



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

TESTIMONY

February 4, 2020

Committee: House Ways & Means

Bill: HB 185 – Commission on Tax Policy, Reform, and Fairness

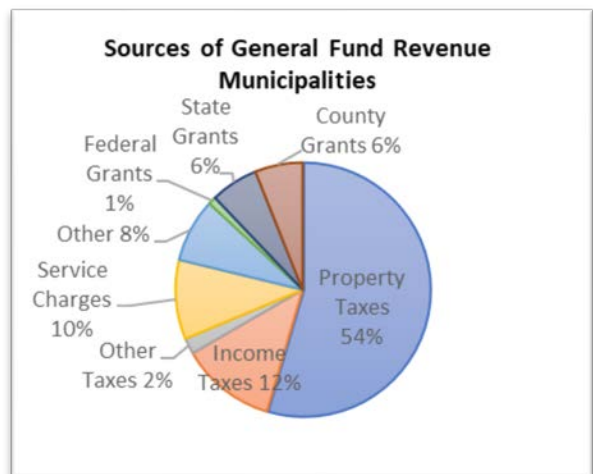
Position: Support

Reason for Position:

The Maryland Municipal League supports House Bill 185 and is thankful for the opportunity to designate a representative to this commission, which is tasked with reviewing aspects of the State's tax policy as it interacts with local government.

For the 2020 legislative session, the Maryland Municipal League adopted a Strategic Initiative to explore and support the creation of new municipal sources of revenue.

As it stands, ***municipalities are overdependent on property taxes to provide essential services for their residents.*** Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Local jurisdictions have little control over the other major sources of revenue, leaving municipalities with few options when fiscal challenges arise. Maryland's cities and towns need alternative revenue sources to support new and existing programs that their residents look for them to provide.



While this bill seeks to study the State's current revenue structure, the impact of such a study would likely also look at how the State shares its revenues with local governments.

OVER . . .

The League is particularly interested in the impact that electric vehicles will have long-term on both the State and local transportation revenues since electric vehicles use state and local roadways, but do not contribute to the Transportation Trust Fund through the purchase of gasoline.

The League respectfully requests that this committee provide HB 185 with a favorable report.

FOR MORE INFORMATION CONTACT:

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