



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 21, 2023

Committee: House Ways and Means Committee

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

Position: Support as amended

Reason for Position:

The Maryland Municipal League supports SB 114 which, as amended, replaces the constant yield rate notice with a property tax rate increase notice.

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. Further, the notice implies an insincere generalization that each homeowner’s tax liability is increasing. We believe it makes more sense for SDAT to notify homeowners when they are reassessed how the new value of their property may lead to a change in the total property tax owed to a local jurisdiction.

As such, we support the amendments that move Maryland away from using constant yield and to a more transparent and clearer process – requiring additional notification in a newspaper of general circulation (and website) when a local jurisdiction proposes a tax rate increase.

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

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