

May 2nd, 2023

Hon. Evan Glass
President, Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Re: Testimony in Opposition - FY24 Constant Yield Tax Rate

Dear President Glass and Councilmembers

The Maryland Building Industry Association (“MBIA”) is submitting testimony in strong opposition to the County Executives proposed 10 percent increase in the county’s property tax rate - increasing the rate from \$0.99 to \$1.09, the proposal is part of the county’s \$6.8 billion FY ’24 budget. The county executive stated that Montgomery County’s property tax rate is lower than 11 out of 24 other jurisdictions in Maryland. However, he failed to note the cost of land and median home values when comparing the property tax rates. Montgomery County has one of the highest median home sale prices in the area.

The costs of gas, groceries, and housing are already out of control, and this tax hike will only make things worse for all of us — especially seniors and struggling families. School enrollment declined two of the last three years, and only increased 1.5% in FY ’23, yet the executive increased the budget by over 9 percent and continues to boast about the county’s low property tax rate versus neighboring jurisdictions. But with our high median home values this lower property tax rate helps us stay competitive with neighboring jurisdictions.

Raising property tax rates will erode that competitiveness. Montgomery County’s housing market has slowed because of massive underproduction. The County Council needs to focus on spurring growth and development instead of punishing current residents and scaring away potential residents.

This proposed increase, along with Bill 17-23, which seeks to increase the county’s recordation tax – will likely serve as bellwethers for the direction this Council wants to take the county in the coming years.

We urge you to choose fiscal responsibility and the long term financial health of our county in your deliberations. We know the budget process is difficult, and appreciate the work you and your staffs put in over these many weeks.

Respectfully,

Griffin Benton, Vice President