



March 27, 2025

Legislative Position: Unfavorable

House Bill 23

Property Taxes - Authority of Counties to Establish a Subclass
and Set a Special Rate for Commercial and Industrial Property

Senate Budget & Taxation Committee

Dear Chair Guzzone and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

As introduced, HB 23 would allow local jurisdictions to establish a subclass of real property and levy a special property tax rate, up to 12.5% in total, for certain commercial and industrial properties. While we understand the intent behind this legislation and the need for investment in Maryland's transportation network, we believe HB 23 would have a significant negative impact on Howard County's businesses and their ability to thrive and invest in our county.

By granting local jurisdictions authority to increase property taxes on specific subclasses of real property, HB 23 would create an uneven playing field for businesses operating in and across Maryland. The increased costs for companies will make it more difficult to compete with businesses in neighboring states and the allowance of up to a 12.5% combined rate at the discretion of local jurisdictions could create significant competitive disparities among Maryland counties. Furthermore, HB 23 would discourage investment and job creation, ultimately harming the communities this legislation aims to support.

Howard County's businesses are already concerned about the high cost of doing business in Maryland. Increasing property taxes on commercial and industrial properties would only exacerbate this issue. We urge the committee to consider the long-term consequences of this legislation and its potential impact on Maryland's business climate.

We respectfully request an unfavorable report on HB 23.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce