

# NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR  
COMMERCIAL REAL ESTATE

February 27, 2020

The Honorable Anne R. Kaiser, Chair  
House Ways and Means Committee  
House Office Building, Room 121  
6 Bladen St., Annapolis, MD 21401

**Oppose: HB 1276 – County Property Tax – Classifications of Real Property - Special Rates**

Dear, Chair Kaiser and Committee Members:

The NAIOP Maryland Chapters representing more than 700 companies who develop and own office, mixed-use and light industrial real estate oppose HB 1276 which would authorize Baltimore City and the counties to assess subclasses of real property at different tax rates.

NAIOP strongly opposes the granting of authority to split the tax rate because commercial property already generates more net tax revenue, development fees and in-kind infrastructure improvements to local governments than any other property class. There is very little doubt that the bill would break the long-standing principle that property owners should pay uniform tax rates and would result in narrowly drawn and discriminatory commercial real estate taxes.

NAIOP supports, and its member companies have formed, geographically based assessment schemes such as special taxing districts, and business improvement districts that are approved and managed by property owners in a select area. Business Improvement Districts provide security, maintain landscaping, provide snow removal and trash collection, install art displays and lighting in places like Silver Spring, White Flint and downtown Baltimore. Special taxing districts provide a dedicated funding stream to finance infrastructure improvements that are beyond the current financial capacity of local governments. These approaches are more direct and equitable ways to supplement local services. Broader tax needs should be addressed through changes to the constant yield tax rate process.

**For these reasons, NAIOP respectfully recommends your unfavorable report on HB 1276.**

Sincerely,

Tom Ballentine, Vice President for Policy  
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: House Ways and Means Committee Members  
Nick Manis – Manis, Canning Assoc.