



TALBOT COUNTY, MARYLAND

FY 2027 BUDGET INTRODUCTION
APRIL 14, 2026

FY 2027
Proposed
General Fund
Budget

\$159,100,000

Current FY 2026
General Fund Budget
\$161,117,000





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Risks

Several external and internal challenges must be considered:

- Policy shifts at the federal level
- State looming budget deficit
- Economic pressures
- Workforce challenges



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Strategies

The budget strategy focuses on delivering services while balancing risks:

- Hold the FY27 budget at or below FY26 level
- Limit new positions
- Focus on completing existing capital projects
- Conservative Capital Outlay
- Continue focus on Personnel, Processes, and Projects



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Fiscal Year 2026 Budget

- YTD Budget Status
- Improvements to Services and Processes
- Progress on Infrastructure Projects



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Fiscal Year 2027 Budget Strategy

- Conservative Budgeting
- Strategic Use of Fund Balance and Low Taxes
- Prioritize Investments in Infrastructure



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FY 2027 Budget Highlights

The proposed General Fund Budget of \$159,100,000 includes:

Revenues

Property Tax Revenues

- 2% over FY26 revenues in accordance with the Charter
- 1 cent to the Property Tax rate as authorized by the voters
 - November 2020 and November 2024
 - To be used to support Public Safety
- Education supplement of 0.0147

Income Tax Revenues

- No change to the income tax rate

No increases in the Schedule of Fees

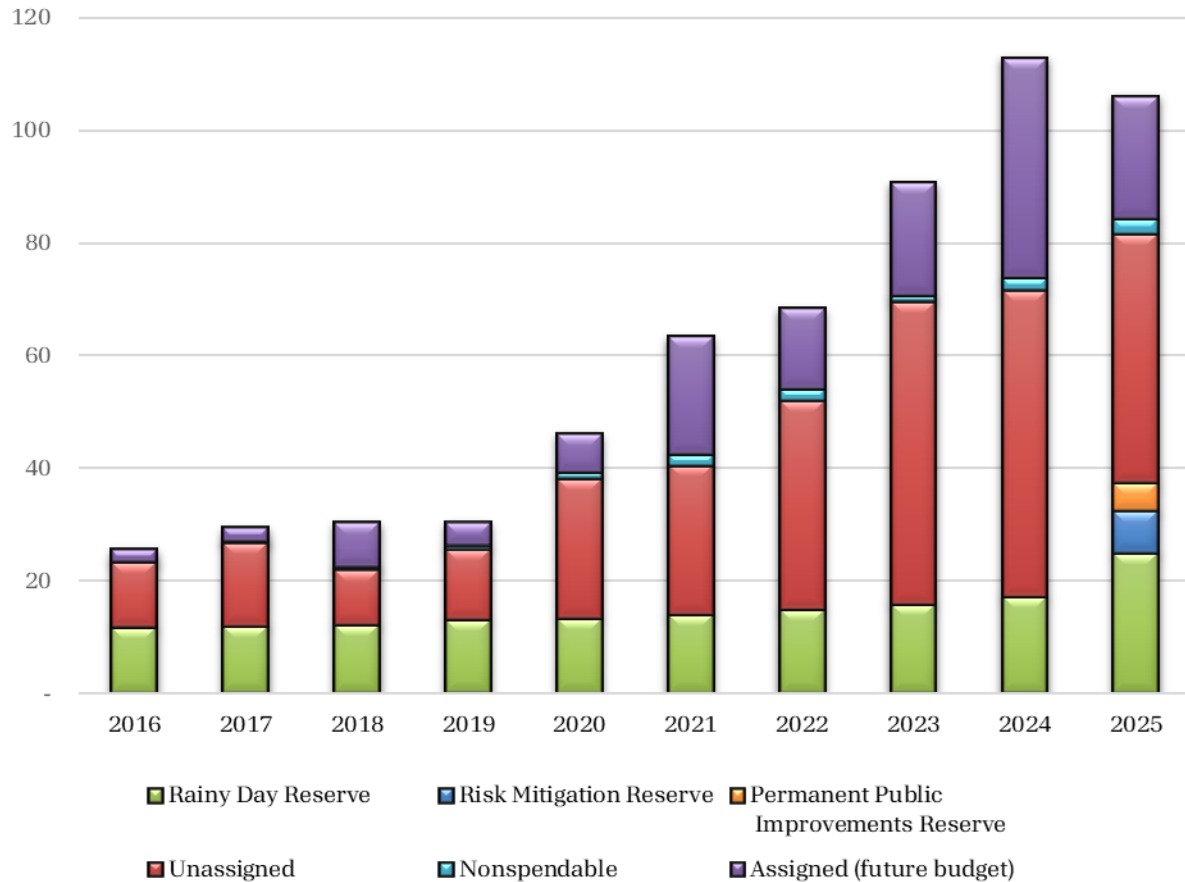


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General Fund Reserves



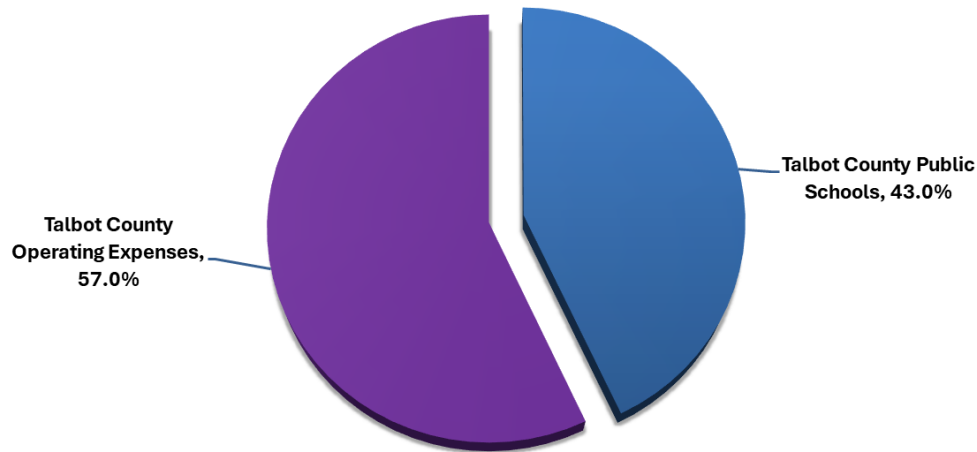


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FY 2027 Budget Highlights



Funding for Talbot County Public Schools (TCPS)

- At required Local Share funding - \$57 million
- Universal Pre-K - \$307,663
- Teachers' Pensions - \$619,801
- Capital projects - \$1.8 million
- TCPS appropriation, debt service for facilities, Universal Pre-k and Teachers' Pensions account for 43% of the County's FY27 operating budget



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FY 2027 Budget Highlights

- 3.0% cost of living adjustment (COLA) and 1 performance-based step for County employees
- No new general government positions without identified funding source
- Fund balance reserves will be invested in:
 - \$ 5.5 million for Capital Outlay (equipment) purchases
 - \$ 4.6 million for Capital Projects
 - \$ 2.2 million for Recreation Fund Capital Projects



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General Fund Revenues

	FY 2026	FY 2027	From FY 2026 Approved	
	Approved	Proposed	\$ Change	% Change
Property Taxes	67,621,518	72,422,809	4,801,291	7.10%
Education Supplement	1,040,098	1,541,000	500,902	48.16%
Income Tax	39,500,000	40,000,000	500,000	1.27%
Recordation	8,410,000	8,500,000	90,000	1.07%
Transfer	5,415,000	5,736,000	321,000	5.93%
Other Local Taxes	2,080,000	680,000	(1,400,000)	-67.31%
Roads HUR Revenues	1,238,969	1,224,560	(14,409)	-1.16%
Interest Income	5,500,000	5,000,000	(500,000)	-9.09%
All Other Revenues	8,104,722	7,294,545	(810,177)	-10.00%
Subtotal - Income before Transfers	138,910,307	142,398,914	3,488,607	2.51%
Reserves	6,302,943	4,255,256	(2,047,687)	-32.49%
Reserves for Transfer to Capital Projects	15,353,750	11,805,830	(3,547,920)	-23.11%
Reserves Transferred from Development Impact Fund	550,000	640,000	90,000	16.36%
Total Revenues	161,117,000	159,100,000	(2,017,000)	-1.25%

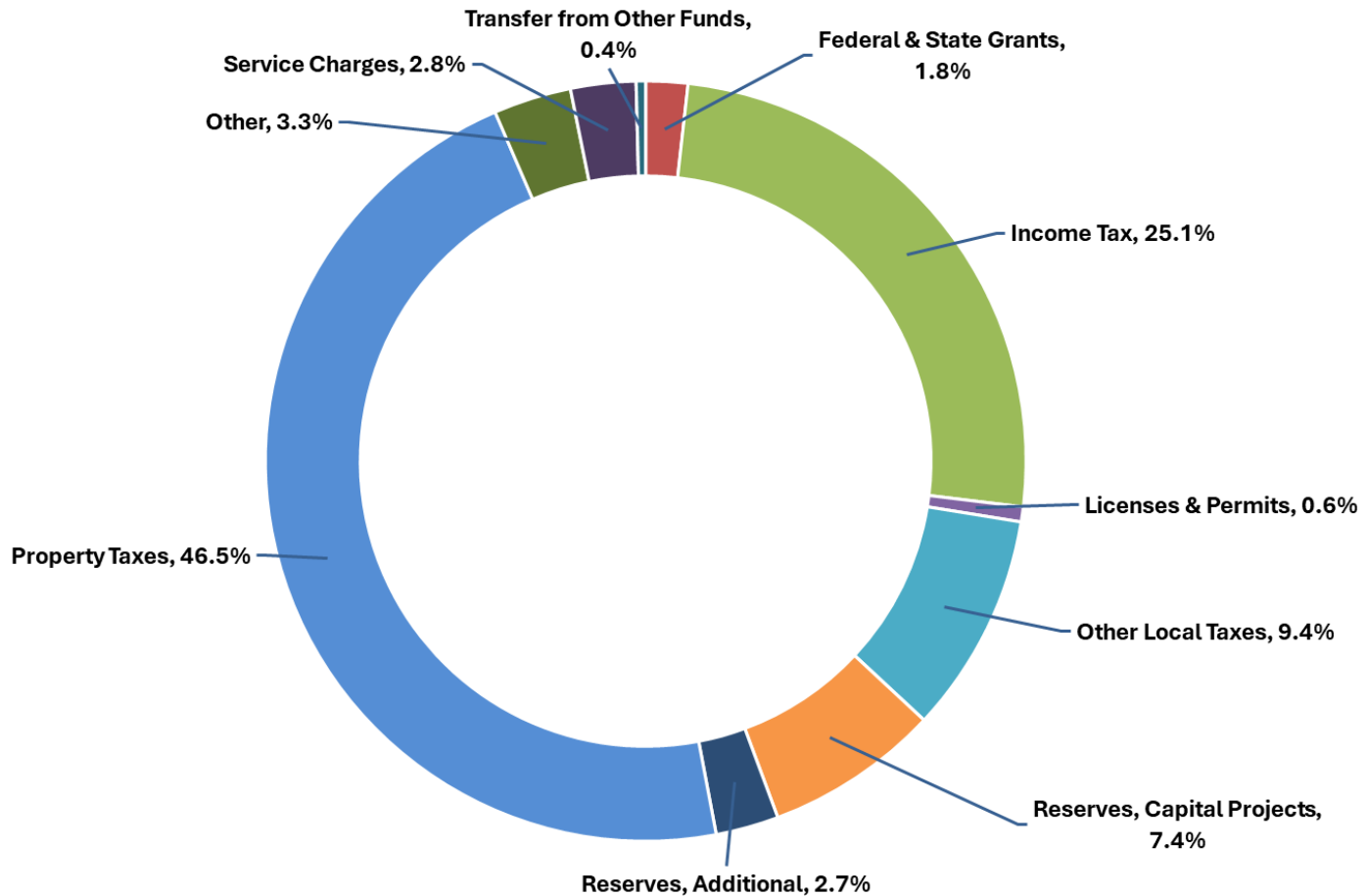


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General Fund Revenues





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General Fund Expenditures

	FY 2026 Approved	FY 2027 Proposed	From FY 2026 Approved	
			\$ Change	% Change
Operating - Board of Education	55,060,941	57,045,343	1,984,402	3.60%
Teachers Pensions	440,098	619,801	179,703	40.83%
Universal Pre-K	29,000	307,663	278,663	960.91%
Additional over required funding	622,337	-	(622,337)	-100.00%
Debt Service - Schools	5,295,325	5,165,388	(129,937)	-2.45%
Operating -County	61,306,955	64,381,658	3,074,703	5.02%
Outside Agencies	14,229,934	13,396,118	(833,816)	-5.86%
Debt Service	2,870,166	2,819,796	(50,370)	-1.75%
Capital Outlay	3,129,733	5,510,530	2,380,797	76.07%
Contingency	1,750,000	3,000,000	1,250,000	71.43%
Subtotal - Expenses before Transfers	144,734,489	152,246,297	7,511,808	5.19%
Transfers Out Capital Projects Fund	13,653,750	4,608,000	(9,045,750)	-66.25%
Transfers Out Recreation - Community Center	1,647,308	571,169	(1,076,139)	-65.33%
Transfers Out Recreation - Golf	1,081,453	1,674,534	593,081	54.84%
Transfers Out - Development Impact	-	-	-	0.00%
Transfers Out OPEB Trust	-	-	-	0.00%
Total Expenditures	161,117,000	159,100,000	(2,017,000)	-1.25%

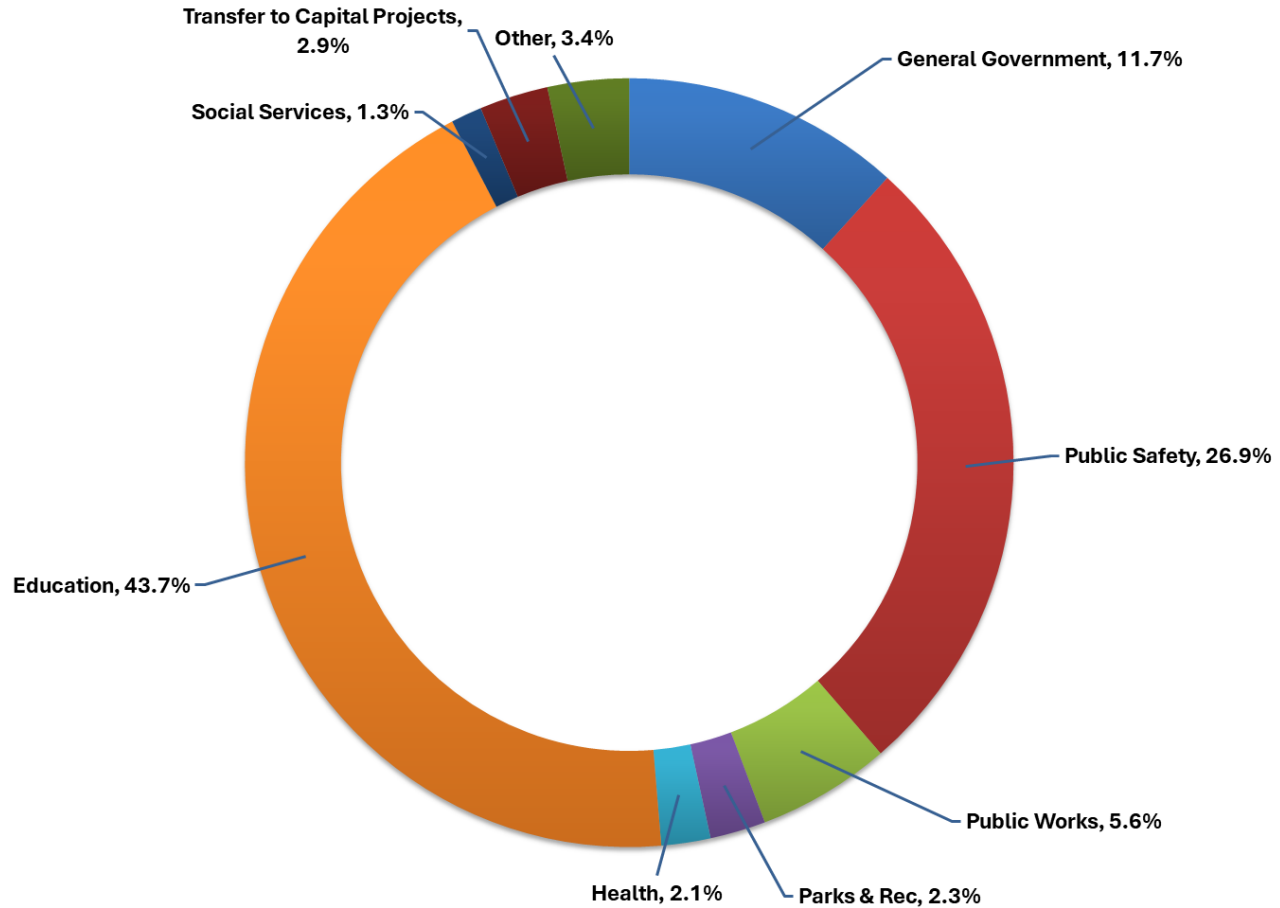


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General Fund Expenditures





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History of Talbot County Property Tax Rates

Year	County Real Property Tax Rate	Education Supplement	Total Real Property Tax Rate	Change From Prior Year	% Change
2027 Proposed	0.8033	0.0147	0.8180	0.0148	1.84%
2026	0.7926	0.0106	0.8032	0.0122	1.54%
2025	0.7510	0.0400	0.7910	0.0476	6.40%
2024	0.6954	0.0480	0.7434	0.0614	9.00%
2023	0.6720	0.0100	0.6820	0.0255	3.88%
2022	0.6529	0.0036	0.6565	0.0193	3.03%
2021	0.6372	0.0000	0.6372	0.0000	0.00%
2020	0.6142	0.0230	0.6372	0.0311	5.13%
2019	0.5811	0.0250	0.6061	0.0353	6.18%



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History of a Talbot County Tax Bill for a Home Assessed at \$300,000

Year	State Real Property Tax	County Real Property Tax	Education Supplement	Total Tax Bill	Change From Prior Year
2027 Proposed	336.00	\$ 2,409.90	\$ 44.10	\$ 2,790.00	\$ 44.40
2026	336.00	2,377.80	31.80	2,745.60	36.60
2025	336.00	2,253.00	120.00	2,709.00	142.80
2024	336.00	2,086.20	144.00	2,566.20	184.20
2023	336.00	2,016.00	30.00	2,382.00	76.50
2022	336.00	1,958.70	10.80	2,305.50	57.90
2021	336.00	1,911.60	0.00	2,247.60	0.00
2020	336.00	1,842.60	69.00	2,247.60	93.30
2019	336.00	1,743.30	75.00	2,154.30	



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Property Tax Differential for Municipalities

	Tax Differential	2026 - 2027 Property Tax Rate
Unincorporated Area of County		0.8180
Easton	0.1330	0.6850
Oxford	0.1180	0.7000
Queen Anne	0.0601	0.7579
St. Michaels	0.1270	0.6910
Trappe	0.0980	0.7200



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Court House
11 North Washington Street, Suite 9
Easton, Maryland 21601

Billing 410-770-8020 / Assessment 410-819-5920 / TTY 410-822-8735

REAL PROPERTY TAX BILL

Customer Copy - Keep this portion for your records

Levy Period	Year	Bill Number	Customer Number	Residence	Parcel ID
07/01/2026-06/30/2027	2027	8324	175623	NOT A PRINCIPAL RESIDENCE	00-000000

SAMPLE TAX BILL
PO BOX 1000
ANYTOWN, MD 02468

Property Description
LOT 36 - 7,200 SF

Constant Yield Rate Information
COUNTY RATE - CONSTANT YIELD = EXCESS
.8180 - .7856 = .0324

Taxable Assessment Data	
CURR YR	300,000
LAST YR	285,923

Charges	Assessment/Units	Rate	Amount
MARYLAND STATE TAX	300,000	.112000	336.00
COUNTY TAX	300,000	.803300	2,409.90
CNTY TAX-EDUCATION	300,000	.014700	44.10
STATE BAY RESTORATIO			60.00
TOTAL TAX			2,850.00
TOTAL DUE			2,850.00

PARTIAL PAYMENTS ACCEPTED. PLEASE
CALL 410-770-8020 FOR INFORMATION.

IF PAID IN	AMOUNT DUE
JUL	2,822.49
AUG	2,850.00
SEP	2,850.00
OCT	2,891.07
NOV	2,932.14
DEC	2,973.21

DISCOUNT GIVEN IF PAID BY JULY 31, 2026.

INTEREST AND PENALTIES BEGIN OCTOBER 1, 2026 .



PROPERTY TAX RATES IN MARYLAND 2025 - 2026

Baltimore City	\$ 2.2480	Cecil	\$ 0.9824
Charles	\$ 1.1410	Caroline	\$ 0.9800
Baltimore	\$ 1.1000	Harford	\$ 0.9779
Frederick	\$ 1.1000	Anne Arundel	\$ 0.9770
Howard	\$ 1.0440	Allegany	\$ 0.9750
Montgomery	\$ 1.0392	Calvert	\$ 0.9670
Dorchester	\$ 1.0300	Washington	\$ 0.9280
Kent	\$ 1.0220	St. Mary's	\$ 0.8478
Garrett	\$ 1.0200	Queen Anne's	\$ 0.8300
Carroll	\$ 1.0180	Worcester	\$ 0.8150
Prince George's	\$ 1.0000	Wicomico	\$ 0.8099
Somerset	\$ 1.0000	Talbot	\$ 0.8032



INCOME TAX RATES IN MARYLAND 2026

Dorchester	\$ 0.0330	Queen Anne's	\$ 0.0320
Kent	\$ 0.0330	Somerset	\$ 0.0320
Allegany	\$ 0.0320	St. Mary's	\$ 0.0320
Anne Arundel	\$ 0.0320	Wicomico	\$ 0.0320
Baltimore	\$ 0.0320	Harford	\$ 0.0306
Baltimore City	\$ 0.0320	Carroll	\$ 0.0303
Calvert	\$ 0.0320	Charles	\$ 0.0303
Caroline	\$ 0.0320	Washington	\$ 0.0295
Frederick	\$ 0.0320	Cecil	\$ 0.0274
Howard	\$ 0.0320	Garrett	\$ 0.0265
Montgomery	\$ 0.0320	Talbot	\$ 0.0240
Prince George's	\$ 0.0320	Worcester	\$ 0.0225



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Fitch Ratings – May 15, 2025

Fitch affirmed the County's credit rating at AAA
noting the following:

- “The 'AAA' IDR and GO rating affirmation reflects Talbot's 'aaa' financial resilience, underpinned by 'ample' budgetary flexibility and Fitch's expectation that the county will sustain reserves at or above 7.5% of expenditures.”
- Long-term liability profile assessed as 'strongest'
- Revenue volatility was assessed as weak due to the significant proportion of revenues derived from local income tax



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Moody's Investors Service – May 15, 2025

Moody's affirmed the County's credit rating at Aa1
noting the following credit strengths:

- Strong management team maintains formal policies, conservative budgeting and long-term financial and debt plans
- Robust per capita property wealth
- Manageable leverage and fixed costs



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- **Public Hearings** - Tuesday, May 5, 2026
 - 2:00 p.m. - Bradley Meeting Room
 - 7:00 p.m. - Easton Elementary School Cafeteria
- **Final Budget Deliberations** - Tuesday, May 12, 2026
- **Budget Adoption** – Tuesday, May 26, 2026



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The public is invited to submit written public comments
by Thursday, May 8, 2026 to
PublicComment@talbotcountymd.gov

For more information on the
FY 2027 Proposed Budget
Visit Our Website www.talbotcountymd.gov