

BaltimoreCounty_FAV_SB1119.pdf

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Position: FAV

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County Executive



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WILLIAM J. THORNE
Legislative Associate

BILL NO.: SB 1119

TITLE: Baltimore County – Property Taxes – Authority to Set a Special Rate for Vacant and Abandoned Property

SPONSOR: Senator Sydnor

COMMITTEE: Budget and Taxation

POSITION: **SUPPORT**

DATE: March 12, 2024

Baltimore County **SUPPORTS** Senate Bill 1119 – Baltimore County – Property Taxes – Authority to Set a Special Rate for Vacant and Abandoned Property. HB 1119 is a straightforward enabling piece of legislation that would authorize Baltimore County to tax vacant properties at a different rate.

Baltimore County has spent a great deal of time and effort examining strategies to best address chronically vacant properties in Baltimore County. As is the case in many jurisdictions, the vacant housing present in Baltimore County impacts the health, safety, and welfare of residents in the surrounding communities. Furthermore, this vacant housing represents missed opportunities in an already strained housing market. Baltimore County has taken action through local legislation to create an official vacant designation, and has utilized the process to establish a public-facing vacant property inventory. This local legislation names several specific criteria to assist in the identification of the vacant property, and includes an appeals process to provide property owners with due process.

SB 1119 would allow Baltimore County to expand on this infrastructure by financially incentivizing property owners to take steps to move their properties from vacancy towards occupancy. This could mean selling the property or bringing it up to code compliance to it could become a usable unit. Owners would additionally have the option to engage with the County, which is prepared to connect that owner with a local developer to rehabilitate the property, and potentially convert it into an affordable homeownership opportunity for a first-time homebuyer.

Accordingly, Baltimore County urges a **FAVORABLE** report on SB 1119 from the Senate Budget and Taxation Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

SB1119 - Baltimore County - Property Taxes - Autho

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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.