

January 27, 2026

Hon. Jheanelle K. Wilkins  
Chair, Ways and Means Committee  
130 Taylor House Office Building  
Annapolis, MD 21401

Re: Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property

Dear Chair Wilkins,

The Maryland Building Industry Association (MBIA) is submitting testimony in opposition of House Bill 90. While the goal of improving transportation infrastructure and supporting local boards of education is important, this legislation raises serious concerns regarding tax fairness, economic competitiveness, and unintended consequences for local economies.

Authorizing local governments to impose a special property tax rate on a subclass of commercial and industrial property places a disproportionate burden on businesses that already shoulder a significant share of the tax base. Targeting specific property classes risks creating an uneven and unpredictable tax environment, discouraging investment, expansion, and job creation—particularly for small and mid-sized employers operating on narrow margins.

This bill grants broad discretion to local jurisdictions to establish and adjust these special tax rates. Without clear statewide standards or limitations, businesses could face inconsistent tax policies across counties and Baltimore City, undermining Maryland's competitiveness and making long-term planning more difficult for employers considering where to locate or remain. Increasing property taxes on commercial and industrial properties may ultimately harm residents. Higher operating costs are often passed through increased prices, reduced services, delayed wage growth, or fewer employment opportunities.

Finally, transportation improvements and education funding are shared with public responsibilities that should be addressed through equitable, broad-based funding mechanisms. Singling out one sector to finance these priorities sets a concerning precedent and shifts costs away from comprehensive solutions.

For these reasons, I respectfully urge an unfavorable report on this bill.