



House Bill 1142

Task Force to Modernize County and Municipal Revenue Structures

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 31, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1142. This bill establishes a Task Force to Modernize County and Municipal Revenue Structures to review and recommend updates to Maryland's local revenue framework.

Local governments operate under State-defined tax systems that no longer reflect Maryland's modern economy. As a result, counties rely heavily on unpopular and regressive property taxes to fund core services, including education, public safety, critical infrastructure, and public health.

Even charter counties with broader authority remain constrained by limited revenue flexibility. At the same time, counties face rising costs and continued cost shifts from the State, often without meaningful tools to adjust local revenue structures to keep pace.

As costs grow and service demands increase, the current structure places sustained pressure on homeowners and narrows the options available to local leaders. Overreliance on residential property taxes limits counties' ability to align revenue sources with economic activity and community needs.

HB 1142 creates a focused forum to evaluate whether Maryland's local revenue system reflects today's economy and to consider practical options to diversify the local tax base. A more balanced structure can strengthen fiscal stability, reduce pressure on homeowners, and equip counties with the tools to address local priorities and a rapidly changing economy.

For these reasons, MACo respectfully requests a **FAVORABLE** report on HB 1142.