



190 W. Ostend St., #101
Baltimore, MD 21230
Phone: 410-547-1515
Email: info@afscmemd.org

Patrick Moran – President

HB 2 – Baltimore City – Property Taxes – Authority to Set a Special Rate for Vacant and Abandoned Ways & Means Committee

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FAVORABLE**

Thank you, Chair Guzzone, Vice-Chair Rosapepe, and Budget and Tax Committee members for the opportunity to submit testimony on HB 2. This bill authorizes Baltimore City to set a special property tax rate for a vacant lot or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice.

In 2023, Baltimore estimated it had roughly 13,000 vacant and abandoned houses and structures, more than 20,000 vacant lots, and tens of thousands more homes that are affected because they are next to vacant and abandoned properties. Allowing Baltimore City to set special rates for these properties could have a positive impact on the community's revitalization and economic development. Implementing a special tax rate for such properties serves as an incentive for property owners to address safety concerns, maintain their properties, or either sell their vacant or abandoned properties, putting them back into productive use.

The passage of HB 2 could also provide additional revenue generated from the special tax rate that could be directed toward local government services, infrastructure projects, dealing with city staffing shortages, and community programs. This ensures that the financial burden is shared among property owners, while the benefits are reinvested into the community.

Property ownership comes with responsibilities, and a special tax rate for vacant or abandoned properties reinforces the idea that property owners should actively contribute to the community's well-being. The intent should not be to inadvertently harm well-intentioned homeowners out of their homes but to discourage owners from holding on to properties for potential future gains.

Something must be done to address the growing issue in Baltimore City and setting a special tax rate for vacant and abandoned property may be one way to potentially stimulate economic development, improve neighborhood aesthetics, address safety concerns, boost local government revenue, and foster responsible property ownership.

For those reasons, we ask for a favorable report on HB 2.

