

Chapter 146

(Senate Bill 756)

AN ACT concerning

**Baltimore City – Economic Development Project in Downtown RISE District –
Payment in Lieu of Taxes**

FOR the purpose of exempting an economic development project located in a certain area of downtown Baltimore City from Baltimore City property taxes if the owner of the economic development project and the Baltimore City Board of Estimates enter into a payment in lieu of taxes agreement and certain other requirements are met; and generally relating to a payment in lieu of taxes agreement for an economic development project in downtown Baltimore City.

BY adding to

Article – Tax – Property

Section 7–504.5

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

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

Article – Tax – Property**7–504.5.**

(A) IN THIS SECTION, “ECONOMIC DEVELOPMENT PROJECT” MEANS A REAL ESTATE DEVELOPMENT PROJECT THAT CONSISTS OF NEWLY CONSTRUCTED OR REHABILITATED COMMERCIAL OR MULTIFAMILY RESIDENTIAL PROPERTY IF THE REAL ESTATE DEVELOPMENT PROJECT:

(1) EXISTS WITHIN THE DOWNTOWN RISE DISTRICT AS DESCRIBED IN SUBSECTION (B) OF THIS SECTION; AND

(2) INCLUDES AT LEAST ONE OF THE FOLLOWING:

(I) A HOTEL;

(II) AN OFFICE BUILDING;

(III) A RETAIL FACILITY;

(IV) A MULTIFAMILY RESIDENTIAL FACILITY; OR

(V) A MIXED-USE FACILITY THAT CONTAINS ONE OR MORE OF THE FACILITIES DESCRIBED IN ITEMS (I) THROUGH (IV) OF THIS ITEM.

(B) THE DOWNTOWN RISE DISTRICT CONSISTS OF:

- (1) WARD 4, PRECINCT 1;**
- (2) WARD 4, PRECINCT 2;**
- (3) WARD 4, PRECINCT 3;**
- (4) WARD 22, PRECINCT 1;**
- (5) WARD 22, PRECINCT 2; AND**
- (6) WARD 21, PRECINCT 5.**

(C) AN ECONOMIC DEVELOPMENT PROJECT IS EXEMPT OR PARTIALLY EXEMPT FROM BALTIMORE CITY REAL PROPERTY TAX IF:

(1) THE OWNER OF THE ECONOMIC DEVELOPMENT PROJECT DEMONSTRATES TO THE SATISFACTION OF THE BALTIMORE CITY BOARD OF ESTIMATES THAT THE CITY OF BALTIMORE OR ITS DESIGNATED AGENCY HAS CONDUCTED AN ECONOMIC ANALYSIS OF THE PROJECT, INCLUDING AN ASSESSMENT OF THE FINANCIAL NECESSITY FOR AN EXEMPTION AS AUTHORIZED UNDER THIS SECTION; AND

(2) THE OWNER OF THE ECONOMIC DEVELOPMENT PROJECT AND THE BALTIMORE CITY BOARD OF ESTIMATES ENTER INTO A PAYMENT IN LIEU OF TAXES AGREEMENT SPECIFYING THE AMOUNT THAT THE OWNER SHALL PAY TO BALTIMORE CITY EACH YEAR IN LIEU OF BALTIMORE CITY PROPERTY TAXES DURING THE TERM OF THE AGREEMENT.

(D) TO BE ELIGIBLE FOR A PAYMENT IN LIEU OF TAXES AGREEMENT UNDER THIS SECTION, THE OWNER OF AN ECONOMIC DEVELOPMENT PROJECT SHALL, ON OR BEFORE JUNE 30, 2036:

- (1) APPLY TO ENTER INTO A PAYMENT IN LIEU OF TAXES AGREEMENT;**
- (2) HAVE BUILDING PERMITS ISSUED; AND**
- (3) HAVE SATISFIED OR WAIVED ALL CONDITIONS FOR THE FINANCING REQUIRED FOR THE CONSTRUCTION OF THE PROJECT.**

(E) ON OR BEFORE JANUARY 1 EACH YEAR, THE CITY OF BALTIMORE OR ITS DESIGNATED AGENCY SHALL REPORT TO THE PRESIDENT OF THE CITY COUNCIL OF BALTIMORE AND, SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY:

(1) A DESCRIPTION OF EACH ECONOMIC DEVELOPMENT PROJECT FOR WHICH THE CITY OF BALTIMORE ENTERED INTO A PAYMENT IN LIEU OF TAXES AGREEMENT UNDER THIS SECTION DURING THE PRECEDING FISCAL YEAR, INCLUDING A STATEMENT OF THE ANALYSIS OF THE PROJECT DESCRIBED IN SUBSECTION (C)(1) OF THIS SECTION; AND

(2) FOR THOSE ECONOMIC DEVELOPMENT PROJECTS THAT HAVE A PAYMENT IN LIEU OF TAXES AGREEMENT UNDER THIS SECTION, AND FOR WHICH CONSTRUCTION OR REHABILITATION HAS BEEN COMPLETED:

(I) THE NUMBER AND TYPES OF JOBS CREATED DURING THE PRECEDING FISCAL YEAR AND ESTIMATED TO BE CREATED DURING THE FOLLOWING FISCAL YEAR;

(II) THE TOTAL TAXES THAT THE PROJECT IS ESTIMATED TO HAVE GENERATED, DIRECTLY AND INDIRECTLY, FOR THE CITY OF BALTIMORE DURING THE PRECEDING FISCAL YEAR AND ESTIMATED TO BE GENERATED DURING THE FOLLOWING FISCAL YEAR; AND

(III) ANY OTHER ECONOMIC BENEFITS OF THE PROJECT.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.~~

SECTION 2. AND BE IT FURTHER ENACTED, That a payment in lieu of taxes agreement entered into under § 7-504.5 of the Tax – Property Article as enacted by Section 1 of this Act before the termination of Section 1 of this Act shall remain in effect for the duration of the agreement.

SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. ~~§~~ Section 1 of this Act shall remain effective for a period of 10 years from the date it is enacted and, at the end of the 10-year period, Section 1 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, April 14, 2026.