



## Montgomery County's Advocates for Better Transportation

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Chair Vanessa Atterbeary  
And Members, Ways and Means Committee  
130 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

February 20, 2025

### **Re: SUPPORT for HB 330 - Property Tax - Improvements to Property Adjacent to Rail Stations**

Dear Chair Atterbeary and Members of the Ways and Means Committee:

The Action Committee for Transit (ACT), a Montgomery County-based organization, supports HB 330 because it can raise revenue for public transit, incentivize the building of more housing and mixed-use developments near transit, and it is a fairer method of taxation. This legislation calls for a type of land value tax known as a split-rate. It will allow local governments to set different tax rates for undeveloped land and land with improvements when the land is within one mile of rail stations for WMATA, MARC, Purple Line, Baltimore Metro SubwayLink, and Baltimore Light RailLink. This is a sensible tax reform for raising revenue when the state is facing a \$3 billion shortfall.

Under the current property tax system, vacant and underutilized land is taxed at a lower rate than land with housing. This type of taxation creates an incentive to keep land vacant or used in a way that is not returning value to the surrounding community. Moreover, the current tax system deepens inequities because local jurisdictions can only fully capture property tax revenue once building sites are developed and any tax abatements expire. Some areas enjoy the benefits of investment while other neighborhoods suffer economic and social distress.

A split-rate property tax system will empower local jurisdictions to make development more attractive by authorizing them to increase taxes on unimproved land. The owners of underutilized land will no longer have the incentive to hold it until they can sell it after years of disuse and minimal tax revenue generation. In the housing sector, multi-family buildings will enjoy a

greater degree of financial parity with low-density housing in transit-accessible neighborhoods. This can have real benefits for increasing the supply of homes that are relatively more affordable to our state's workforce. Teachers, first responders, and train and bus operators deserve the viable option to live in communities closer to their jobs and the amenities of transit-oriented communities.

The split-rate tax is a more progressive form of taxation than increasing general property taxes, and it ensures valuable land near transit returns tangible benefits to local communities.

Transit-oriented development creates transit-supportive densities and generates tax revenue from the economic activity that occurs when people live, work, and open businesses near transit. This is money local governments need to fund public transit and build better infrastructure for active transportation. ACT strongly urges the passage of this legislation.

Sincerely,

Michael Larkin  
Vice President, Housing and Land Use