



## TESTIMONY

**COMMITTEE:** House Ways and Means

**DATE:** February 12, 2026

**POSITION:** Favorable with Amendments

**BILL:** HB 594

The Maryland Municipal League (MML) strongly supports House Bill 594 with an amendment to include all municipalities, ensuring that one-third of the sales tax collected in jurisdictions return to municipalities who are providing the services to make these communities successful.

Maryland's municipal governments are responsible for providing everyday essential services to its two million residents yet are limited in the authority to raise the necessary revenues to fund these services. The only meaningful source of revenue municipalities exercise control over is property tax. The dependency on property taxes means nearly all new services and state mandates since the 1967 inclusion of a small share of local income tax are covered by property tax expansion.

**Maryland is one of only 6 states that fails to share tax revenue from the sale of goods or services with local governments or allow those governments to collect it themselves. This means that Maryland's 45 million annual visitors are not paying for the services they use when traveling through or visiting our state's great cities and towns. Those costs are placed squarely on the backs of residents via property taxes, even though 34% of all state sales tax revenues are collected in municipalities.**

For these reasons, the League respectfully requests that the Committee amend municipalities into the bill and provide HB 594 with a favorable report.

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

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