

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 204

(Chair, Budget and Taxation Committee)(By Request -  
Departmental - Assessments and Taxation)

Budget and Taxation

Ways and Means

---

**Property Tax - Deadline to Set County and Municipal Corporation Tax Rates -  
Alteration**

---

This departmental bill alters the date by which county and municipal governments must set their property tax rates for the upcoming fiscal year by moving the date up from July 1 to June 20. **The bill takes effect July 1, 2025.**

---

**Fiscal Summary**

**State Effect:** None. The bill does not materially affect State finances.

**Local Effect:** None. The bill is not anticipated to have any direct impact on local finances.

**Small Business Effect:** The State Department of Assessments and Taxation (SDAT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

---

**Analysis**

**Current Law:** County and municipal governments must set their property tax rates for the upcoming fiscal year by July 1. Information on county and municipal property tax rates can be found in the [Local Government Overview](#) report. A copy of the most recent report is available on the Department of Legislative Services [website](#).

**Background:** A well-defined statutory relationship exists between the State and local governments in the administration of the property tax system. While property tax revenues

are a relatively minor revenue source to the State, the State has assumed responsibility for the valuation and assessment of property. Local governments, on the other hand, levy and collect property taxes.

SDAT reports that property tax rates must be set by local jurisdictions before SDAT is able to calculate the homeowners' tax credits for affected property tax bills and before the department can create tax billing files to send to the local jurisdictions for billing purposes. The department advises that the July 1 date for setting tax rates can cause delays for calculating the homeowners' property tax credits, if jurisdictions send tax rate information to SDAT late, which may delay the creation of the tax billing files for local jurisdictions. This could then result in delays for mailing tax bills by the local jurisdictions, or in some cases, mailing revised bills to some homeowners.

## Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 101 (Chair, Ways and Means Committee)(By Request - Departmental - Assessments and Taxation) - Ways and Means.

**Information Source(s):** Harford County; Montgomery County; Wicomico County; Maryland Municipal League; cities of College Park, Frostburg, and Rockville; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 14, 2025  
caw/hlb Third Reader - March 17, 2025  
Revised - Amendment(s) - March 17, 2025

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL:** Property Tax - Deadline to Set County and Municipal Corporation Tax Rates – Alteration

**BILL NUMBER:** SB 204

**PREPARED BY:** Joshua Greenberg

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

\_\_\_\_ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**