



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 16, 2022

Committee: House Ways and Means Committee

Bill: HB 508 – Property Tax – Constant Yield Tax Rate – Notification Requirement

Position: Support

Reason for Position:

The Maryland Municipal League supports HB 508 which would alter the public notice sent to residents when local revenues rise as a result of SDAT assessments, but the local property tax rate decreases or remains the same.

Since its inception, the Constant Yield Tax Rate and its prescriptive notification have been unnecessarily confusing for residents and elected officials. A local government could actually LOWER the property tax rate compared to the prior year and still have to publish a legal notice identifying it as a “proposed real property tax increase” if that rate would bring in an additional \$25,000 of revenue on the whole due to new assessments. We believe it would make more sense for SDAT to notify homeowners that their assessment of the property may lead to a change in the total property tax owed to a local jurisdiction.

Across the state, local governments spend thousands of dollars each year to post these notices when the vast majority are seeking to maintain the current real property tax rate. This bill would at least help with the confusion and consternation of residents who often incorrectly assume their property tax rates are being raised.

The Maryland Municipal League therefore respectfully requests the Committee provide HB 508 with a favorable report.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock
Angelica Bailey

Executive Director
Director, Government Relations

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | www.md-municipal.org

Bill Jorch
Justin Fiore

Director, Research & Policy Analysis
Manager, Government Relations