



Committee: House Ways and Means

Testimony on: House Bill 23 – Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property

Organization: Mobilize Frederick

Submitting: Karen Cannon, Executive Director

Position: Favorable

Hearing Date: January 28, 2025

Dear Chair Atterbeary, Vice-Chair Wilkins, and Committee Members:

Thank you for the opportunity to comment on House Bill 23 – Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property. Mobilize Frederick urges the Committee to issue a **favorable** report on this bill.

Mobilize Frederick is a nonprofit community advocacy organization formed to assist with implementing the recommendations of the 2021 Climate Response and Resilience Report (CRRR). The CRRR is a comprehensive climate action plan chartered by the City of Frederick and Frederick County designed to put Frederick City and County on the path to safer, healthier, and more resilient communities through innovative and effective local solutions to address climate change.

The State’s projected structural budget deficit of \$6 billion dollars through fiscal year 2030 includes a \$1.3 billion funding shortfall for the Transportation Trust Fund, which means cuts to important planned transportation projects across the State, as well as likely cuts to funding for the Blueprint for Maryland’s Future. County Governments and school districts will experience first hand the impact of reduced state funding for transportation projects and school districts.

Currently, counties have no authority to levy their own transportation taxes. Rather, they depend on a share of State-levied tax revenues to support transportation projects. Property taxes are the main source of revenue for county governments. House Bill 23 would authorize counties to establish a property subclass for commercial and industrial properties and set special property tax rates for the purpose of funding transportation improvement projects and meeting school funding needs. This bill will allow counties to better manage budgets by providing them with much needed flexibility in their property

tax structures to supplement their revenues with targeted tax rate increases, which would generate funding for schools and transportation projects.

For all the foregoing reasons, we urge the Committee to issue a **favorable** report on House Bill 23.

Karen Cannon
Executive Director

cc: Kathy Kinsey
Chair, Government Affairs and Policy Committee