

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

March 11, 2024

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Oppose: SB 1119 – Baltimore County – Property Tax – Authority to Set Special Rates

Dear Chair, Guzzone and Committee Members:

On behalf of the NAIOP Maryland Chapters representing 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate I am writing in opposition to SB 1119. NAIOP requests the committee consider the following points:

- SB 1119 provides authority for Baltimore County to establish separate tax rates for subclasses of residential and commercial real property cited as vacant and unfit for habitation. This provision breaks from the foundational principle that real estate in Maryland should be taxed at uniform rates regardless of use type.
- Washington DC has used this authority to tax vacant property at five times the rate of occupied property. ([D.C. Homeowners See Skyrocketing Property Tax Bills After Houses Declared Vacant - dcist.com](https://dcist.com))
- SB 1119 is intended to be used to tax vacant and blighted properties but there is no definition of vacant or unfit for habitation in the bill or process for property owners to be notified or appeal the redesignation of their tax status.
- In our opinion, SB 1119 is not a particularly good vehicle to deal with vacant property because increasing unpaid property tax obligations will make it harder to clear title and bring these properties to market. It also makes accumulating and holding vacant land for redevelopment purposes more expensive.
- Baltimore County has authority through its code to enforce blight and nuisances without SB 1119.

For these reasons NAIOP respectfully requests your unfavorable report on SB 1119.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.