
Special Property Tax Rates

**Presentation to the
Task Force to Modernize County and Municipal
Revenue Structures**



October 2, 2026



Special Property Tax Rates Nationally

- The power of Maryland's municipalities to set special property tax rates for any class of property they choose is unusual.
- Nationally, only three states provide local governments with comparable authority.
- Twelve states don't classify property at all for tax purposes.
- Most states have property classifications set by state law, with local governments having limited or no authority to set special tax rates on the state-defined classes.



Municipal Special Rates in Maryland

- Thirteen municipalities currently have special property tax rates.
- Most of the municipalities with special rates impose higher rates on commercial property or apartments.
- Municipal special rates have at times been controversial and have resulted in legislation in the General Assembly to limit municipal rate-setting authority.
- HB 820/SB 893 of 2013 would have limited the property tax classes and rates that a municipality could establish. The bill resulted from a dispute regarding a special tax rate in Cheverly that in effect applied to a single owner of multi-family housing.
- HB 450/SB 116 of 2023 would have limited the maximum personal property tax rate a municipality could impose. The bill resulted from a controversy over the personal property tax rate in Seat Pleasant, which at the time was set at \$12 per \$100 of assessed value.
- A higher tax on apartments may be viewed as a regressive tax, because renters have lower incomes than homeowners on average.