



OB # 1 COUNTY TAX RATE

To: Peter Joseph, Town Manager
From: Jessica Maloy, Finance Director
Re: County Tax Rate Adjustment
Date: August 27, 2020

The Cumberland County Commissioners voted to change the County's budget from a calendar year to a fiscal year. They have opted to implement this change through a six-month budget beginning January 1, 2021, ending June 30, 2021. On July 1, 2021, the County will begin their new twelve-month fiscal year budget.

The County tax for the six-month transition budget will be added to the regular county tax assessment starting July 1, 2021. They are allowing communities to choose to make the payment for this six-month assessment in full during the first year or spread it out over a period of two to five years.

In order to keep the impact to our residents minimal, especially during this time, staff is recommending that Council adopt the five-year payment plan. The County will have to borrow an annual TAN (tax anticipation note) to cover the cost of this expense; however, staff feels that will be incremental to the overall county tax assessment and this will be the best option for our residents.

This request is to adopt the five year payment plan for the six month county budget.