



## House Bill 215

### *County Revenues – Business Fees and Personal Property Tax Exemption*

MACo Position: **OPPOSE**

Date: February 7, 2017

To: Ways and Means Committee

From: Barbara Zektick

The Maryland Association of Counties (MACo) **OPPOSES** HB 215. This bill exempts all personal property from personal property taxes, other than operating personal property of a railroad or a public utility and specified telecommunications property. Instead, it authorizes counties to impose fees by local law of \$25 to \$100 per business entity, based on their number of employees. While nominally seeking to promote simplicity, this bill dramatically undermines county revenue structures and support for essential services.

**This bill removes hundreds of millions of dollars from county revenues, decimating local governments' ability to provide basic core services such as education, public safety, and public works for Maryland families.**

County governments estimate that they will receive approximately \$600 million in total personal property tax revenues this year. That is roughly the equivalent of what counties contribute to high priorities such as community colleges or public works or all health, social services and parks and recreation, combined. Losing that amount of money with the only benefit being a streamlined process would be extremely counterproductive and would cause a decrease in county services. Even if all counties currently collecting personal property taxes opted to pass the local laws assessing the optional fees authorized by the bill, the revenues generated by the proposed \$25 to \$100 per business entity would not come close to the approximately \$100 per Maryland resident they receive now in total personal property taxes.

Counties are amenable to working with policymakers on efforts to reduce burden on businesses through the personal property and inventory valuation processes. However, the significant costs of this bill are simply untenable. Cuts of this magnitude on essential government services would wreak havoc on public safety, education, and quality of life for Maryland families. For these reasons, MACo urges the Committee to give HB 215 an **UNFAVORABLE** report.