

**DATE:** March 25, 2025

**BILL NO.:** Senate Bill 472

**TITLE:** Property Tax – Property Adjacent to Rail Stations – Subclasses and Special Rates

**COMMITTEE:** House Ways and Means Committee

### **Letter of Support**

#### **Description of Bill:**

Senate Bill 472 authorizes the governing body of a county, or Mayor and City Council of Baltimore City, to establish a subclass of real property consisting of improvements made to property that is located within one mile of a rail station.

#### **Background and Analysis:**

Under existing law, Maryland counties have a single county property tax rate for all real property, such as single-family homes and the improvements made to them. In effect, a home and what could be an accessory dwelling unit, or another improvement, are taxed at the same rate. With this enabling legislation, local governments can set a separate tax rate for improvements to real property that is within one mile of a rail station. This allows local governments to incentivize the construction of home improvements near rail stations through the special tax rate, drawing tenants and increased occupancy and density closer to transit.

SB 472 empowers local jurisdictions to tax improvements to real property that are within one mile of a rail station, while also providing them with the statutory authority to establish criteria for a tax penalty related to this subclass of real property.

#### **DHCD Position**

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 472.