

February 27, 2020

The Honorable Anne R. Kaiser, Chairman
Room 131
House Office Building
Annapolis, Maryland 21401

RE: House Bill 1276 - County Property Tax - Classifications of Real Property and Authority to Set
Special Rates
Opposed

Dear Chairman Kaiser and Members of the House Ways and Means Committee,

I am writing in my capacity as both the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA), and as a member of its Board of Directors, to respectfully request an unfavorable report on HB 1276.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year.

While the actual effect of HB 1276, when implemented by counties in Maryland, is unknown at this point, BOMA is concerned about this substantial change in the longstanding public policy of our state, under which new subclasses of real property are authorized.

The fiscal note to the bill identifies a potentially meaningful small business effect, and both BOMA members and their tenants are small businesses. While the note goes on to state that small businesses may pay more, less, or the same in property taxes, a history of real property taxation in Maryland would indicate that commercial properties typically pay more than their share, when compared to their consumption of government services. That trend is likely to continue if this bill is enacted. Furthermore, we are unaware of any comprehensive studies of this issue that have been conducted by a knowledgeable authority.

We respectfully recommend that HB 1276 be set aside unless and until such a study is conducted under legislative supervision. Participating stakeholders would include commercial businesses such as BOMA members, their tenants, the Office of the Comptroller, the State Department of Assessment and Taxation, among others.

For these reasons we respectfully request an unfavorable report on HB 1276.

Sincerely,

A handwritten signature in blue ink, appearing to read 'KBauer'.

Kevin J. Bauer