



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

February 27, 2020

TO: The Honorable Anne R. Kaiser
Chair, Ways and Means Committee

FROM: Marc Elrich
County Executive

RE: House Bill 1276 – *County Property Tax – Classifications of Real Property and Authority to Set Special Rates* - Support

House Bill 1276 provides the type of flexibility that is needed for Montgomery County to evaluate and potentially implement options for enhancing progressivity in the County's property tax structure. Specifically, the bill establishes twelve new "subclasses" of real property and gives counties express authority to impose different tax rates on each subclass.

The new subclasses include: (1) small commercial; (2) large commercial; (3) industrial; (4) residential rental property that contains at least four units built as apartments; (5) residential condominiums; (6) commercial or industrial condominiums; (7) real property used for both residential and commercial purposes, if the primary use is residential; (8) real property used for both residential and commercial purposes, if the primary use is commercial; (9) residential townhouse or row house; (10) residential property that has at least 5,000 square feet of improvements; (11) real property that is used exclusively for residential purposes, has less than 5,000 square feet of improvements and is not an apartment, condominium, townhouse or row house; and (12) abandoned real property.

Municipalities already have the type of authority outlined in House Bill 1276 and it is appropriate for it to be extended to counties. I respectfully request that the House Ways and Means Committee give House Bill 1276 a favorable report.

cc: Members of the Ways and Means Committee