



## **TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE**

### **HB 874 Property Tax - Special Use Assessment of Country Clubs and Golf Courses - Repeal**

**POSITION – Support**

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The League of Women Voters supports a fair and efficient tax structure for Maryland. We further support the following principles for tax policy (among others):

- **Equity/Fairness:** The ability-to-pay principle, which will collect a greater percentage of income from those with higher income;
- **Compatibility with state social and environmental policy:** The state's policy and tax structure are working toward the same ends, not at cross purposes;
- **Cost effective administration:** Collection costs are low relative to the yield;
- **Simplicity:** The revenue source is easy to understand;
- **Certainty:** The tax is difficult to avoid.

HB 874 meets all the above criteria and is a long overdue correction to the unfairness of a special exemption benefiting primarily the wealthiest individuals and corporations in the state of Maryland. These are not properties yielding agricultural benefits for Marylanders, nor green spaces that the majority of the population is allowed to enjoy.

The "special use assessment" was never justified, and certainly can not be allowed to continue when the budget of the state of Maryland is suffering to such a degree that critical programs must be cut and tax revenues must be increased, which will inevitably impose new burdens on most residents.

In addition, we note the revenue from changing this policy would primarily go to the counties, which are suffering from the same revenue shortfalls as the state and could benefit from this improvement.

Because we believe in an equitable distribution of the necessary fiscal sacrifices of the state, we support closing this glaring and unfair loophole in our property tax system.

**We support HB 874.**