



March 28, 2007

An Open Letter to the Maryland House of Delegates: Don't Destroy Local Tax Limits!

Dear Delegate:

I write on behalf of the 7,100 Maryland members of the National Taxpayers Union, who urge you to reject any proposal brought before the Legislature that could undermine protections against runaway property taxes in the state's charter counties.

As a Silver Spring resident, I can well attest to the apprehension many Montgomery County taxpayers feel over the prospect of tax hikes originating from local officials. Similar fears exist in the other charter counties in Maryland. We therefore hope you can imagine the shock among Marylanders who learned that the *General Assembly* could be paving the path to such increases.

Recent legislation (HB 399) sponsored by Delegate Hixson would, for example, enable my County Council to override the Montgomery charter's property tax limit with six votes instead of seven. What difference could one vote make? Plenty, when the Council consists of just nine members.

Taking Montgomery as an illustration once again, some would argue that the County's "supermajority" requirement for property tax hikes subverts the "50 + 1" standard for passing most laws. Yet, supermajority rules apply to many government activities, such as amendments to founding documents and changes to the composition of governmental bodies. Indeed, HB 399 grudgingly acknowledges this principle by retaining a (weaker) supermajority standard for property tax hikes.

In the final analysis, supermajorities exist in constitutions and charters to ensure that a broad consensus is reached for policy changes of a most fundamental nature. Given the fact that Maryland counties generally rely on property taxes for more than one-third of their revenues, few actions could be more "fundamental" than proposals to alter tax structures.

But economic as well as political considerations are at stake too. According to a comparative analysis from the Washington, DC government's Office of Finance and Revenue, an average family of three shoulders a heavier overall tax burden in Maryland than in the District of Columbia or Northern Virginia. Among middle-class households, the difference amounts to \$2,000 or more each year. Maryland's state and local property tax limits are among the few things preventing this disparity from growing even further and making our state less attractive in which to live and work.

We understand that many lawmakers are skeptical of HB 399, and that Delegate Hixson reportedly proposed the bill as a reminder to counties seeking additional state aid of the fiscal consequences that could result from doing so. While these are encouraging developments, our members are hoping for a more solid commitment in the waning days of the session. We once again ask you to publicly oppose and vote against any plan to give localities more leeway to levy higher property taxes.

Sincerely,

Pete Sepp
Vice President for Communications