



House Bill 23 -- Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property
Senate Budget and Taxation Committee
March 25, 2025
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 23 -- *Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property*.

House Bill 23 authorizes Baltimore City and county governments to establish special property tax rates for various real property classifications to fund transportation improvements and county schools. This bill, if passed, would enable counties to significantly increase property taxes on commercial and industrial properties.

MCCC is concerned about Maryland's tax climate. If this proposed bill is passed and Montgomery County authorizes differential property taxes, business costs would rise significantly, discouraging responsible development and the growth of affordable and middle-income housing. Montgomery County already has a reputation for high taxes, and it compares poorly to neighboring Virginia in terms of competitiveness. MCCC opposes any additional tax or fee increases that would raise costs for small businesses, hinder job growth, and slow economic activity.

This bill's proponents correctly point out that Northern Virginia jurisdictions use differential property taxes to help fund infrastructure projects, but it is important to note that Virginia's overall tax structure is far more competitive for businesses and stands in stark contrast to jurisdictions like Montgomery County. Providing additional taxing authority proposed in House Bill 23 would further challenge the state's business competitiveness, making it harder to stimulate economic growth, create jobs, and attract or expand businesses.

MCCC recognizes the importance of funding transportation and education priorities, which are essential components for the business community and make Maryland a great place to live and work. However, allowing counties to increase property taxes on commercial and industrial properties is not only uncompetitive, but it is also unnecessary. Maryland's counties already have the authority to create special taxing districts for transportation improvements, as Montgomery County has already done in White Flint.

For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 23 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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