

SENATE BILL 550

Q2

5lr1852
CF HB 1189

By: **Senators McCray and Hayes**
Introduced and read first time: January 23, 2025
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 21, 2025

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Property Tax – Authority to Establish a Subclass and Special**
3 **Rate for ~~Property No Longer Used for Nonprofit Purposes~~ Vacant Property**
4 **Owned by Nonprofit Organizations**

5 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to establish,
6 by law, a subclass of real property consisting of certain property ~~that is~~ owned by a
7 nonprofit organization ~~but no longer used for the purpose for which the nonprofit~~
8 ~~organization was established~~ that has been vacant and has not been significantly
9 improved for a certain period of years and to set a special property tax rate for that
10 property; and generally relating to a special property tax rate for vacant property
11 that is owned by a nonprofit organization ~~but no longer used for the purpose for~~
12 ~~which the nonprofit organization was established.~~

13 BY adding to
14 Article – Tax – Property
15 Section 6–202.2
16 Annotated Code of Maryland
17 (2019 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – Property
20 Section 6–302
21 Annotated Code of Maryland
22 (2019 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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.

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:

Governor.

President of the Senate.

Speaker of the House of Delegates.