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MAYOR

*Office of Government Relations
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HB0840

February 17, 2026

TO: Members of the House Ways and Means Committee

FROM: Nina Themelis, Director of the Mayor's Office of Government Relations

RE: House Bill 840- Property Tax - Credit for Commercial Buildings Rented to Small Businesses

POSITION: **Support**

Chair Wilkins, Vice Chair Feldmark, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 840 – Property Tax-Credit for Commercial Buildings Rented to Small Business.

HB 840 would authorize local jurisdictions to grant, by law, a credit against the county or municipal corporation property tax imposed on a commercial building that is rented or rented to own at fair market value to a small business if the commercial building is located in a designated arts and entertainment district or Main Street Maryland community.

The Baltimore Development Corporation notes that as it is responsible for implementing the city's Comprehensive Economic Development Strategy (CEDs), known as Baltimore Together, this legislation could provide a meaningful tool to helping to support small businesses and could complement existing programs and incentives. This legislation directly advances several core pillars of that strategy, including building a thriving innovation and small business ecosystem, supporting equitable neighborhood development, and strengthening commercial corridors in historically underserved communities.

HB 840 addresses a critical market challenge that has arisen because of the real estate crisis in downtown areas across the nation. The legislation is strategically targeted, local control is preserved, and it complements existing downtown recovery strategies. While the legislation would impose a new cost to the City to implement, the potential benefits for incentivizing small businesses to relocate or remain in the City would potentially balance those costs. As this legislation is enabling in nature, the cost benefit analysis would be performed at the local level and having this additional tool available to potentially utilize would be beneficial regardless of whether jurisdictions choose to use it.

For the above-stated reasons, the BCA respectfully requests a **favorable** report on House Bill 840.

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