



## Senate Bill 224

**Position: Unfavorable**

Committee: Budget and Tax

Date: January 21, 2026

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Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

Senate Bill 224 (SB 224) would authorize counties to establish, by law, a subclass of real property consisting of certain commercial and industrial property and to set a special property tax rate for certain commercial and industrial property for the purpose of financing certain transportation improvements or the approved budget of the county board of education.

The Maryland Chamber is concerned that counties could utilize the authority established under SB 224 to levy large tax increases against commercial and industrial properties that would further reduce Maryland's already stagnant economic growth. Levying large tax increases will further disincentivize investment and limit economic growth at a time when rising property taxes and rent control policies in certain counties have already begun to drive away investment and development.

According to a recent report, suburban Maryland's commercial real estate total vacancy rate exceeded 18% in Q2 2025 and remains higher than surrounding jurisdictions like Virginia and Washington, D.C.<sup>1</sup> Considering the recent and significant increases in property taxes paid by owners of commercial and industrial properties, the Maryland Chamber is concerned that providing counties with authority to further increase property tax rates will only exacerbate Maryland's slow economic growth and commercial real estate vacancy rates. **For these reasons, the Maryland Chamber of Commerce respectfully opposes SB 224.**

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<sup>1</sup> *Office Market Report: Northern Virginia, Q2 2025, Lincoln Property Company*