

Montgomery County Council Public Hearing - 2 May 2023

Proposed Real Property Tax Rate Increase

Testimony Submitted By Joseph McCallion.

Mr. President and Council Members.

Thank you for permitting me to submit my testimony on the Proposed Real Property Tax Rate Increase. I will attempt to be brief.

Justice Oliver Wendell Holmes, Jr. famously noted that “Taxes are what we pay for civilized society” and I certainly would not dispute that.

However the proposed property tax rate and resulting increase in the constant yield tax rate of 14.2% is excessive in view of the economic conditions currently faced by single family homeowners (many of whom are retired and living on fixed incomes.)

Just a month ago the County Council examined the burden placed on renters in Montgomery County by recent increases in monthly rents. While the majority of the Council were of the opinion that rent increases should be capped at 8% (+inflation), council members Jawando and Mink argued for a rental cap of 3% or the inflation rate if lower. Even County Executive Elrich who initiated the call for the 14.2% property tax increase strongly supported the lower 3% cap on monthly rents. He was quoted in the Washington Post as saying “It’s really disappointing to see six people sign on to a bill they know damn well is going to lead to rent increases that are unaffordable.”

Let us be clear; for all practicable purposes, property taxes are the moral and economic equivalent of rent that a homeowner pays to the county. But while homeowners and renters both receive in return the right to occupy their homes, renters also receive maintenance and repair services that homeowners do not. If the County Executive believes that an 8% increase in rent is “unaffordable” how in good conscience can he propose a 14.2% increase in property taxes?

It has long been recognized that single family homeowners are the bedrock of any successful community - but that does NOT mean they should become the “cash cows.” Any property tax increase should be limited to what would be considered a reasonable and equitable cap on residential rent.

Thank You.

