lottery Fund (VLT) revenues to support various programs. FY 2017 Estimated County Contribution includes \$1,119,000 in VLT revenues dedicated to Crossland High School Career Academy. Please refer to the MGM Casino at National Harbor Impact Summary page for further details.

MUNICIPAL TAX DIFFERENTIAL

PROGRAM INFORMATION

The Tax Property Article of the Annotated Code of Maryland (Title 6, Subtitle 6-305) mandates that the County recognize, through either a reduced County tax rate or direct grant payment, those governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that these similar services are funded through the property tax rate.

FINANCIAL SUMMARY

Under the provisions of Title 17, Subtitle 10, Division 6, of the Public Local Laws of Prince George's County, each town's cost of each service identified in the prior-year County budget is assigned a tax rate equivalency value after adjustments are made to offset revenue directly allocable to a specific service. The aggregate town requests for "in lieu of" service credit, as certified by the County, are translated into a dollar value, which is the sum of the products of the tax rate equivalent cost of the service multiplied by each town's tax base. Each of these net service values is then reduced to reflect the portion of levy. The sum of the tax rate values of the services constitutes the tax rate differential accruing to each town, i.e., the amount by which the County unincorporated area property tax rate will be reduced in each respective town.

Beginning with FY 1999, County legislation set a five-year rolling average for changes in municipal differential rates. Beginning in FY 2004 and each year thereafter, this changed to a three-year rolling average. The purpose of this modification is to provide stability to municipal residents' County tax rates, smoothing what could otherwise be a large rate change that could be triggered by a reorganization of County services, economic fluctuations, changes in municipal service levels or other factors.

In 2000, Chapter 80, Acts of 2000 (Senate Bill 626) provided that, beginning in FY 2001, property tax rates shall be applied to 100% of the market value of real property, rather than the 40% for most real property under previous law. Also, the law mandates that the County real property tax rates and municipal tax differentials be adjusted to make the impact revenue neutral. As a result, starting from FY 2002, a separate real property tax rate and a separate personal property rate have been applied. Also a real property tax differential and a separate personal property tax differential have been applied, in accordance with State law and County code (CB-1-2001).

FY 2018 TAX DIFFERENTIAL RATES

Municipality	FY 2018 TAX DIFFERENTIAL		FY 2018 VALUE		TOTAL
	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	
Berwyn Heights	0.289	0.122	\$ 50,751	\$ 326,372	\$ 377,124
Bladensburg	0.278	0.118	47,216	507,513	554,728
Bowie	0.330	0.140	399,851	8,789,633	9,189,484
Brentwood	0.152	0.064	6,644	134,300	140,944
Capitol Heights	0.245	0.104	20,725	273,939	294,663
Cheverly	0.306	0.129	53,816	700,329	754,146
College Park	0.076	0.032	53,580	839,977	893,557
Colmar Manor	0.221	0.093	5,547	79,820	85,367
Cottage City	0.232	0.098	7,730	89,125	96,855
District Heights	0.296	0.125	17,713	421,280	438,992
Eagle Harbor	0.008	0.006	34	444	478
Edmonston	0.208	0.088	10,747	130,520	141,267
Fairmount Heights	0.143	0.060	2,339	57,221	59,560
Forest Heights	0.173	0.073	6,103	120,585	126,688
Glenarden	0.256	0.108	34,852	636,232	671,083
Greenbelt	0.345	0.146	234,652	2,830,787	3,065,438
Hyattsville	0.327	0.139	210,807	2,492,416	2,703,224
Landover Hills	0.240	0.101	5,563	140,447	146,011
Laurel	0.416	0.176	321,277	5,080,831	5,402,108
Morningside	0.142	0.060	3,681	52,766	56,447
Mount Rainier	0.322	0.136	15,324	538,182	553,506
New Carrollton	0.265	0.112	34,784	773,481	808,265
North Brentwood	0.011	0.005	102	2,331	2,433
Riverdale	0.308	0.130	61,138	792,770	853,908
Seat Pleasant	0.289	0.122	18,661	334,795	353,456
University Park	0.300	0.127	7,983	390,668	398,651
Upper Marlboro	0.176	0.074	45,417	62,195	107,611
Total			\$ 1,677,037	\$ 26,598,959	\$ 28,275,996

Numbers may not add due to rounding.