

HB0023_Crossover
Bill_RichardKaplowitz_FWA
03/27/2025
Richard Keith Kaplowitz
Frederick, MD 21703-7134

TESTIMONY ON HB#0023 - POSITION: FAVORABLE WITH AMENDMENTS
Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for
Commercial and Industrial Property

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support with its amendments of HB0023, Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property

This bill is a priority for the County Executive and County Council of Frederick County. It was passed by the House 100-39 on 03/13/25.

This bill will permit counties in Maryland to set special property tax rates based on the property characteristics within a residential or commercial class. This can lessen the tax burden on residents while adjusting the commercial tax rates as appropriate. The goal behind provision of this flexibility in tax rates is to lessen the burden on residents while raising revenue appropriate to the services being provided and revenues earned within the commercial sector becoming reflected in their specific tax rates. This can occur without impacting a county resident's tax burden permitting receipt of the same public facing services to them at a lower personal cost.

A major difference between residential and commercial properties, as explained by Fair Assessments LLC ¹ is that:

“...Commercial property is used in revenue generation. The revenues can come in several forms including rents, retail sales, and professional services, among others. The property can include various uses such as apartments, manufacturing (i.e., factories), retail and malls, even farmland.”

Thus, commercial properties can and should be taxed differently from residential in acknowledgment of an increased ability to absorb those variable rates from revenues not accessible or accounted for in a residential property.

I respectfully urge this committee to return a favorable report with its amendments on HB0023.

¹ <https://www.fair-assessments.com/blog/property-tax-commercial-vs.-residential>