



## Senate Bill 138

*Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate  
for Vacant and Abandoned Property*

MACo Position: **SUPPORT**

To: Ways & Means Committee

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From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 138. This bill provides counties with additional tools to discourage vacancy and take action to combat the current housing crisis.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged effort. While in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

Leading up to the 2024 legislative session, MACo spent several months working with county housing experts to identify significant factors constraining access to affordable housing in Maryland. SB 138 is one of multiple bills that culminate from that work.

Residential properties artificially removed from circulation only drive up the cost of housing. Fewer families being able to find homes means commute times increase, a higher percentage of paychecks get allocated to transportation and housing, and less is spent on other goods and services. Consequently, unpaid property taxes and the burden of mitigating safety hazards related to these properties fall on the local jurisdictions, ultimately reducing their capacity to provide critical services. **The General Assembly should address vacancy and the economic impact of housing market speculation by granting counties the authority to enact a Vacancy Tax that more accurately reflects the full and considerable cost that empty, and sometimes unsafe, units have on a community.**

As the frontline actor in housing policy, counties remain committed to working with all stakeholders in broadly advancing comprehensive housing solutions. High vacancy rates are a major obstacle to Maryland’s affordable housing supply. Without additional tools, counties are powerless to address this challenge. For this reason, MACo urges the Committee to issue SB 138 a **FAVORABLE** report.