



SIERRA CLUB

MARYLAND CHAPTER

P.O. Box 278
Riverdale, MD 20738

Committee: Budget and Taxation

Testimony on: SB 472, Property Tax – Improvements to Property Adjacent to Rail

Stations – Subclass, Special Rate, and Penalty

Position: Support with Amendments

Hearing Date: March 25, 2025

The Maryland Chapter of the Sierra Club supports SB 472, with amendments to strike the word “unimproved” from “unimproved land” to ensure that the legislation can apply to all land within one mile of a rail station. This bill would authorize the Mayor and City Council of Baltimore City or the governing body of a county to establish a split-rate property tax on unimproved land and improvements to land located within one mile of a rail station. This enabling legislation would allow counties and municipalities to pass their own legislation to implement any split-rate property tax or special rate for such subclasses of real property.

Rail stations are massive public investments, which in turn significantly increase the value of nearby properties. However, the impact of this public investment is not in turn fully captured and returned to the investing public entity due to the design of the traditional property tax system.

With a split-rate property tax (sometimes referred to as a land value return policy), a jurisdiction would be allowed to tax land and buildings at different rates. This reduces incentives for under-investment in structures and encourages owners of vacant and underutilized lots to maximize the number of homes or businesses on their land in order to lower the per-tenant tax burden. This can help incentivize development and density around rail stations, where growth is most sustainable.

Split-rate taxes can be designed to maximize the desired type of economic development, such as redevelopment of underutilized commercial parcels, and can be implemented in a way that does not increase taxes on certain property owners, such as homeowners. Additionally, every municipality in Maryland *except* for the City of Baltimore and counties across the State already has the ability to establish a split-rate rate property tax. This change would provide Baltimore and Maryland’s counties with more authority over their property tax systems.

For these reasons, we urge you to submit a favorable report for SB 472.

Jane Lyons-Raeder
Chair, Transportation Committee
janeplyons@gmail.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org