



Senate Bill 224 -- *Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property*
Senate Budget and Taxation Committee
January 21, 2026
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 224 -- *Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property*.

Senate Bill 224 authorizes Baltimore City and county governments to establish special property tax rates for various real property classifications to fund transportation improvements and county schools.

MCCC is concerned that this bill would allow counties to substantially increase property taxes on commercial and industrial properties. Granting this authority would significantly raise business operating costs across jurisdictions. MCCC opposes any additional taxes or fees that would increase costs for small businesses, hinder job growth, or slow economic activity.

MCCC recognizes the importance of adequately funding transportation and education, which are critical priorities that strengthen the business environment and support Maryland's quality of life. However, permitting counties to increase property taxes on commercial and industrial properties is unnecessary. Maryland counties already possess the authority to establish special taxing districts to fund transportation improvements, as demonstrated by Montgomery County's efforts in White Flint.

Montgomery County already has a reputation for high taxes and compares unfavorably to neighboring Virginia in terms of competitiveness. While proponents note that Northern Virginia uses differential property tax rates to fund infrastructure, Virginia's overall tax structure remains far more competitive for businesses, standing in sharp contrast to jurisdictions like Montgomery County. Providing the additional taxing authority proposed in Senate Bill 224 would further weaken Maryland's competitive position, making it more difficult to foster economic growth, create jobs, and attract or retain businesses.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 224 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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