

February 10, 2025

The Honorable Chairwoman Atterbeary
The House Ways & Means Committee

RE: **HB 1178 – Baltimore City – Property Taxes – Authority to Set Special Rates**
Position: OPPOSE

Dear Madam Chair Atterbeary and Members of the House Ways & Means Committee,

The Greater Baltimore Board of REALTORS® (GBBR) is an association of REALTORS®, brokers, and property managers advocating for property rights in the greater Baltimore area.

HB 1178 allows for the creation of a separate tax rate for real property, which is counter to Article 1, Section 6 of the Baltimore City Charter requiring that all properties are taxed at the same rate. Equity and fairness are goals and values consistently expressed by our City leaders and throughout our neighborhoods. Taxing all properties at the same rate supports is consistent with the value and goal of equity and fairness. At \$2.25, Baltimore City's property tax rate is more than double the tax rate of any county in Maryland, particularly compared to Baltimore County's rate of \$1.10; Howard County's \$1.01 and Anne Arundel's rate of only 98 cents. While not the only reason, as Realtor®'s we see first-hand that Baltimore City's non-competitive tax rate affects many homebuyer's decisions about where to locate. While the surrounding counties see population growth; Baltimore City sees yearly population loss. Population loss is one of the underlying reasons why Baltimore City has so many vacant houses. HB 1178 will only make this matter worse.

We believe that HB 1178 is being proposed with the intention to tax owners of certain properties at a punitively higher property tax rate than other property owners as an incentive to sell these properties and put them into productive use. We believe the way to solve the citywide housing problems is to lower everyone's property tax rate to make Baltimore City's rate competitive with surrounding counties.

By lowering the property tax rate, Baltimore will help to address two significant issues: urban flight because of higher taxes and housing affordability. With a lower property tax rate, buyers and investors will flood into Baltimore City and builders will build to meet the demand.

In addition to the higher property tax rate, Baltimore City is not able to issue building permits in a timely manner, which further increases the costs and time required to renovate properties. Addressing the permit processing issue would likely also reduce the number of properties that fall into or remain in the vacant and unfit for habitation category.

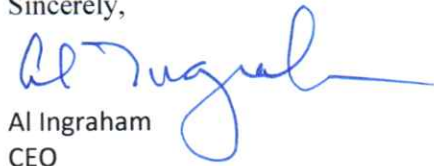
The high tax rate proposed by HB 1178 along with the added carrying costs of a slow building permit process are the antithesis to creating affordable housing for residents of Baltimore City. We need to find ways to lower costs and speed up the process.

Because HB 1178 provides no limits on the number or type of categories for which variable rate taxes can be applied, GBBR does not think that this bill is good for the future of Baltimore City. We respectfully oppose this bill.

Finally, starting a process where the City is able to charge different tax rates to different property types, or different property owners makes Baltimore City's property tax structure less equitable, less fair, more confusing, and deterring more people from moving into Baltimore City. Starting the process of charging different rates for different classes of properties, or special circumstances opens the door for politicizing the whole process of who pays higher rates and who pays lower rates. Keeping Baltimore City's property tax structure fair, equitable, easy-to-understand, and competitive is important to improving the future of Baltimore City.

Please let us know if you have any questions or need any additional support in presenting this perspective.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Al Ingraham', with a long horizontal flourish extending to the right.

Al Ingraham
CEO