



JESSICA FITZWATER
COUNTY EXECUTIVE
FREDERICK COUNTY, MARYLAND

SB 418 – Property Tax – Agricultural Land and Improvements - Assessment

DATE: February 22, 2023
COMMITTEE: Senate Budget and Taxation Committee
POSITION: Favorable with Amendments
FROM: Frederick County Executive Jessica Fitzwater

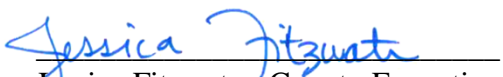
As the County Executive of Frederick County, I urge the committee to give SB 418 – Property Tax – Agricultural Land and Improvements - Assessment a favorable report with MACO’s suggested amendments.

As drafted, this bill would require an improvement on land that qualifies for an agricultural use assessment be assessed as agricultural property under specified circumstances. As a county with many properties qualifying for agricultural use assessments and with many new businesses and commercial growth, I am concerned about the impact this bill would have on Frederick County’s community due to decreased local property tax revenues. While I support the current state law that creates a special, statutory scheme for assessing land subject to active agricultural use as a tool to encourage farming activities, the definition of activities in the bill extends the “use value” exception to apply to improvements on agricultural land even when their use may be better defined as commercial.

Frederick County has a thriving agritourism industry and we have enacted county policies, including an agricultural building tax credit, to support this sector. However, under the current bill language, we expect to see a decrease in revenue of roughly \$200,000, based on our local SDAT office’s estimate of how many assessments will be impacted by this change. I believe that the amendments offered by the Maryland Association of Counties will help us reach a more balanced policy that targets benefits to active agricultural land and grants local governments the tools to create the tax incentives for ancillary activities most appropriate for their communities.

Thank you for your consideration of SB 418 – Property Tax – Agricultural Land and Improvements – Assessment. I urge the committee to give this bill a favorable report with MACO’s suggested amendments.

Respectfully,



Jessica Fitzwater, County Executive
Frederick County, MD