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MAJORITY WHIP

Appropriations Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Oral Testimony of Delegate Jazz Lewis
HB450—Property Tax – Municipal Corporation Business Personal Property Tax
Rate – Alterations

Chair Atterbear, Vice-Chair Wilkins, and members of the Ways and Means Committee,

Thank you for the opportunity to present this testimony in support of my legislation: HB450. This bill seeks to cap municipal tax rates for business personal property to be no more than two and a half times the average corporation property tax of the municipality's county and the county property tax rate for real property combined.

This bill seeks to block local over taxation by municipalities of our local businesses by setting reasonable restrictions on how high our state's cities can set their business taxes. The rate cap that we set presently would not even affect the overwhelming majority of our municipalities who set reasonable rates for their business taxes. And the vast majority of these municipalities won't even come close to this ceiling.

In fact, as stated in this bill's fiscal note, the only municipality in the state of Maryland that would be impacted by this legislation would be Seat Pleasant in Prince George's County. Where the tax rate is set at \$12 for every \$100 of value. This rate far exceeds all other municipalities in Maryland. What the cap sets out to do is to set a limit that could only affect rates that are irresponsibly high and damage local economies making our municipalities untenable for businesses to locate within them. As this is what is happening in Seat Pleasant, where we are trying to redevelop along the Blue Line Corridor. Placing an overly onerous burden on businesses blocks growth.

We also plan to introduce amendments to simplify the ceiling imposed by this bill and change it to simply state \$3.75 for every \$100 of value. Still far beyond what most municipalities would set rates. We will provide these to the committee once they are available.

Thank you and I urge a favorable vote on HB450