

Town of La Plata

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**Testimony in Support of HB 1142
Task Force to Modernize County and Municipal Revenue Structures
House Ways and Means Committee
February 24, 2026**

Chair Wilkins, Vice Chair, and Members of the Committee:

My name is Jeannine James. I serve as Mayor of the Town of La Plata and as President of the Maryland Mayors Association, representing 157 municipalities across this State.

I am here in strong support of House Bill 1142.

For nearly sixty years, Maryland's municipal revenue framework has remained largely frozen in time. While our responsibilities have grown, our infrastructure demands have increased, and our residents expect high-quality services, the tools available to municipalities to fund those services have barely evolved.

Today, most Maryland municipalities rely on property taxes for roughly half of their general fund revenue. In many communities, it is even higher.

That is not diversification. That is dependence.

In La Plata, we provide full-service local government — police protection, planning and zoning, economic development, infrastructure maintenance, parks, and community events that draw residents and visitors from throughout the region. We maintain roads that serve not only our residents but thousands who commute, shop, dine, and conduct business within our town limits every day.

Yet when those visitors make purchases in our businesses, the sales tax revenue does not come back to the municipality providing the infrastructure, public safety presence, and amenities that support that economic activity.

We carry the service responsibility.
The revenue bypasses us.

That imbalance creates structural pressure on property owners. When municipalities lack access to diversified revenue options, the property tax becomes the default lever. That places disproportionate strain on homeowners and small businesses — particularly during periods of reassessment growth or inflationary cost increases.

HB 1142 does not impose a tax.
It does not mandate a revenue shift.
It does something far more responsible.

It creates a Task Force — a deliberate, data-driven, bipartisan review of how Maryland structures local government revenue in 2026 and beyond.

Other states provide municipalities with broader revenue authority, including local option sales taxes, hotel taxes, admissions taxes, and other tools that better align service provision with revenue generation. Maryland has not seriously reexamined this structure in decades.

We should.

This bill simply asks a fundamental question:
Is the current system aligned with modern fiscal realities?

As President of the Maryland Mayors Association, I can tell you that fiscal constraint is not theoretical. Municipal leaders are balancing rising public safety costs, infrastructure maintenance backlogs, stormwater compliance, economic development competition, and resident expectations — all within a revenue framework that has not kept pace.

We are not asking for blank checks.
We are asking for analysis.
We are asking for modernization.
We are asking for flexibility.

A blue-ribbon commission provides the disciplined forum to examine:

- Revenue diversification options used in peer states
- The fiscal impact on counties and municipalities
- Equity between jurisdictions
- Guardrails to protect taxpayers

Failing to examine the structure does not protect taxpayers. It simply locks municipalities into a narrow revenue lane that increases long-term pressure on property taxes.

This is a measured first step. It is prudent. It is responsible governance.

For the reasons outlined today, I respectfully urge the Committee to issue a favorable report on House Bill 1142. Thank you for your consideration.

Respectfully,

Jeannine E. James
Mayor, Town of La Plata

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