



Office of The Mayor Celina R. Benitez

1 Municipal Place, Mount Rainier, Maryland 20712 Telephone: (301) 985-6585 MountRainierMD.org

March 27, 2026

Re: **Support of House Bill 1142**

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee:

I respectfully submit this testimony in strong support of House Bill 1142. Municipal governments like Mount Rainier serve on the front lines of delivering essential services to residents, businesses, and visitors. However, the fiscal tools available to municipalities have not kept pace with modern economic realities. House Bill 1142 represents a thoughtful and necessary step toward evaluating and modernizing those tools to ensure long-term sustainability and effectiveness in local governance.

The current municipal revenue structure is outdated. Many of the revenue mechanisms available to municipalities have remained largely unchanged for nearly half a century. During that time, the demands placed on local governments have grown significantly, including increased infrastructure needs, public safety responsibilities, and community services. Without updated and diversified revenue options, municipalities are constrained in their ability to meet these evolving demands.

Municipalities remain heavily reliant on property taxes as their primary source of revenue. This overreliance limits the ability of local governments to both adequately fund essential services and provide meaningful tax relief to residents. Property taxes alone cannot equitably sustain the wide range of services expected by today's communities, particularly in municipalities with diverse economic profiles.

Local Governments like Mount Rainier often function as economic and cultural hubs within the State. We host visitors who utilize local infrastructure, including roads, public safety services, parks, and other amenities. However, while municipalities bear the cost of providing these services, much of the tax revenue generated by visitor activity particularly sales tax flows to the State and does not return directly to the municipalities supporting that activity. This imbalance places an additional strain on local resources.

Finally, House Bill 1142 appropriately calls for a comprehensive study to evaluate municipal revenue structures and explore options for modernization. Such a study is critical to identifying sustainable, equitable, and flexible revenue solutions that will empower municipalities to govern effectively. Providing local governments with greater fiscal flexibility will enhance their ability to respond to community needs, support economic development, and maintain a high quality of life for residents.

For these reasons, the City of Mount Rainier respectfully urges a **favorable report on House Bill 1142**. Thank you for your consideration and for your continued leadership. Please feel free to contact me at 301-985-6585 or via email MayorBenitez@MountRainierMd.org if you have any questions.

Respectfully submitted,

Celina R. Benitez

Mayor Celina R. Benitez, City of Mount Rainier.