

Chapter 170

(Senate Bill 550)

AN ACT concerning

Baltimore City – Property Tax – Authority to ~~Establish a Subclass and Special Rate for~~ Impose on Property No Longer Used for Nonprofit Purposes Vacant and Abandoned Property Owned by Nonprofit Organizations

FOR the purpose of authorizing the Mayor and City Council of Baltimore City to ~~establish, by law, a subclass of real property consisting of certain property that is owned by a nonprofit organization but no longer used for the purpose for which the nonprofit organization was established that has been vacant and has not been significantly improved for a certain period of years and to set a special property tax rate for that property; and generally relating to a special property tax rate for vacant property that is owned by a nonprofit organization~~ impose, by law, the general property tax rate and a certain special property tax rate on vacant and abandoned property owned by certain nonprofit organizations that would otherwise be exempt from property tax under certain provisions of law; and generally relating to the taxation of vacant and abandoned property owned by nonprofit organizations in Baltimore City but no longer used for the purpose for which the nonprofit organization was established.

~~BY adding to~~
~~Article – Tax – Property~~
~~Section 6-202.2~~
~~Annotated Code of Maryland~~
~~(2019 Replacement Volume and 2024 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 6-302, 7-202(b)(1), and 7-204
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

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

Article – Tax – Property

~~6-202.2.~~

~~(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY ESTABLISH, BY LAW, A SUBCLASS OF REAL PROPERTY CONSISTING OF REAL PROPERTY THAT:~~

~~(1) IS OWNED BY A NONPROFIT ORGANIZATION; AND~~

~~(2) HAS NOT BEEN USED VACANT AND HAS NOT RECEIVED A SIGNIFICANT IMPROVEMENT FOR AT LEAST 3 5 CONSECUTIVE TAXABLE YEARS FOR THE PURPOSE FOR WHICH THE NONPROFIT ORGANIZATION WAS ESTABLISHED.~~

~~(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY PROVIDE, BY LAW, FOR ANY PROVISION NECESSARY TO CARRY OUT THIS SECTION, INCLUDING A DEFINITION FOR "SIGNIFICANT IMPROVEMENT".~~

6-302.

(a) Except as otherwise provided in this section and after complying with § 6-305 of this subtitle, in each year after the date of finality and before the following July 1, the Mayor and City Council of Baltimore City or the governing body of each county annually shall set the tax rate for the next taxable year on all assessments of property subject to that county's property tax.

(b) (1) Except as provided in ~~[subsection]~~ ~~SUBSECTIONS (c) AND (d)~~ of this section and §§ 6-305 and 6-306 of this subtitle:

(i) there shall be a single county property tax rate for all real property subject to county property tax except for operating real property described in § 8-109(c) of this article; and

(ii) the county tax rate applicable to personal property and the operating real property described in § 8-109(c) of this article shall be no more than 2.5 times the rate for real property.

(2) Paragraph (1) of this subsection does not affect a special rate prevailing in a taxing district or part of a county.

(c) (1) The Mayor and City Council of Baltimore City or the governing body of a county may set a special 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.

(2) On or before December 1 each year, the Mayor and City Council of Baltimore City or the governing body of a county that enacts a special rate under paragraph (1) of this subsection shall report to the Department of Housing and Community Development and, in accordance with § 2-1257 of the State Government Article, to the General Assembly on:

- (i) the special rate set under paragraph (1) of this subsection;
- (ii) the number of properties to which the special rate applies;

(iii) the revenue change resulting from the special rate;

(iv) the use of the revenue from the special rate; and

(v) whether properties subject to the special rate are viable for adaptive reuse, as defined in § 1-102 of the Housing and Community Development Article, and plans to convert viable properties.

~~(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY SET A SPECIAL RATE FOR REAL PROPERTY THAT:~~

~~(I) IS OWNED BY A NONPROFIT ORGANIZATION; AND~~

~~(II) HAS NOT BEEN USED VACANT AND HAS NOT RECEIVED A SIGNIFICANT IMPROVEMENT FOR AT LEAST 3 5 CONSECUTIVE TAXABLE YEARS FOR THE PURPOSE FOR WHICH THE NONPROFIT ORGANIZATION WAS ESTABLISHED.~~

~~(2) THE SPECIAL RATE AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 10 TIMES THE PROPERTY TAX RATE SET UNDER SUBSECTION (B)(1)(I) OF THIS SECTION.~~

(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY, BY LAW, IMPOSE ON REAL PROPERTY THAT WOULD OTHERWISE BE EXEMPT FROM PROPERTY TAX UNDER § 7-202 OR § 7-204 OF THIS ARTICLE THE GENERAL PROPERTY TAX RATE SET UNDER SUBSECTION (B)(1)(I) OF THIS SECTION AND THE SPECIAL RATE AUTHORIZED UNDER SUBSECTION (C)(1) OF THIS SECTION IF THE REAL PROPERTY IS:

(1) A VACANT LOT; OR

(2) IMPROVED PROPERTY CITED AS VACANT AND UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE.

7-202.

(b) (1) Except as provided in subsection (c) of this section AND § 6-302(D) OF THIS ARTICLE and subject to § 7-204.1 of this subtitle, property is not subject to property tax if the property:

(i) is necessary for and actually used exclusively for a charitable or educational purpose to promote the general welfare of the people of the State, including an activity or an athletic program of an educational institution; and

(ii) is owned by:

- 1. a nonprofit hospital;*
- 2. a nonprofit charitable, fraternal, educational, or literary organization including:*
 - A. a public library that is authorized under Title 23 of the Education Article; and*
 - B. a men's or women's club that is a nonpolitical and nonstock club;*
- 3. a corporation, limited liability company, or trustee that holds the property for the sole benefit of an organization that qualifies for an exemption under this section; or*
- 4. a nonprofit housing corporation.*

7-204.

[Subject] EXCEPT AS PROVIDED IN § 6-302(D) OF THIS ARTICLE AND SUBJECT to § 7-204.1 of this subtitle, property that is owned by a religious group or organization is not subject to property tax if the property is actually used exclusively for:

- (1) public religious worship;*
- (2) a parsonage or convent; or*
- (3) educational purposes.*

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.

Approved by the Governor, April 22, 2025.