



March 31, 2026

Senate Budget & Taxation Committee

Bill: House Bill 1142 — Task Force to Modernize County and Municipal Revenue Structures

Position: Favorable

Dear Chair, Vice Chair, and Members of the Senate Budget & Taxation Committee,

On behalf of the City of Gaithersburg, we respectfully submit this testimony in support of *House Bill 1142*, which establishes a Task Force to Modernize County and Municipal Revenue Structures.

The City of Gaithersburg supports thoughtful evaluation of the fiscal tools available to Maryland's municipalities. Local governments are responsible for delivering essential public services, maintaining infrastructure, supporting economic development, and planning for sustainable growth. However, the revenue structures available to municipalities have not evolved at the same pace as the responsibilities placed upon them. HB 1142 represents an important opportunity to examine whether current revenue authorities align with modern fiscal realities and community needs.

House Bill 1142 establishes a task force composed of state and local representatives to study existing municipal and county revenue sources, evaluate optional or alternative revenue mechanisms, examine practices in other states, and analyze the impact of potential new revenue options on affordability and cost of living. The task force is also charged with making recommendations regarding the authority of local governments to increase or diversify revenue sources and reporting its findings to the Governor and General Assembly.

For municipalities like Gaithersburg, this work is critically important. Local governments are facing increasing demands related to infrastructure maintenance, transportation improvements, housing initiatives, climate resilience, public safety, and economic development. At the same time, revenue options available to municipalities remain relatively constrained and heavily dependent on traditional sources that may not fully reflect modern economic activity or growth patterns. A comprehensive review conducted through a collaborative state–local partnership will help ensure that Maryland's local governments have the tools necessary to meet community needs while maintaining fiscal responsibility.

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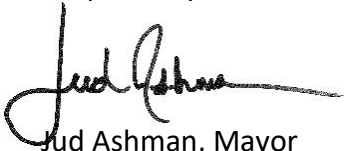
The City also appreciates that the bill includes representation from the Maryland Municipal League and Maryland Association of Counties, ensuring that local government perspectives are meaningfully incorporated into the task force's analysis and recommendations.

Importantly, HB 1142 does not mandate any specific policy changes but instead provides a structured process to evaluate options and develop informed recommendations. This measured approach allows policymakers to consider fiscal modernization in a thoughtful, data-driven manner that balances local autonomy, taxpayer impacts, and statewide economic competitiveness.

Strengthening the fiscal sustainability of municipalities ultimately benefits residents, businesses, and the State as a whole. Communities with stable and predictable revenue structures are better positioned to invest in infrastructure, support housing and economic development initiatives, and maintain high-quality public services.

For these reasons, the City of Gaithersburg respectfully urges a favorable report on House Bill 1142.

Respectfully submitted,



Jud Ashman, Mayor
City of Gaithersburg