



Testimony **Summary in Favor of
HOUSE BILL 78:**

**An Act Concerning
Property Taxes – Authority of Counties to Establish
Subclasses and Set 2 Separate Rates for Land and
Improvements to Land**

Hearing of the Ways and Means Committee

January 27, 2026

**Rick Rybeck, Director
Just Economics, LLC**

My name is Rick Rybeck. I'm an attorney with a master's degree in real estate and urban development.

I'm testifying in support of House Bill 78, introduced by Delegate Vaughn Stewart. The purpose of this legislation is to provide Maryland counties and Baltimore City with the same power to set property tax rates as is now provided to most municipalities pursuant to MD CODE § 6-303. HB 78 amends MD CODE § 6-302 allowing counties and Baltimore to set different tax rates on privately-created building values and publicly-created land values. There is no reason to deny counties and Baltimore taxing powers already delegated to municipalities. If only for fairness and parity, House Bill 78 should be enacted into law.

Why might a community tax improvement values and land values at different rates?

- Real estate rents and prices are too high. A tax on the value of buildings reduces construction and makes prices go up even more. Reducing the tax rate on building values would be a “**universal tax abatement**” making all buildings more affordable.
- The value of land reflects the value of public goods and services available at a site. A tax on land value merely returns to the community value that the community created in the first place. Surprisingly, **taxing land values reduces land prices** because profits from land speculation are reduced. Land speculation produces nothing of value, so there's no harm in discouraging it.

Without new spending or revenue loss, some communities have reduced the tax on building values while increasing the return of land values. This “**Tax Shift**” **makes both buildings and land more affordable.**

HB 78 does not mandate tax reform. **HB 78 allows counties and Baltimore to enhance employment, affordability and economic vitality. I urge your support.**