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House Bill 1114- Charles County- Blighted Property- Special Property Tax Rate

Position: Unfavorable

The Southern Maryland Association of REALTORS® represents 1,900 businesses in the Southern Maryland region and over 170,000 property owners. As representatives for the majority revenue source for both local and state revenues, we have strong concerns with this *enabling* legislation inclusive of the issue which directs back to a “local blight code” which **simply does not exist.**

This legislation targets property defined as blighted in the local code- and there is no specific definition or process in current codes for “blighted properties”. Without developing a local process for real property, all this will do is target *any* property for more revenue without explicit definitions or codes in place.

For the committee’s background, Charles County has the highest county property tax in the state of Maryland and is one of the worst for real property affordability. Property owners account for the majority of the county revenue through property tax, recordation fees, transfer tax as well as permit costs and other fees. In the 2022 fiscal year, Charles County property taxes and fees make up for **more than 65%** of the current revenue streams. In fact, in the same budget, property owner funded tax revenues **realized 26.2% higher revenues** than expected. Adding an additional 12.5% property tax with no explicit definition and without any local code inclusive of timelines, warnings or procedures in place, it is clear this legislation is simply trying to target more revenue growth rather than solve any issue. It is also important to point to recent state assessments which have placed Charles County residents to 28% higher than previous values, we already expect these revenues to considerably increase again.

We continue to be in a global pandemic which has hit local business and residents particularly hard, now is not the time to further penalize property owners and Charles County citizens with a higher property tax bill. While there is much out of control when it relates to current inflation, rising utility costs, et al, this committee has the power to stabilize what we would suggest is a targeted attempt at raising revenues to cover county expenditures.

For all of these reasons, the Southern Maryland Association of Realtors® request an unfavorable report. Please contact Theresa Kuhns, Vice President of Government Affairs, with any questions.

