



HB 826
**Real Property – Taxation of Vacant Property, Certification of
Company Representatives, and Short-Term Rentals**
WAYS and MEANS COMMITTEE
February 20, 2024
Position: FAVORABLE

Dear Chair Atterbeary and Members of the Ways and Means Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities.

HB 826 - Authorizing the Mayor and City Council of Baltimore City or the governing body of a county to set a special property tax rate for improved residential property cited as vacant and unfit for habitation or other authorized use; establishing a subclass of real property consisting of certain vacant residential property; requiring an entity that owns residential real property in the State to make a certain certification to the State Department of Assessments and Taxation; etc.

Two recent studies concluded that vacant properties cost Baltimore City over \$100 million annually in direct costs through city services and an additional \$100 million annually in reduced collections because of the direct impact of the vacant properties on the value of surrounding properties. This annual cost to the city is directly attributed to the 14,339 vacant properties in Baltimore. This means that the direct cost to the city in provision of services and lost revenue is more than \$13,000 for each vacant property.

The Maryland General Assembly needs to find ways for the city and local governments to identify owners of properties not hide behind LLCs. Too many communities in the state of Maryland are at the mercy of absent owners connected only through invisible LLCs. Of particular interest are properties that are uninhabitable and causing environmental harm and forcing adjacent neighbors into forced place insurance.

Almost all vacant properties in Baltimore have tax assessments below \$40,000. This results in a tax bill that is less than \$1,000. The remaining city taxpayers are overtaxed as a result. These properties are not only blighting our neighborhoods physical environment and harming human health, they are also utilizing a disproportionate number of resources and blocking revitalization efforts. Giving Baltimore City the ability to create special vacant tax rates could help address this problem. Vacant properties could be taxed at a rate appropriate for the services demanded or a minimum tax for vacant properties could be determined to ensure support for the needed city services.

We urge your favorable report for HB 826.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network