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February 16, 2026

The Honorable Guy Guzzone
Chairman, Senate Budget & Taxation Committee
3 West Miller Senate Office Bldg.
Annapolis, Maryland 21401

RE: Senate Bill 457 - *Property Taxes - Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land* 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 457.

BOMA represents owners and managers of all types of commercial property, comprising well over 100 million square feet of office space in Baltimore and Central Maryland.

Senate Bill 457 authorizes a county or Baltimore City to create additional subclasses of property consisting of land or improvements to land. We note that the language “improvements to the land” is separate from the “land” itself, and may allow any county or Baltimore City to further increase real estate tax rates on all real property by assessing a different, and potentially higher rate to each subclass. Such an additional tax burden is likely 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 evidence of the severe stress under which the industry operates today, several signature properties have been placed in receivership. Coupled with quite significant additional costs that will be related to the coming implementation of the Climate Solutions Now Act of 2022, this tax increase, with its sole focus on the commercial real estate industry in Maryland, will make a bad situation much worse.

Similar legislation has been introduced both this year (Senate Bill 224/House Bill 90) and in prior years. The General Assembly properly refused to advance such initiatives.

We’ve already learned from the Governor and other public officials that tax increases will not be considered in 2026 to address fiscal problems in the State. We have also learned that public officials recognize the need to rebuild our State economy with a greater reliance on private sector investment. Enactment of Senate Bill 457 may contradict this policy that has been expressed by your colleagues and other political leadership in the State. Therefore, we urge the Committee to give an unfavorable report on Senate Bill 457.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tim O'Donald".

Tim O’Donald
Chair, BOMA Legislative Committee

cc: Bryson F. Popham, P.A.