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March 25, 2025

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

RE: House Bill 23 - Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property - UNFAVORABLE

Dear Chairman Guzzone and Members of the Committee,

I am writing in my capacity as the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA) to respectfully request an unfavorable report on Senate Bill 23.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year.

House Bill 23 authorizes a county or Baltimore City to adopt a special real property tax rate in addition to the general real property tax rate under current law. The bill provides that revenues from the special tax may be used for either certain transportation projects or for education. While the bill was amended in the House to specify that the special purposes of this newly authorized tax may not exceed a combined total of 12.5 cents for each \$100 of assessed value, the additional tax burden will continue to be significant on commercial properties. This burden will be imposed at a time when the commercial real estate industry already confronts existential challenges, such as historic vacancy rates as our work places adjust to more remote workers.

As noted above, the maximum additional rate that may be applied under the bill would represent a very substantial increase over and above the current general tax rate. While BOMA appreciates the need of local governments to adequately fund important public needs such as transportation and education, the formula in this bill could operate to place a disproportionate and excessive burden on the commercial real estate industry.

We therefore urge the Committee to give an unfavorable report on House Bill 23.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Tim O'Donald', is written over a light blue horizontal line.

Tim O'Donald  
Chair, BOMA Legislative Committee

cc: Bryson F. Popham, P.A.