



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

SUPPORT IN PRINCIPLE

Thank you for this opportunity to submit written testimony to the Montgomery County Council concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)**. WDC is one of the largest and most active Democratic Clubs in our County with more than 600 politically active women and men, including many elected officials.

WDC supports amending Section 305 of our County Charter. We support the intent of both the County Council and the County Executive to shift the limiting principle on property taxes from a cap on total revenues collected, to a cap on tax rate increases.

WDC urges the County Council and the County Executive to find common ground among their two proposals to correct the structural deficit created in 1990 by Section 305. WDC opposes the petitioned ballot initiative to completely eliminate the ability of the Council to override the current revenue limit under Section 305.

Since the original Charter measure was adopted 40 years ago our County has grown dramatically in population, diversity, and complexity. Yet even as County needs have grown, the property tax rate has fallen by 35 percent due to the structural revenue cap imposed by Section 305. The current terms of our Charter bind the County to an obsolete model that guarantees a cycle of shrinking property tax revenues, structural deficits and revenue caps. A growing county is poorly served when a key source of revenues is guaranteed, at best, to remain flat. The few areas exempted from this revenue cap, like new construction, cannot keep pace with rising needs, particularly if the allowed rate of increase is depressed by low inflation. This is not tenable.

These are stubborn facts whose costs are felt in both the direct fiscal hit and the compounding impacts that hobble the County and fall inequitably across our community. The Covid-19 pandemic and its cascade of knock-on crises have crystallized the problem and made urgent the search for a solution.

In addition WDC asks that you approach with caution any requirement of unanimity for Council action. Giving absolute veto power to a recalcitrant member is not unlike the effect of Section 305. Straightjackets are not a sustainable solution for a changing world.



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We urge the Council and County Executive to work collaboratively. By acting now, and together, to amend Section 305 you can protect property owners from unexpected increases in property values, and prevent the steady erosion of property tax revenues. Stable funding is critical to long-term planning and funding, and thus to building an equitable community with intention and vision.

There is no perfect solution, but there is ample room for improvement.

On behalf of our WDC membership, thank you again for your service in the midst of these times, and for taking up this thorny and difficult issue. By making a change to Section 305's cap on total revenues collected the County can end its structurally imposed fiscal spiral. You are to be commended for seizing the moment to address this structural defect and secure the financial stability to take care of our community.

Respectfully,

Diana Conway
President