



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

TESTIMONY

February 21, 2023

Committee: House Ways and Means Committee

Bill: HB 592 – Property Tax – Agricultural Land and Improvements – Assessment

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports House Bill 592 with amendments, which would allow improvements on an actively used farm for “value-added agricultural activities” to be assessed at a lower rate. This is a concept the League fully supports.

However, the League does have concerns with the bill as drafted. First, the definition of “value-added agricultural activities” encompasses activities and structures that are truly commercial in nature and operation. We simply cannot agree that a large tasting room or private wedding venue should be assessed like a crop barn. That would be a massive departure from current and best practices. SDAT has identified 85 municipalities with agricultural accounts and an assessable “at risk” base of \$888 million.

Also, while we do appreciate the role this legislation carves out for local zoning restrictions, it would appear the Secretary may override those restrictions by deeming a use “value-added” at any point in the future.

Finally, we cannot reliably estimate the costs of the bill because – in addition to the unwieldy definition – the “the agricultural use rate” is not intended to be applied to improvements.

To resolve these issues and help our farming communities, we wish to work with the Committee to establish a balanced framework for providing a local option tax credit on value added improvements. As such, MML respectfully requests that this committee provide a favorable report on House Bill 592.

FOR MORE INFORMATION CONTACT:

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | www.mdmunicipal.org

Theresa Kuhns
Angelica Bailey Thupari, Esq.
Bill Jorch
Justin Fiore

Chief Executive Officer
Director, Advocacy & Public Affairs
Director, Public Policy
Deputy Director, Advocacy & Public Affairs