



Bill Title: Senate Bill 457, Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land

Committee: Senate Budget and Taxation Committee

Date: February 18, 2026

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 214,000 rental housing homes in over 1015 apartment communities. Our members house over 571,000 residents of the State of Maryland. MMHA also represents over 270 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 457 grants the Mayor and City Council of Baltimore City or the governing body of a county the authority to establish subclasses of real property consisting of land and improvements to land, and set separate real property tax rates for each subclass. The bill would allow counties to set different tax rates for land and improvements to land, which would apply uniformly throughout the taxing jurisdiction. The tax rates for land and improvements to land would not be required to be equal.

MMHA respectfully opposes Senate Bill 457 because shifting Maryland to a land value tax would create instability and increased costs for housing providers at a time when our region is already struggling with severe affordability and production challenges. Over one-third of Maryland households are cost-burdened, spending more than 30% of their income on housing, and more than half of Baltimore renter households face unaffordable housing costs, underscoring an urgent need to increase supply—not add new tax complexity that could deter investment.

A land value tax requires separate land and improvement assessments, introducing uncertainty in taxable value that complicates financing and long-term investment decisions for developers and owners. This is particularly problematic here, where housing production has lagged demand—Greater Baltimore built about 6,980 new units in 2024 yet needs over 8,000 annually to keep pace with growth—and median home values and rents continue to rise.¹ Rather than risk discouraging development through an untested tax structure, policymakers should prioritize proven strategies that remove barriers to housing production and keep costs down for residents and providers alike.

In light of these concerns, MMHA urges the Committee to carefully consider the potential consequences of implementing a Land Value Tax and to reject Senate Bill 457. Instead, MMHA recommends exploring alternative solutions that address the root causes of housing shortages and promote more efficient land use without creating unintended consequences.

¹ Housing Indicator Tool, <https://hit.housingand.org/jurisdictions/baltimore>



For these reasons, we respectfully request an unfavorable report on Senate Bill 457.

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992