



Senate Bill 457

Position: Unfavorable

Committee: Budget and Tax

Date: February 18, 2026

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

By authorizing counties to establish separate subclasses of real property tax rates for land and improvements to land, Senate Bill 457 (SB 457) risks creating unintended, negative consequences related to development, housing construction, and economic growth in Maryland.

Predictable and transparent property taxes are critical for capital planning, site selection, and long-term investment. Allowing separate tax rates on land and improvements creates a **new layer of complexity and volatility** that makes it difficult for businesses to forecast costs or evaluate development opportunities. As a result, SB 457 risks the mitigation of new development opportunities at a time when Maryland is struggling with an affordable housing shortage and stagnant economic growth.

Additionally, SB 457 could disproportionately affect businesses that own land-intensive operations, such as manufacturing facilities, distribution centers, and commercial real estate. Pursuant to SB 457, local governments could set divergent property tax rates, leading to inequitable taxation across counties and placing Maryland businesses at a competitive disadvantage compared to states with simpler, more predictable property tax structures.

Maryland must work to become an attractive state for investment, expansion, and job creation, and it is imperative that sound tax policy maintain predictability. This approach represents a significant departure from Maryland's long-standing uniform property tax structure. To remain competitive and fiscally responsible, Maryland should preserve a stable property tax framework that supports predictable business investment, equitable tax burdens, and robust housing and commercial development across all jurisdictions. Enacting separate property tax rates for land and improvements at the county level threatens predictability, investment, and subsequent development, which would negatively impact Maryland's economic growth and job creation. **For these reasons, the Maryland Chamber respectfully opposes SB 457.**