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Patrick Moran – President

SB 224 – Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property
Budget and Tax Committee
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FAVORABLE

AFSCME Maryland Council 3 supports Senate Bill 224. Senate Bill 224 authorizes the governing body of a county or Baltimore City to establish a subclass of real property for purposes of enacting a special property tax rate. Under the legislation, if a local governing body enacts a special property tax rate for a subclass of real property it must either: i) be imposed within a special taxing district to finance the cost of state or county transportation improvements; or ii) be imposed on a county wide basis for the purpose of funding the approved budget of the county board of education.

AFSCME Maryland Council 3 represents approximately 55,000 public service workers across varying levels of government including city, county, state, and higher education. AFSCME members are on the frontlines every day delivering critical public services our communities depend on.

AFSCME supports expanded revenue policy options for local jurisdictions to address critical public service needs in our communities. Increased investment in our public services is desperately needed. Whether it is transportation infrastructure, public education, public health, capital investment, or attracting and retaining dedicated personnel to deliver public services, the need to invest in our public services remains vital. Local governments need revenue tools at their disposal to meet the public needs of their communities, which in turn promotes sustainable growth in local communities.

Senate Bill 224 enables local revenue options, while also shielding residential property and small businesses from the scope of the tax. The legislation provides either a credit against the special rate or an exemption from the special rate for residential property within a mixed-use property. The bill establishes processes and procedures to ensure property owners may avail themselves of the credit or exemption applicable to residential property. Additionally, the legislation enables local jurisdictions to grant a property tax credit against the special rate for small businesses that employ fifteen or fewer employees.

Senate Bill 224 provides a reasonable revenue tool to local jurisdictions, so they may support public investments in their communities. AFSCME will support expanded state and local revenue options to ensure critical investments in public goods and services are possible.

We urge the committee to support SB 224.