



Oppose House Bill 133 - State Department of Assessments and Taxation - Notification of Constant Yield Tax Rate - Repeal

House Ways and Means Committee

January 21, 2025

The City of Takoma Park opposes House Bill 133, a bill to repeal the mandate that the State Department of Assessments and Taxation (SDAT) provides notice of constant yield tax rates.

The constant yield rate serves as a critical metric for municipalities, ensuring transparency in the tax process by highlighting changes in property tax revenue resulting from fluctuations in assessed property values. Each year, the tax rate certificate provides the city with the net assessable real property tax base of the last levy year and the estimated assessable base for the current year. This information is indispensable for accurately determining property tax revenue and making informed budgeting decisions.

The concern with repealing the annual notification of the constant yield tax rate stems from the Takoma Park's reliance on this certification process to receive crucial data on its assessable base. Without this notification, how would a city access this essential information in a timely and consistent manner? The assessors' office plays a key role in providing this data.

Should the bill move forward, House Bill 133 must be revised to ensure an alternate mechanism exists for municipalities to obtain this important information from SDAT once the formal notification process is removed.

For these reasons, we oppose House Bill 133.