

HOUSE BILL 641

Q1, R2

5lr1147

By: **Delegate Ruth**

Introduced and read first time: January 23, 2025

Assigned to: Ways and Means and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Property Tax – Transportation Funding**
3 **(Transportation Funding Act of 2025)**

4 FOR the purpose of requiring the Governor, after consultation with the Secretary of
5 Transportation, to submit each year to the Board of Public Works and the General
6 Assembly a proposal for a State property tax to support transportation projects and
7 programs; requiring, on or before a certain date each year, the Board of Public Works
8 to approve, reject, or modify the proposed State property tax; imposing a State
9 property tax at the rates and on the classes and subclasses of property that the Board
10 of Public Works approves; and generally relating to a State property tax to support
11 transportation projects and programs.

12 BY adding to
13 Article – State Finance and Procurement
14 Section 7–107.1
15 Annotated Code of Maryland
16 (2021 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – Property
19 Section 6–201(a)
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2024 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – Tax – Property
24 Section 6–301(a)
25 Annotated Code of Maryland
26 (2019 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article – State Finance and Procurement**

4 **7–107.1.**

5 (A) (1) THE GOVERNOR, AFTER CONSULTATION WITH THE SECRETARY
6 OF TRANSPORTATION, SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS AND THE
7 GENERAL ASSEMBLY WITH THE ANNUAL BUDGET BILL A PROPOSAL FOR A STATE
8 PROPERTY TAX ON ASSESSABLE PROPERTY FOR THE NEXT TAXABLE YEAR TO
9 SUPPORT TRANSPORTATION PROJECTS AND PROGRAMS.

10 (2) THE PROPOSAL UNDER PARAGRAPH (1) OF THIS SUBSECTION IS
11 IN ADDITION TO THE RATES OF STATE TAX CERTIFIED BY THE BOARD OF PUBLIC
12 WORKS UNDER § 8–134 OF THIS ARTICLE.

13 (3) THE PROPOSAL UNDER PARAGRAPH (1) OF THIS SUBSECTION:

14 (I) SHALL INCLUDE:

15 1. A REVENUE ESTIMATE, ITEMIZED BY COUNTY, FOR
16 THE PROPOSED STATE PROPERTY TAX; AND

17 2. INFORMATION ON THE CRITERIA USED TO
18 DETERMINE ANY STATE PROPERTY TAX RATES INCLUDED IN THE PROPOSAL; AND

19 (II) MAY:

20 1. ESTABLISH CLASSES OR SUBCLASSES OF PROPERTY
21 IN ADDITION TO THE CLASSES ESTABLISHED UNDER § 8–101 OF THE
22 TAX – PROPERTY ARTICLE;

23 2. INCLUDE DIFFERENT TAX RATES FOR DIFFERENT
24 CLASSES OR SUBCLASSES OF PROPERTY; AND

25 3. ESTABLISH BOUNDARIES, INCLUDING BOUNDARIES
26 SURROUNDING TRANSPORTATION PROJECTS OR TRANSPORTATION
27 INFRASTRUCTURE, WITHIN WHICH DIFFERENT TAX RATES MAY BE IMPOSED ON
28 DIFFERENT CLASSES OR SUBCLASSES OF PROPERTY.

29 (4) FOR PURPOSES OF DETERMINING THE STATE PROPERTY TAX
30 RATES FOR THE PROPOSAL UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE
31 GOVERNOR MAY CONSIDER:

1 **(I) FOR EACH COUNTY, CLASS, SUBCLASS, OR BOUNDED**
2 **GEOGRAPHIC AREA FOR WHICH A SEPARATE PROPERTY TAX RATE IS PROPOSED:**

3 **1. THE COST TO MAINTAIN EXISTING TRANSPORTATION**
4 **INFRASTRUCTURE IN A STATE OF GOOD REPAIR WITHIN THE COUNTY, CLASS,**
5 **SUBCLASS, OR BOUNDED GEOGRAPHIC AREA;**

6 **2. THE OPERATING COSTS FOR EXISTING**
7 **TRANSPORTATION PROGRAMS WITHIN THE COUNTY, CLASS, SUBCLASS, OR**
8 **BOUNDED GEOGRAPHIC AREA;**

9 **3. THE TRANSPORTATION PROJECTS IN THE**
10 **CONSOLIDATED TRANSPORTATION PLAN WITHIN THE COUNTY, CLASS, SUBCLASS,**
11 **OR BOUNDED GEOGRAPHIC AREA; AND**

12 **4. THE TRANSPORTATION PRIORITIES IDENTIFIED IN**
13 **THE COUNTY TRANSPORTATION PRIORITY LETTER FOR THE COUNTY WITHIN WHICH**
14 **A CLASS, SUBCLASS, OR BOUNDED GEOGRAPHIC AREA IS LOCATED;**

15 **(II) THE POTENTIAL DISPARATE IMPACT OR**
16 **DISPROPORTIONATE BURDEN ON PROPERTY OWNERS WITHIN A COUNTY, CLASS,**
17 **SUBCLASS, OR BOUNDED GEOGRAPHIC AREA FOR WHICH A SEPARATE PROPERTY**
18 **TAX RATE IS PROPOSED; AND**

19 **(III) THE POTENTIAL ENVIRONMENTAL OR ECONOMIC BENEFITS**
20 **OF A TRANSPORTATION PROJECT PROPOSED TO BE FUNDED IN A COUNTY, CLASS,**
21 **SUBCLASS, OR BOUNDED GEOGRAPHIC AREA FOR WHICH A SEPARATE PROPERTY**
22 **TAX RATE IS PROPOSED.**

23 **(B) (1) ON OR BEFORE FEBRUARY 15 EACH YEAR, THE BOARD OF PUBLIC**
24 **WORKS SHALL APPROVE, REJECT, OR MODIFY THE PROPOSED STATE PROPERTY**
25 **TAX UNDER SUBSECTION (A) OF THIS SECTION.**

26 **(2) IF THE BOARD OF PUBLIC WORKS APPROVES OR MODIFIES AND**
27 **APPROVES THE STATE PROPERTY TAX UNDER PARAGRAPH (1) OF THIS SUBSECTION,**
28 **THE PROPERTY TAX SHALL BE:**

29 **(I) LEVIED IN THE SAME MANNER, ON THE SAME ASSESSMENTS,**
30 **FOR THE SAME PERIOD, AND AS OF THE SAME DATE OF FINALITY AS ARE**
31 **PRESCRIBED FOR PROPERTY TAX PURPOSES FOR THE STATE; AND**
32

1 **(II) COLLECTED AND SECURED IN THE SAME MANNER AS THE**
 2 **COUNTY PROPERTY TAXES AND SHALL BE SUBJECT TO THE SAME PENALTIES AND**
 3 **THE SAME PROCEDURE, SALE, AND LIEN PRIORITY IN CASE OF DELINQUENCY AS**
 4 **PROVIDED FOR THE COUNTY PROPERTY TAXES.**

5 **(C) THE ESTIMATED REVENUE FROM THE PROPOSAL UNDER SUBSECTION**
 6 **(A) OF THIS SECTION AND THE STATE PROPERTY TAX APPROVED OR MODIFIED AND**
 7 **APPROVED BY THE BOARD OF PUBLIC WORKS UNDER SUBSECTION (B) OF THIS**
 8 **SECTION MAY NOT:**

9 **(1) EXCEED THE ESTIMATED REVENUE ATTRIBUTABLE TO THE RATE**
 10 **OF STATE TAX CERTIFIED BY THE BOARD OF PUBLIC WORKS UNDER § 8-134 OF**
 11 **THIS ARTICLE; OR**

12 **(2) RESULT IN PROPERTIES IN A SINGLE COUNTY PAYING MORE THAN**
 13 **25% OF THE ESTIMATED TOTAL ADDITIONAL REVENUE ATTRIBUTABLE TO THE**
 14 **STATE PROPERTY TAX PROPOSED UNDER SUBSECTION (A) OF THIS SECTION OR**
 15 **APPROVED OR MODIFIED AND APPROVED BY THE BOARD OF PUBLIC WORKS UNDER**
 16 **SUBSECTION (B) OF THIS SECTION.**

17 **Article – Tax – Property**

18 6-201.

19 (a) **(1) Except as otherwise provided in this article, the State may impose State**
 20 **property tax on the assessment of property that is subject to the State property tax.**

21 **(2) (I) IN ADDITION TO THE STATE PROPERTY TAX AUTHORIZED**
 22 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THERE IS A STATE PROPERTY TAX ON**
 23 **THE ASSESSMENT OF PROPERTY THAT IS SUBJECT TO THE STATE PROPERTY TAX AT**
 24 **THE RATES AND ON THE CLASSES OR SUBCLASSES OF PROPERTY THAT THE BOARD**
 25 **OF PUBLIC WORKS APPROVES UNDER § 7-107.1 OF THE STATE FINANCE AND**
 26 **PROCUREMENT ARTICLE TO SUPPORT TRANSPORTATION PROJECTS AND**
 27 **PROGRAMS.**

28 **(II) THE COMPTROLLER SHALL DISTRIBUTE THE REVENUE**
 29 **FROM THE STATE PROPERTY TAX IMPOSED UNDER THIS PARAGRAPH TO THE**
 30 **TRANSPORTATION TRUST FUND ESTABLISHED UNDER § 3-216 OF THE**
 31 **TRANSPORTATION ARTICLE.**

32 6-301.

1 (a) Except as provided in subsection (b) of this section, the Board of Public Works
2 annually shall set the rates for State property tax for the next taxable year as authorized
3 by the General Assembly.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
5 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2026.