



Senate Bill 779 – Real Property – Taxation of Vacant Property, Certification of Company Representatives, and Short-Term Rentals

Position: Support with Amendments

Maryland REALTORS® asks for important changes to SB 779, which imposes additional taxation and regulations on vacant properties and short-term rentals.

Blighted and dilapidated properties have negative impacts on surrounding homes and businesses, as well as on local governments. For that reason, we support the new requirements under 1-407 of the Corporations and Associations Article that contact information be provided for an entity that owns property, so that local governments may communicate with them on the condition of the property and hold them accountable for maintaining it according to local laws.

Where REALTORS® have concerns with the bill involve setting differential tax rates for properties that are deemed “vacant and unfit for habitation.” There are properties that meet both of those categories that are nevertheless maintained according to local property codes and are not a detriment to the surrounding community. There is also no timeframe given for how long a property may be vacant before the above regulations apply. Properties that are subject to disposition through an estate or other legal proceeding may not be able to bring that property up to code until that process has been completed.

Local governments have existing authority to address problem properties through code enforcement actions. Any attempt at differential taxation on a blighted property should come after all other efforts to ensure compliance have failed.

Finally, we have deep concerns with the conditions under which a local government may restrict short-term rentals. The definitions provided under 13-1002 for “high intensity use” are so broad as to mean virtually anything, particularly regarding (B)(5) which allows “any other criteria relating to short-term rentals” to be used as justification to restrict their operation.

Further, this bill assumes a link between the presence of short-term rentals and affordable housing shortages. The research on that cause and effect is mixed. Those limitations also remove valuable flexibility from homeowners who may otherwise be forced to sell their properties or face foreclosure when financial difficulties arise.

Maryland REALTORS® asks for your support of those amendments for SB 779.

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