

1 **Support of Maryland General Assembly House Bill 1142, Establishing the Task Force to**
2 **Modernize County and Municipal Revenue Sources**

3 For the purpose of expressing the support of the Annapolis City Council for Maryland General
4 Assembly House Bill 1142, which establishes a Task Force to Modernize County and Municipal
5 Revenue Sources; and urging the Maryland General Assembly to pass said legislation.
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8 **City Council of the**
9 **City of Annapolis**

10 **Resolution 7-26**

11 **Introduced by: Mayor Littmann**

12 **Co-sponsored by:** Alderwoman O'Neill, Alderman Savidge, Alderman Smith-Brown
13

14 **A RESOLUTION** concerning

15 **Support of Maryland General Assembly House Bill 1142, Establishing the**
16 **Task Force to Modernize County and Municipal Revenue Sources**

17 **FOR** the purpose of expressing the support of the Annapolis City Council for Maryland
18 General Assembly House Bill 1142, which establishes a Task Force to Modernize County
19 and Municipal Revenue Sources; and urging the Maryland General Assembly to pass said
20 legislation.
21

22
23 **WHEREAS,** The City of Annapolis is a premier tourist destination that draws millions of
24 visitors annually to its historic waterfront, maritime heritage, restaurants, and
25 cultural events, generating substantial sales tax revenue for the State of Maryland;
26 yet, Maryland does not permit its municipalities to share in sales tax receipts,
27 leaving Annapolis unable to capture revenue from the very economic activity its
28 character and infrastructure make possible; and
29

30 **WHEREAS,** According to the Maryland Municipal League, Maryland is one of only six states
31 that fails to share tax revenue from the sale of goods or services with local
32 governments, creating an over-reliance on local property taxes as the primary
33 local revenue source; and
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35 **WHEREAS,** A significant portion of land within the City of Annapolis is owned by
36 government entities that are exempt from the City's property tax revenue base,
37 including the State House complex, Maryland's two highest Courts, State office
38 buildings, the United States Naval Academy, and Anne Arundel County facilities,

1 substantially reducing the taxable property base upon which the City depends for
2 the majority of its operating revenue; and
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4 **WHEREAS,** This concentration of tax-exempt government and military property within City
5 limits forces an inequitable burden onto Annapolis' residential and commercial
6 property taxpayers, who must bear the full cost of City services that benefit the
7 entire region; and
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9 **WHEREAS,** Municipal governments across Maryland, including the City of Annapolis, are
10 facing unprecedented inflationary pressures on construction materials, fuel, and
11 labor, alongside increasing State-mandated costs and expanding service demands,
12 making the need for a modernized and diversified local revenue framework more
13 urgent than at any prior time; and
14

15 **WHEREAS,** Maryland's current local revenue structure has not been comprehensively
16 reformed in decades and does not reflect the modern economy's shift toward
17 services, digital commerce, and tourism-driven activity, all of which generate
18 substantial economic value within the City of Annapolis without contributing
19 proportionately to local government revenues; and
20

21 **WHEREAS,** The proposed Task Force to Modernize County and Municipal Revenue Sources
22 established under House Bill 1142 would provide a data-driven, non-partisan
23 forum to study these structural inequities and recommend solutions that allow
24 municipal governments like the City of Annapolis to achieve fiscal resilience,
25 reduce the burden on local property owners, and ensure that those who benefit
26 from City services contribute equitably to the cost of providing them.
27

28 **NOW, THEREFORE, BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that:
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- 30 1. The City formally supports the passage of House Bill 1142 in the Maryland General
31 Assembly and urges the House Ways and Means Committee to issue a Favorable Report.
32
- 33 2. The City Clerk shall send a copy of this resolution to:
 - 34 1. State Senator Shaneka Henson of District 30;
 - 35 2. State Delegate Dana Jones of District 30A;
 - 36 3. State Delegate Dylan Behler of District 30A; and
 - 37 4. Staff at the Maryland Municipal League
38

39 **AND BE IT FINALLY RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that this
40 resolution shall take effect upon passage.