

January 23, 2024

The Honorable Venessa E. Atterbeary  
House Ways and Means Committee  
Room 131, House Office Building  
Annapolis, Maryland 21401

RE: House Bill 2 - Baltimore City - Property Taxes - Authority to Set a Special Rate for Vacant and Abandoned Property - UNFAVORABLE

Dear Chair Atterbeary and Members of the 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 House Bill 2.

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.

We write in opposition to House Bill 2. The fundamental reason for our opposition is that the bill would create an unwarranted exception to long-established principles governing real property taxation in the State. The bill simply authorizes Baltimore City government, through the Mayor and City Council, to create a special tax rate for a vacant lot or approved property if that property is cited as vacant and unfit for habitation or other authorized use. There are no other limitations placed on the City's ability to establish such a rate, and the language of the bill could be interpreted to authorize individual special rates for individual properties. There is also no time or other limit for a new special rate created under the bill – the danger being that it would become a permanent feature of our real property tax law and may encourage unwarranted subsidies, especially from existing commercial properties, to address any revenue shortfall.

While such drafting deficiencies in the legislation might be remedied through amendment to House Bill 2, the larger issue is how to treat the generally acknowledged problem of dealing with the large number of vacant and abandoned properties in Baltimore City. We note that Governor Moore has proposed a substantial expenditure in the Administration's budget bill, and we urge the Committee to shift its attention to that method of addressing this problem.

Sincerely,



Kevin J. Bauer