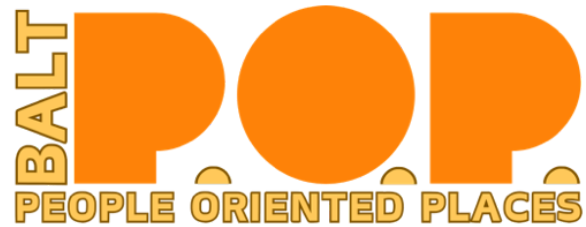


Bill: HB1189

Bill Title: Baltimore City - Property Tax - Authority to Establish a Subclass and Special Rate for Property No Longer Used for Nonprofit Purposes



Position: **Favorable**

Members of the House Ways and Means Committee,

As a group which believes that encouraging traditional, higher-density development patterns in Maryland will deliver us appealing, affordable, fiscally-sustainable communities, we support HB1189.

It is our belief that this bill is primarily meant to allow Baltimore City to tax closed and abandoned churches in the city. With the Archdiocese of Baltimore in the process of consolidating 61 Catholic parishes into 23, this bill is warranted. [1]

A city with a large number of empty lots or vacant buildings is not a healthy city. The infrastructure fronting those properties needs to be maintained, regardless of the state they're in. In the case of non- or underutilized properties, they aren't paying enough in the form of property taxes to cover their share of those infrastructure costs. As a result, infrastructure maintenance suffers and/or the costs of that maintenance get pushed onto the backs of everyone else.

While non-profit organizations pay no property tax, the social contract being made with them is that they will be forgiven that obligation in return for the social good they bring to the community. However, in the case of a non-profit with one or more long-vacant properties, it can be argued that they are violating that social contract and no longer delivering a net social good.

In the 2024 General Assembly session, Baltimore City was given the ability to tax vacant and abandoned properties at a different rate. [2] This bill would appear to be a natural extension of that ability. The intent is the same - to incentivize property owners to make productive use of their properties or to sell them to someone who will. The owner of an underutilized property with no carrying cost has no tangible incentive to unload that property, so might as well hold onto it - just in case. Meanwhile, the city and surrounding community suffers.

While we think the bill's wording "FOR THE PURPOSE FOR WHICH THE NONPROFIT ORGANIZATION WAS ESTABLISHED" is somewhat odd and overly-broad, we believe the motivation behind the bill is worthy.

We hope the committee finds these points helpful and convincing and we urge its members to **vote in favor of HB1189**. Thank you for your efforts and the opportunity for us to testify on this legislation.

[BaltPOP - Baltimoreans for People-Oriented Places](#)

References:

[1] The Baltimore Banner. “Here’s which Baltimore Catholic churches are closing — and the ones that were spared”. May 22, 2024.

<https://www.thebaltimorebanner.com/community/religion/william-lori-catholic-church-archdiocese-of-baltimore-3TPG7HGMKBDTHOEA7IR7GGPSGE/>

[2] Maryland General Assembly. “Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Vacant and Abandoned Property”. May 3, 2024.

<https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/HB0002?ys=2024RS&search=True>