

HB0078\_RichardKaplowitz\_FAV

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**TESTIMONY ON HB#0078 - POSITION: FAVORABLE**  
**Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land**

TO: Chair Wells, Vice Chair Kerr, and members of the Government, Labor and Elections Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB0078, **Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land**

This bill will permit Baltimore city and counties in Maryland to set special property tax rates by the establishment of subclasses of real property consisting of land and improvements to land and set separate real property tax rates for each subclass.

The Federal Reserve Bank of Chicago discusses *Land Value Taxes—What They Are and Where They Come From*.<sup>1</sup> NewAmerica.org argues in favor of the concept of this bill in their article *Tax Land, Not Buildings, to Spur Development*<sup>2</sup>

The Housing Solutions Lab makes these arguments in favor of this approach<sup>3</sup>

Proponents of land value taxation argue that this approach would yield several benefits including:

- Discouraging speculation on vacant lots that have been zoned for development, as landowners would pay the same amount of taxes for vacant lots as those put to productive use
- Encouraging development and beneficial land uses in lower-cost and infill areas, as improvements would not be taxed and low taxes on low-value land could stimulate new construction
- Increasing the cost of land ownership, which in turn would moderate land prices and potentially reduce the cost of housing

Based on the commonsense arguments for this approach and the benefits it can offer I believe this bill should be reported favorably. I respectfully urge this committee to return a favorable report on HB0078.

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<sup>1</sup> <https://www.chicagofed.org/publications/chicago-fed-letter/2023/489>

<sup>2</sup> <https://www.newamerica.org/future-land-housing/blog/tax-land-not-buildings-to-spur-development/>

<sup>3</sup> <https://www.localhousingsolutions.org/housing-policy-library/land-value-taxation/>