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Testimony in Support of  
House Bill 969 – Property Tax – Valuation of Operating Property of  
Rural Broadband Service Providers  
Ways and Means Committee  
Tuesday, February 18, 2025

**The Rural Maryland Council supports House Bill 969 – Property Tax – Valuation of Operating Property of Rural Broadband Service Providers.** House Bill 969 proposes changes to how the State Department of Assessments and Taxation assesses the operating properties of rural broadband service providers for property tax purposes. The bill aims to modify the valuation process to potentially encourage the expansion of broadband services in rural areas.

In 2017, the Maryland General Assembly created the Task Force on Rural Internet, Broadband, Wireless, and Cellular Service to explore legislative options for expanding broadband access in rural areas. The Task Force considered several tax and regulatory policy changes, including a potential sales tax exemption for broadband equipment. Eliminating the sales tax requirement on broadband infrastructure was identified to encourage investment and growth in rural connectivity. One industry-funded economic analysis found that removing the sales and use tax on communications infrastructure would, over three years, generate over \$689 million in new economic activity in Maryland, create 2,800 new private-sector jobs paying \$138 million in annual wages, and generate \$9 million in new state and local taxes. In 2018, the Task Force issued a report that included this legislative proposal as a potential strategy to enhance broadband expansion. For more details, you can refer to the Task Force's 2018 report: [Task Force Report](#).

Building on these findings, House Bill 969 encourages broadband expansion by adjusting how rural broadband service providers' operating property is valued for tax purposes, potentially reducing financial burdens on providers. Lower property tax costs may incentivize companies to expand and maintain broadband infrastructure in rural areas.

Many rural communities lack reliable high-speed internet, which affects education, healthcare, business development, and overall quality of life. Making broadband deployment more financially feasible can help bridge the digital divide. Reliable broadband is also critical for small businesses, farms, and teleworkers in rural areas. Improved internet access can attract new businesses, create jobs, and support local economies. Additionally, the bill supports schools and telehealth services. Students in rural Maryland often struggle with limited internet access for online learning, while healthcare providers can offer more telehealth options, ensuring better access to medical care.

Finally, Maryland and federal agencies have prioritized rural broadband expansion to enhance economic and social opportunities. This bill aligns with those goals by making it easier and more cost-effective to invest in broadband infrastructure. The Rural Maryland Council respectfully requests your favorable support of House Bill 969