

July 27, 2020

The Honorable Sidney Katz
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: Property Taxes

Dear Council President Katz and Councilmembers:

Thank you for the opportunity to provide comments on the proposals to alter the rules for property tax increases. Please accept these comments on behalf of the Coalition for Smarter Growth, the leading organization in the DC region advocating for walkable, inclusive, transit-oriented communities.

We support a fix to the artificial constraints imposed by the current property tax cap, and want to ensure that the Council and County Executive have the authority to budget in a way that meets the community's needs, particularly for social services, affordable housing, and public transportation. The county requires improved flexibility to meet unexpected challenges, such as the COVID-19 pandemic and all of the increased need it has created.

At the same time as needs rise, Montgomery County has not been able to benefit from growth in the tax base, growth which is supported by a history of successful public investments in infrastructure, schools, and transportation. Continuous public investment and services are vital in order to maintain a high quality of life, spur further economic development, and battle external threats, including public health and climate crises.

Therefore, we support proposals to remove the property tax cap and to require a supermajority of at least two-thirds of the council to raise the general property tax rate, not a unanimous vote as is now the case. We also support setting equal limits on rate increases for owner-occupied residential properties and for residential rental properties, since landlords pass property tax increases onto tenants in the form of higher rents. Homeowners and renters should be treated equally – renters should not face a higher pass-through cost of tax increases than homeowners.

Thank you for your consideration.

Sincerely,

Jane Lyons
Maryland Advocacy Manager
Coalition for Smarter Growth

CC: Montgomery County Councilmembers
County Executive Marc Elrich