

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 177 (Delegate Ivey)
Ways and Means

Property Tax – Real Property Tax Rate – Prohibition on Increase During Public Health Emergency

This bill prohibits counties and Baltimore City from increasing a real property tax rate over the preceding fiscal year if the county is under a state of emergency declared by the Governor in order to protect the public health. **The bill takes effect June 1, 2021, and applies to taxable years beginning after June 30, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: No immediate impact on county finances. However, the bill may limit a county’s ability to increase revenue in the future. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Local property tax rates are set annually by local governments and are applied to the county and municipal assessable bases. Generally, State law does not restrict the level of property taxation imposed by local governments. The one exception is the General Assembly’s authority to set maximum limits on the rate of property taxes in municipalities and code counties under the provisions of Article XI-E, Section 5 and Article XI-F, Section 8 of the Maryland Constitution, respectively. However, the Department of Legislative Services (DLS) is unaware of any instances in which this authority has ever been exercised.

Local Fiscal Effect: The Governor declared a public health emergency on March 5, 2020, with the declaration being extended several times since. The public health emergency is still in effect and the most recent renewal occurred on December 23, 2020. While there is no immediate impact on county finances, the bill may limit a county’s ability to increase revenues during a time of fiscal crisis resulting from a public health related state of emergency.

For fiscal 2021, three counties (Anne Arundel, Calvert, and Wicomico) decreased their real property tax rates. Montgomery County slightly increased its real property tax rate. Real property tax rates range from \$0.6372 per \$100 of assessed value in Talbot County to \$2.248 in Baltimore City. As a point of reference, **Exhibit 1** shows the revenue resulting from a \$0.01 real property tax rate increase. Additional information on local property tax rates and revenues can be found in the [County Revenue Outlook report](#). A copy of the report is available on the DLS website.

Exhibit 1
One-Cent Yield in Real Property Tax Rates
Fiscal 2022

County	Assessable Base	Revenue Increase
Allegany	\$3,675,830,000	\$367,583
Anne Arundel	87,591,296,000	8,759,130
Baltimore City	41,097,274,000	4,109,727
Baltimore	90,763,832,000	9,076,383
Calvert	12,795,500,000	1,279,550
Caroline	2,739,192,000	273,919
Carroll	21,085,948,000	2,108,595
Cecil	10,869,554,000	1,086,955
Charles	19,463,582,000	1,946,358
Dorchester	2,915,748,000	291,575
Frederick	34,643,903,000	3,464,390
Garrett	4,575,597,000	457,560
Harford	29,841,923,000	2,984,192
Howard	56,462,593,000	5,646,259
Kent	2,983,820,000	298,382
Montgomery	203,456,581,000	20,345,658
Prince George’s	98,573,843,000	9,857,384
Queen Anne’s	8,638,579,000	863,858
St. Mary’s	12,961,030,000	1,296,103
Somerset	1,388,240,000	138,824
Talbot	7,659,457,000	765,946
Washington	13,433,804,000	1,343,380
Wicomico	6,750,995,000	675,100
Worcester	16,485,994,000	1,648,599
Total	\$790,854,116,000	\$79,085,412

Source: State Department of Assessments and Taxation; Department of Legislative Services

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Caroline and Prince George's counties; Maryland Association of Counties; State Department of Assessments and Taxation; Department of Legislative Services

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rh/hlb

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