



February 20, 2026

Testimony on HB 1142
Task Force to Modernize County and Municipal Revenue Structures
House Ways and Means Committee
Position: Favorable

Chair, Vice Chair, and Members of the Committee,

On behalf of the Eastern Shore Land Conservancy, Maryland's largest land trust covering six counties on the Eastern Shore, we write to support House Bill 1142. This legislation creates a Task Force to Modernize County and Municipal Revenue Structures, an effort that arrives at a critical moment for local governments across Maryland.

Counties and towns throughout the state are confronting the compounding challenge of aging infrastructure, rising service demands, constrained tax bases, and the ongoing fiscal consequences of land use patterns that disperse development into places where public services are most expensive to provide. These pressures are felt most acutely in rural regions like the Eastern Shore, where small governments with limited staff and limited revenues must maintain roads, water and sewer systems, emergency services, and stormwater infrastructure across large geographies with relatively few taxpayers. The result is a widening gap between what residents need and what existing revenue structures can reliably support.

House Bill 1142 offers a thoughtful and constructive response. By establishing a task force that brings together state agencies, local governments, finance experts, and community stakeholders, the bill creates the space needed to study the long-standing misalignment between how Maryland grows and how Maryland funds that growth. It acknowledges that our revenue tools were built in an era when development was less complex, infrastructure was newer, and climate resilience was not yet a driving concern. The problems local governments face today require a deeper examination of how revenue systems can better reflect the true long-term costs of land consumption, infrastructure maintenance, housing production, and environmental stewardship.

The Eastern Shore Land Conservancy has spent years studying the relationship between land use, public costs, and fiscal health through our Value Per Acre analysis. Again and again, the data shows that compact, walkable, and mixed-use communities generate far more revenue per acre and require far less infrastructure per person than low-density, auto-oriented development at the rural edges. Yet local governments often lack the revenue tools that would allow them to reward reinvestment in places with existing infrastructure and to manage growth pressures in a way that strengthens community resiliency while protecting farmland, forests, and open space.





A modernized revenue framework would equip counties and municipalities with the flexibility to align fiscal policy with good land use planning, support Sustainable Growth, and maintain the public infrastructure that residents depend on. The task force created by HB 1142 is a necessary first step toward achieving this alignment.

For these reasons, the Eastern Shore Land Conservancy urges the Committee to issue a favorable report on House Bill 1142. Maryland's counties and municipalities cannot build a fiscally sustainable future without a revenue system that reflects the true costs of development, the realities of climate adaptation, and the economic contributions of our historic towns and rural landscapes. This task force will help chart that path.

Thank you for your consideration and for your continued commitment to Maryland's communities and natural resources.

Sincerely,

A handwritten signature in blue ink, appearing to read "Owen Bailey", with a stylized flourish at the end.

Owen Bailey
Director of Land Use and Policy, ESLC

