



TESTIMONY

COMMITTEE: House Ways and Means

DATE: March 3, 2026

POSITION: Unfavorable

BILL: HB 1518

The Maryland Municipal League (MML), representing 161 local governments in Maryland's, respectfully opposes HB 1518. While we appreciate the bill's goal of providing homeowners with greater long-term predictability regarding their property assessments, the shift from a three-year to a five-year assessment cycle creates substantial fiscal challenges for local governments. This change significantly reduces the responsiveness of the municipal tax base to economic growth and compromises the ability of local leaders to fund essential services in real-time.

Maryland's current triennial system is already a gradual process, phasing in value increases over three years. Extending this to a five-year cycle further delays a municipality's ability to capture the revenue necessary to keep pace with the rising costs of governance.

- **Delayed Market Alignment:** In a 5-year cycle, a property's assessed value may remain significantly lower than its actual market value for half a decade. This "valuation lag" means municipalities are essentially operating on "old data" while facing "new costs" for energy, fuel, construction materials, and labor.
- **Compounded Fiscal Pressure:** Unlike the state, municipalities rely almost exclusively on property taxes to fund critical infrastructure and public safety. A two-year extension of the assessment cycle effectively "freezes" the primary revenue engine for cities and towns, forcing them to consider rate increases to cover the gap left by stagnant assessments.

A longer assessment window also increases the likelihood of "assessment shock" when the cycle finally does reset. By the time a property is re-evaluated after five years, the jump in value—and the corresponding tax bill—may be much more dramatic for the homeowner than the current three-year incremental updates. Maintaining a shorter cycle allows for a more fluid and accurate reflection of the economy, benefiting both the taxpayer and the local jurisdiction.

For these reasons, the League respectfully requests an unfavorable report on House Bill 1518.

For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, justinf@mdmunicipal.org