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Gregg G. Kantak

CEO
Richard J. Marshall

Commissioners of Charles County
200 Baltimore Street
La Plata, MD 20646

Dear Commissioners,

The Southern Maryland Association of REALTORS® (SMAR) OPPOSE the proposed increase of property taxes coming before you, which would raise the property tax rate by 5% and generate almost \$11 million in additional tax revenue.

SMAR believes local governments should fund from their existing property and income tax bases the necessary public facilities such as schools, water and sewer, transportation, public safety, and others, at a rate that keeps up with the population growth. This deviation from constant yield, which amounts to a hefty tax increase on homeowners, can easily be avoided while not disrupting the county's finances.

As you are aware, property taxes and other taxes on real estate, such as the recordation and transfer tax, make up a majority of all tax revenue collected in Charles County. Those taxes accounted for approximately \$275 million or 55.58% of the county's most recent budget, with property taxes alone contributing over \$250 million.

Over the last year, home values have grown at an unhealthy pace. A severe housing inventory shortage that is plaguing the county and the country has created hurdles for potential homeowners. A survey by American Strategies conducted earlier this year found that 76% of Maryland voters think the cost to buy and own a home in Maryland is too high, with roughly one out of every three people saying they would consider leaving the state due to high housing costs.

Additional taxes and government-imposed costs have raised the cost of owning a home, specifically burdening long-time county residents and older homeowners on fixed incomes. It also makes buying a home more difficult, and too expensive for many younger and historically marginalized homebuyers. In what is now considered the wealthiest minority-majority county in the nation, Charles County now has an opportunity to help remove one added barrier to homeownership by enacting the proposed constant yield tax rate.



"The Voice for Real Estate in Southern Maryland"
Member – National Association of REALTORS® and Maryland Association of REALTORS®
The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.





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Maintaining the lower tax level for your constituents while not disrupting the county's budget is fair for everyone in Charles County.

We understand how expensive it can be to maintain the growth in the county. We want to see the county continue to grow smartly and responsibly, with appropriately supported facilities for residents.

However, added taxes at a time of economic strain will only hurt county residents, and encourage people to move to one of the many surrounding areas with lower taxes.

We ask that you adopt the proposed constant yield rate of \$1.0866 per \$100 of assessment and save homeowners from an even larger tax burden than they are faced with when funding a majority of the county budget.

If we can be of any additional assistance, contact us at (301)274-4406.

Michael Funk

President, Southern Maryland Association of Realtors®

Paul Fenton

Chair, SMAR Government Affairs Committee



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