

My name is Sean Gordon, and I am offering this testimony in support of SB 457 (HB 0078).

I am a proud resident of Baltimore City, and I love this place with all my heart. But every day, I witness our city struggling. I walk past vacant rowhouses and empty lots in neighborhoods that once bustled with life. I see my neighbors worried about finding an affordable home while blocks of houses sit boarded up. For far too long, there have been far too many vacant properties in Baltimore, limiting opportunities for homeownership, small businesses, and the revitalization of our communities. This isn't just a statistic; it's a reality that affects all of us.

Yet, despite these challenges, I am writing to you filled with hope. Why? Because I know Baltimore's potential. I can see a fairer, more thriving, growing city just over the horizon, a city where vacant buildings become vibrant homes, where we all have a chance at affordable housing, and where our neighborhoods aren't defined by blight but by the richness of community. What we need now are policies to match, solutions to unlock that potential, and tackle the root causes of vacancy and unaffordable housing.

One such solution might sound surprising: it's a smarter, fairer approach to property taxation. Right now, our property tax system unintentionally encourages the very problems we're facing. Under the status quo, if you renovate a crumbling house or build new apartments on a vacant lot, your property tax goes up, effectively punishing people for investing in our city. But if someone speculates on land, letting an empty lot gather trash or keeping a building vacant, hoping its value will rise, their tax bill stays relatively low, rewarding them for sitting idle. This is backwards. It's a system that discourages improvement and encourages speculation and blight.

I believe we can fix this by flipping that equation through a property tax shift. In plain terms, this means we tax the land itself at a higher rate and the buildings at a lower rate. If you improve your property, say, restore a vacant house or open a business, you wouldn't get hit with a huge tax increase for benefitting the community. Conversely, if you own a vacant lot or derelict building and just let it sit empty, you'd pay more taxes for monopolizing that land while others in the community suffer from the blight. It's a simple shift in incentives: stop taxing the growth we want to see (homes, renovations, development) and start properly taxing hindrances (speculation and vacant land). Under a tax shift, a landlord who fixes up a run-down building or fills an empty unit with tenants won't be penalized with a bigger tax bill, whereas a speculator who owns a weed-choked vacant lot in our city will finally feel a fire under their feet to either put that land to use or sell it to someone who will.

So, what would this change mean for Baltimore? Evidence from other cities and experts tells us that such a tax shift would likely:

- **Fight land speculation and blight.** When landowners can no longer afford to sit on empty properties, it becomes costly to hold land idle, and the incentive to speculate evaporates. We've seen this play out dramatically in places like Harrisburg, Pennsylvania. After adopting a land-focused tax, the number of vacant lots in Harrisburg dropped by 80%.
- **Spur the improvement of our housing stock and increase affordable housing.** By taxing land more and buildings less, we could unleash a wave of renovation and construction. Developers and homeowners alike have a strong incentive to build and fix structures

because those improvements won't jack up their tax bills. In other words, we stop punishing people for fixing up properties. Cities that have tried this see more building permits and development activity. For instance, Pittsburgh's shift to a higher land tax led to a 70% surge in new construction investments, while nearby cities that kept the old system saw construction slow. More construction means more housing supply, which, over time, helps ease housing costs for everyone. We can fill those vacant houses with families again, turn abandoned buildings into apartments and shops, and ensure more Maryland residents have a home they can afford.

- **Provide stable and fair revenue for public needs.** Unlike buildings (which can lose value or be abandoned), land retains value and can't be moved or hidden. That makes a tax shift a rock-solid source of funding for our city services. We'll have a steadier tax base to fund schools, sanitation, and public safety, without driving away development. In fact, when Harrisburg revitalized its city with a land-based tax system, it didn't go broke; it benefited from higher tax revenues as vacant properties became productive again. In short, we'd be funding Maryland's future growth in a more reliable and equitable way. Those who own valuable land (often wealthier interests) pay their fair share for the public investments that make that land valuable, while ordinary homeowners and businesses get a break on improvements to their properties.

If this tax shift is such a win-win, you might ask, "Why isn't Baltimore City doing this already?" Believe it or not, under current Maryland law, every other municipality in Maryland except Baltimore already has the power to set different tax rates for land and buildings. Towns and cities across our state can do this if they choose, but Baltimore City and Maryland's county governments cannot. It's an old legal barrier that has left Baltimore unfairly shackled, unable to use a tool that could help us fight vacancy and spur development.

The good news is we have a chance to remove this barrier. Senate Bill 457(HB0078), championed by Delegate Vaughn Stewart, would give all Maryland counties (including Baltimore City) the same freedom that other towns already enjoy. SB 457 would authorize the Mayor and City Council of Baltimore to implement a tax shift or split-rate system if the city decides it's right for us. This bill doesn't mandate a new tax; it simply empowers Baltimore with a new option.

With SB 457 passed, Baltimore's leaders and community stakeholders could openly debate and design a tax system that fits our city's needs, a system that stops fueling speculation and starts fueling renewal. We could tailor the rates to ensure the shift is gradual and fair. In short, we'd finally have the power to align our tax policy with our vision for a thriving, fair city.

As a resident, I'm asking for that chance. I'm asking our state lawmakers to trust Baltimore with this opportunity to fix an outdated policy that's holding us back. SB 457 is a commonsense correction. It levels the playing field so that Baltimore is no longer the only city in Maryland denied a tool that could help turn vacant lots into community assets.

Imagine Baltimore five or ten years from now if we get this right. Picture families moving into new or rehabbed homes on blocks that once had boarded windows. Envision small businesses opening because someone finally developed that long-vacant corner lot. We can have a city where blight gives way to bustling neighborhoods, where everyone who cares about Baltimore, from long-time

residents to new investors, has a stake in building it up-- not just buying up land and waiting. We can raise the revenues we need for our schools and services in a way that further encourages growth.

Baltimore has always been a city of fighters and believers. We've faced adversity before, and we've risen to the occasion. The challenge of vacant properties and affordable housing is big, but it's not bigger than our spirit. With a smart policy like a tax shift, enabled by SB 457, we have a real shot at tackling the root problems: we can dissuade speculators, encourage builders, and ensure the prosperity we create is shared broadly through better services and stronger neighborhoods.

I urge our state delegates and senators: pass SB 457 and give Baltimore the freedom to help itself.

Thank you for your consideration, and let's work together to ensure Baltimore's best days are ahead of us, not behind us. Let's make the thriving, fair city we all believe in a reality.