Coalition for Smarter Growth
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Testimony on SB 472
Property Tax - Improvements to Property Adjacent to Rail Stations - Subclass, Special Rate, and Penalty
House Ways & Means Committee

Date: March 21, 2025
Position: FAVORABLE with Amendments

The Coalition for Smarter Growth (CSG) advocates for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all. We work extensively in suburban Maryland, focused on Montgomery and Prince George's counties. Our organization supports **SB 472**

Please support this bill and incorporate the minor amendment text correction (provided to the bill sponsor): Strike the word "unimproved" in section 6–202.2, (B), (1) so that all land (rather than just a few unimproved vacant lots) would be subject to the split rate as intended:

> (1) ~~UNIMPROVED~~ LAND THAT IS LOCATED WITHIN 1 MILE OF A RAIL STATION; AND
> (2) IMPROVEMENTS TO LAND THAT IS LOCATED WITHIN 1 MILE OF A RAIL STATION

SB 472, Property Tax - Improvements to Property Adjacent to Rail Stations, would extend to counties and Baltimore City the authority to enact split rate "Land Value Revenue" property tax structures to areas within a mile radius of rail transit stations. Land Value Revenue approaches to property tax help shift the tax burden away from buildings on a property and towards the land itself. This helps incentivize new development while ensuring that underutilized properties, such as vacant or surface parking lots, pay for the property value they reap from being near transit - a major public investment.

SB 472 would benefit the MARC, Metrorail, Purple Line, Baltimore light rail and Metro systems by helping bring new riders, jobs and activity.

This incentivized transit-oriented development would **further benefit state and local finances with new revenues – and help pay for transit.**

For example:

- WMATA estimates that full build-out of its available properties across the tri-state Metrorail system would provide $340 million in annual tax revenues and $8.6 billion in potential annual economic impact. Twenty-four out of the 40 stations with these development opportunities are located in Maryland.
- MARC Penn Line sites could generate $800 million in new state and local revenue.

SB 472 would not create new mandates, rather grant authority to local governments to have this fiscal and development tool in their toolbox.

We ask for a **favorable report for SB 472 with the suggested amendment** by the committee.

Thank you.

Stewart Schwartz
Executive Director