



Agenda Item Summary Report

Meeting Date:
March 9, 2026

Submitted by:
Michelle Bailey Hedgepeth, Town Administrator

Resolution 16-2026 | A Resolution of the Mayor and Council of the Town of Bladensburg in Support of HB 1142 / SB — Establishing the Task Force to Modernize County and Municipal Revenue Sources

Support for proposed legislation by MML for a Revenue Study on Sales Tax Share

Work Session Item [X]
Council Meeting Item [X]

Documentation Attached:
Resolution

Recommended Action:

Staff recommends adoption of Resolution 16-2026 in support of establishing the Task Force to Modernize County and Municipal Revenue Sources.

Summary:

Resolution 16-2026 expresses the Mayor and Council's support for **HB 1142 / SB**, legislation before the Maryland General Assembly that would establish a **Task Force to Modernize County and Municipal Revenue Sources**.

The purpose of this legislation is to examine Maryland's current local revenue structure and recommend strategies to ensure that municipalities and counties have modern, flexible, and sustainable funding sources to support essential services.

Background

Municipal governments such as Bladensburg provide critical frontline services to residents, including:

- Public safety and policing
- Road and infrastructure maintenance
- Code enforcement and neighborhood services
- Community programming and economic development

These services rely on stable and diversified revenue streams. However, municipalities are currently experiencing increasing financial pressures due to rising costs for construction materials, fuel, equipment, and labor, as well as growing state-mandated obligations.

At the same time, Maryland's existing revenue framework has not been comprehensively updated in decades and remains heavily reliant on **property taxes** as the primary local funding source.

Revenue Structure Challenges

Maryland municipalities face several structural limitations, including:

- Maryland is one of **only six states** that does not share sales tax revenue with local governments or allow municipalities to collect it directly.
- Local governments are therefore heavily dependent on property taxes to fund services.
- The current system does not reflect the modern shift toward a service-based and digital economy, where economic activity may not generate traditional local tax revenue.

Despite municipalities serving as centers of economic activity, commerce, and tourism, the current tax structure does not always return a proportional share of revenue to the communities that support that growth.

Purpose of the Task Force

The proposed Task Force would provide a data-driven and non-partisan forum to:

- Evaluate the adequacy of existing county and municipal revenue sources
- Examine inequities in the current tax structure
- Identify modern revenue options aligned with today's economy
- Recommend strategies that strengthen fiscal resilience for local governments without overburdening property owners

Resolution Action

Through Resolution 16-2026, the Mayor and Council formally:

- Express support for the passage of HB 1142 / SB
- Urge the appropriate legislative committees to issue a **favorable report** on the legislation
- Direct that copies of the resolution be transmitted to the State legislators representing Bladensburg and to the Maryland Municipal League.

Recommendation

Staff recommends adoption of Resolution 16-2026 in support of establishing the Task Force to Modernize County and Municipal Revenue Sources.

If approved, the resolution will be transmitted to the Town's legislative delegation and relevant state partners.

The Town Administrator is available to answer any questions.

Budgeted Item: Yes [] No [] NA

Budgeted Amount:

One-Time Cost: TBD

Ongoing Cost: NA

Council Priority: Yes [] No []

Continued Date:

Approved Date: