

Testimony on SB 457: Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land
Senate Budget and Taxation Committee

Date: February 18, 2026

Position: **FAVORABLE**

The Coalition for Smarter Growth supports SB 457. CSG advocates for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all.

Split-rate taxes on land and improvements allow governments to properly align tax incentives with desirable outcomes, encouraging development that will deliver on the vision of local master plans, provide community benefits, and generate its fair share of the revenue needed to support public infrastructure.

Likewise, this tax structure can be used to ensure that underutilized properties generating less public revenue—such as vacant or surface parking lots—pay appropriately for the property value they reap from being served by publicly-funded infrastructure.

In this way, split-rate taxes support thriving communities and sustainable growth by incentivizing infill development and new development near amenities, jobs, and existing infrastructure.

Maryland municipalities are already enabled by state code to apply split-rate tax structures and thus to apply tax rates in service of the land use outcomes they desire. SB 457 would allow counties and Baltimore City to do the same, giving them parity with municipalities.

In Pennsylvania, communities that adopted split-rate tax policies have seen increases in [building permits, business establishments, and downtown commercial investment](#) (see Chicago Fed Letter, No. 489, November 2023). We would like to see Maryland's counties be able to reap these same benefits, should they choose.

We respectfully request a **favorable report for SB 457** by the committee.

Sincerely,



Carrie Kisicki
Maryland Housing Advocacy Manager