



February 20, 2024

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Oppose: SB 779 – Taxation of Vacant Property – Certification of Company Representatives

Dear Chair, Guzzone, and Committee Members:

On behalf of the NAIOP Maryland Chapters representing 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate I am writing in opposition to SB 779. NAIOP requests the committee consider the following points:

- SB 779 provides authority for the City of Baltimore or the governing body of a county to establish separate tax rates for subclasses of real property for vacant residential property. This provision breaks from the foundational principle that real estate in Maryland should be taxed at uniform rates regardless of use type.
- Washington DC has used this authority to tax vacant property at five times the rate of occupied property. ([D.C. Homeowners See Skyrocketing Property Tax Bills After Houses Declared Vacant - dcist.com](https://dcist.com))
- SB 779 is intended to be used to tax vacant and blighted properties but there is no definition of vacant or unfit for habitation in the bill or process for property owners to be notified or to appeal the redesignation of their tax status.
- In our opinion, SB 779 is not a particularly good vehicle to deal with vacant property because increasing unpaid property tax obligations will make it harder to clear title and bring these properties to market. It also makes accumulating and holding vacant land for redevelopment purposes more expensive.
- The bill also requires that entities that own residential real property in the state file a certification affirming contact information for the ownership entity. This requirement would be duplicative of resident agent notifications, rental registration, and licensing requirements already in place.

For these reasons NAIOP respectfully requests your unfavorable report on SB 779.

Sincerely,

A handwritten signature in blue ink that reads 'T.M. Ballentine'.

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

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.