



Chair Vanessa Atterbeary
and Members, Ways and Means Committee
130 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 4, 2025

Dear Chair Atterbeary and Members of the Ways and Means Committee:

My name is Dan Reed and I serve as the Maryland Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance sustainability and equity in housing, land use, and transportation throughout Greater Washington and beyond. **GGWash strongly supports House Bill 330**, a common-sense change to our property tax structure that will help revitalize neighborhoods and generate revenue at a time when the state is facing a \$3 billion budget shortfall.

Maryland has a housing shortage—as many as 150,000 homes¹, which has resulted in rising home prices², forced families to move far from jobs and loved ones, and has caused many of people to leave the state entirely³. Our 2024 poll found that 72% of Maryland voters want the state government to do something about high housing costs, while 60% support allowing homebuilders to build more homes at transit stations⁴. One solution, among many, is to change the way we collect property taxes for the very valuable land around Maryland's 100+ rail transit stations to spur housing production.

Our current property tax structure charges the same rate for both the land and the improvements on that land, meaning someone who owns a vacant lot pays less than if there was a building on that lot—and effectively has an incentive to keep it that way. We can see the consequences of this across the state, from suburban train stations surrounded by open fields to stations in our small towns and cities surrounded by vacant lots.

¹ <https://www.wbalv.com/article/maryland-legislators-new-bills-keep-up-housing-demand/63423726>

² <https://www.wmar2news.com/matterformallory/the-state-of-marylands-housing-market-whats-driving-up-home-prices-and-impacting-sales>

³ <https://www.thebaltimorebanner.com/community/local-news/moving-out-of-maryland-census-data-76ZWGRSMXNCKTGR62I4FONWZBA/>

⁴ <https://ggwash.org/view/92877/marylanders-want-more-homes-in-more-places-to-fit-more-budgets>

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House Bill 330 would allow local jurisdictions to charge different rates for land and for improvements—sometimes called a split-rate or land value tax. This means that tax rates for vacant land could go up, creating parity with tax-paying homeowners and encouraging landowners to put their property to use. Even an experiment with split-rate property taxes in Allentown, Pennsylvania reduced homeowners' tax liability by 90% with no impact on the city's coffers⁵.

Split-rate property taxes aren't a new idea, but they're one whose time has come in Maryland, and we're excited that the General Assembly is considering them. We ask the Ways and Means Committee to give this bill a favorable report.

Sincerely,

Dan Reed
Maryland Policy Director

⁵ <https://ggwash.org/view/89585/how-virginia-could-cut-homeowners-taxes-and-revitalize-downtowns-at-the-same-time>