

March 3, 2026

The Honorable Jheanelle K. Wilkins
Chair, House Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition HB 1224 - Property Taxes - Special Rate for Vacant and Abandoned Property - Charter County Tax Limitation PG 408-26

Dear Chair Wilkins,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding HB 1224. The industry opposes this legislation authorizing the governing body of a charter county to impose a special property tax rate on certain vacant and abandoned properties that exceeds charter-imposed limits, and to distribute the revenue attributable to that excess rate to the county's general fund.

While addressing vacant and abandoned properties is an important policy goal, this bill undermines the integrity of local charter tax limitations that were adopted to protect taxpayers and ensure fiscal discipline. Allowing a governing body to exceed charter caps—regardless of the property classification—sets a troubling precedent. Voters approved those limits with the expectation that they would constrain future tax increases. Creating an exception weakens that promise and erodes public trust.

Additionally, directing the excess revenue to the general fund raises concerns about the true intent of the proposal. If the goal is remediation, rehabilitation, or neighborhood revitalization, then revenues should be narrowly dedicated to those purposes. Permitting funds to flow into the general fund creates the appearance that this measure functions primarily as a revenue-generating tool rather than a targeted solution to blight.

There are also practical concerns. Determining what qualifies as “vacant” or “abandoned” can be complex and subject to dispute. Property owners facing temporary hardship, probate proceedings, or redevelopment delays could be unfairly penalized. A significantly higher tax rate may further discourage investment or push properties deeper into distress, particularly in economically vulnerable communities.

Counties already have tools available to address vacant and abandoned properties, including code enforcement, receivership, and land banking, and targeted redevelopment incentives. Efforts should

focus on strengthening and streamlining those mechanisms rather than bypassing charter tax protections.

For these reasons, I urge the Committee to give this bill an unfavorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Economic Matters Committee