



**FREDERICK COUNTY GOVERNMENT**  
**OFFICE OF THE COUNTY EXECUTIVE**

Jessica Fitzwater  
County Executive

**HB 23 – Property Tax – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property**

**DATE:** March 27, 2025  
**COMMITTEE:** Senate Budget and Taxation Committee  
**POSITION:** Favorable  
**FROM:** The Office of Frederick County Executive Jessica Fitzwater

As the County Executive of Frederick County, I urge the committee to give **HB 23 – Property Tax – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property** a favorable report.

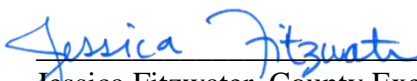
This bill will authorize the governing body of a county to set special property tax rates for certain subclasses of property to fund transportation improvements in that immediate area or meet school funding requirements. The language of this bill was produced after an extensive review and study during the interim as a result of HB 919 of 2024. I commend the Ways and Means Committee and their staff for the robust and comprehensive work they did throughout 2024 to evaluate this issue and craft language that equips counties with tools to meet the evolving needs of their communities, stimulate economic growth, and enhance the quality of life for residents.

Local governments have limited tools to raise the revenue required to finance the needed infrastructure for our communities. While property taxes are the main source of revenue for local governments, we face heightened pressure from our constituents to keep rates low as assessment values increase and inflation impacts their household budgets. Yet, growing transportation infrastructure demands and evolving education needs require consistent investment.

Importantly, HB 23 is enabling legislation, meaning the governing body of a county will have the option to adopt a property tax framework that uses the real property subclasses outlined in the bill. This authority is already granted to municipalities in Maryland and our peer counties in Northern Virginia have set higher property tax rates for commercial properties than residential, as directed by state law.

As a county leader who is deeply committed to the promises of Blueprint for Maryland's Future and the needs of our transportation infrastructure, I believe it is crucial that we utilize creative and progressive solutions to raise revenues without inequitably impacting our constituents. HB 23 will give local governments added flexibility in property tax structures to do exactly that.

Thank you for your consideration of HB 23 and thank you to Delegate Fair for his leadership on this initiative. I urge you to advance this bill with a favorable report.

  
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Jessica Fitzwater, County Executive  
Frederick County, MD