

SENATE BILL 539

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Q2

1998 Regular Session  
8lr2330  
CF 8lr2331

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By: ~~Senator McFadden~~ **Senators McFadden and Hoffman**(Baltimore City  
**Administration)**

Introduced and read first time: February 6, 1998  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 10, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City - Property Tax Exemption - Residential Conversion of**  
3 **Commercial Buildings**

4 FOR the purpose of providing for a certain exemption from county property tax for  
5 certain vacant and underutilized commercial buildings in a certain district of  
6 Baltimore City that meet certain criteria and are subject to a certain agreement  
7 between the owner of the real property and the Baltimore City Board of  
8 Estimates; defining a certain term; and generally relating to a property tax  
9 exemption for certain property in Baltimore City.

10 BY adding to  
11 Article - Tax - Property  
12 Section 7-504.2  
13 Annotated Code of Maryland  
14 (1994 Replacement Volume and 1997 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Tax - Property**

18 7-504.2.

19 (A) IN THIS SECTION, "DOWNTOWN MANAGEMENT DISTRICT" MEANS THE  
20 DISTRICT WHOSE BOUNDARIES ARE SET FORTH IN ARTICLE II, § 61(A)(2)(I) OF THE  
21 BALTIMORE CITY CHARTER.

1 (B) VACANT AND UNDERUTILIZED COMMERCIAL BUILDINGS THAT ARE  
2 UNDER A DEVELOPMENT PLAN ARE EXEMPT FROM COUNTY PROPERTY TAX IF:

3 (1) THE REAL PROPERTY IS LOCATED IN THE DOWNTOWN  
4 MANAGEMENT DISTRICT;

5 (2) THE REAL PROPERTY MEETS TWO OF THE FOLLOWING CRITERIA:

6 (I) THE IMPROVEMENT ON THE PROPERTY IS OVER 25 YEARS OLD;

7 (II) THE PROPERTY WAS LAST USED AS ~~OFFICE~~ COMMERCIAL  
8 SPACE WITH ACCESSORY USES; ~~AND OR~~

9 (III) THE PROPERTY HAS BEEN AT LEAST 75% VACANT FOR MORE  
10 THAN 3 YEARS;

11 (3) THE REAL PROPERTY IS OWNED BY A PERSON WHO:

12 (I) IS ENGAGED IN CONSTRUCTING AND OPERATING HOUSING  
13 STRUCTURES OR PROJECTS, INCLUDING NONDWELLING COMMERCIAL AND  
14 COMMUNITY FACILITIES;

15 (II) PROVIDES A MINIMUM OF \$500,000 OF PRIVATE CAPITAL IN THE  
16 DEVELOPMENT OF THE RESIDENTIAL PORTION OF THE PROJECT;

17 (III) RENOVATES THE REAL PROPERTY SO THAT AT LEAST 75% OF  
18 THE TOTAL LEASABLE SQUARE FOOTAGE OF THE BUILDING IS USED FOR RENTAL  
19 RESIDENTIAL HOUSING; AND

20 (IV) DEMONSTRATES TO THE SATISFACTION OF THE BOARD OF  
21 ESTIMATES OF BALTIMORE CITY THE FINANCIAL NECESSITY FOR AN AGREEMENT AS  
22 AUTHORIZED BY THIS SECTION; AND

23 (4) THE OWNER OF THE REAL PROPERTY AND THE BALTIMORE CITY  
24 BOARD OF ESTIMATES AGREE ON THE PAYMENT THAT THE ~~OWNERS~~ OWNER SHALL  
25 MAKE TO BALTIMORE CITY IN LIEU OF THE COUNTY PROPERTY TAXES.

26 (C) REAL PROPERTY THAT QUALIFIES FOR AN EXEMPTION UNDER THIS  
27 SECTION IS EXEMPT FROM COUNTY PROPERTY TAX TO THE EXTENT THAT THE  
28 PARTIES AGREE UNDER SUBSECTION (B) OF THIS SECTION.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 July 1, 1998.

