



January 15, 2025

Senate Bill 204

**County Income Tax - Rate and Income Brackets - Alterations
Senate Budget and Taxation Committee**

Position: FAVORABLE WITH AMENDMENT

Anne Arundel County **SUPPORTS WITH AMENDMENT** Senate Bill 204 – Property Tax – Deadline to Set County and Municipal Corporation Tax Rates – Alteration. SB 204 would accelerate the date by which counties and municipalities must set the property tax rate for the next taxable year, from July 1 to June 1.

As the single largest revenue source for funding the County budget, the property tax rate is a critical part of the budget formulation and deliberation process. Anne Arundel County’s charter requires our budget to be introduced to the County Council by May 1st and passed by June 15th of each year. The charter further mandates other milestones throughout the budget formulation process, including at least two public meetings (although my Administration’s practice has been to hold eight each year). Anne Arundel County has strategically constructed a budget formulation schedule that allows careful review and consideration at each stage while meeting these statutory deadlines.

Although it would not be feasible for us to accelerate our entire budget process by more than two weeks in order to meet a June 1 property tax rate deadline, we appreciate that the State Department of Assessments and Taxation (SDAT) is looking for improvements to their tax credit processing workflow. Anne Arundel County can commit to notifying SDAT of our annual property tax rate by **June 20th** of each year.

Anne Arundel County urges a **FAVORABLE WITH AMENDMENT** report on SB 204, with an amendment modifying the date to align with Anne Arundel County’s existing budget processing schedule.