



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

January 19, 2023

Committee: Senate Budget and Taxation

Bill: SB 114 - Property Tax – Constant Yield Tax Rate – Notice Requirements

Position: Support

Reason for Position:

The Maryland Municipal League supports SB 114 which provides an alternative public notice when local revenues rise as a result of SDAT assessments, but the local property tax rate remains the same.

Since its inception, the Constant Yield Tax Rate and its prescriptive notification have been unnecessarily confusing for residents and elected officials. A local government could actually LOWER the property tax rate compared to the prior year and still have to publish a legal notice identifying it as a “proposed real property tax increase” if that rate would bring in an additional \$25,000 of revenue on the whole due to new assessments. We believe it would make more sense for SDAT to notify homeowners that their assessment of the property may lead to a change in the total property tax owed to a local jurisdiction.

Across the state, local governments spend thousands of dollars each year to post these notices when the vast majority are seeking to maintain the current real property tax rate. This bill would at least help with the confusion and consternation of residents who often incorrectly assume their property tax rates are being raised.

The Maryland Municipal League therefore respectfully requests the Committee provide SB 114 with a favorable report.

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