



The Senate of Maryland
ANNAPOLIS, MARYLAND 21401-1991

SB 767 – Property Tax – Credit for Commercial Buildings Rented to Small Businesses

Testimony of Senate President Bill Ferguson
On March 24, 2026
Before the House Ways and Means Committee

Why This Bill Matters:

Maryland's main streets, neighborhood business centers, and retail corridors are the lifeblood of the State's economy and the source of countless employment opportunities for our residents. Over 97% of Maryland businesses are considered small businesses according to the Small Business Administration. To support small businesses is to support the entire economic health of our State.

Ever since the pandemic, communities across the State have been fighting an excess of vacant commercial properties in core business districts. According to recent market reports, communities like downtown Annapolis or Reisterstown Road, have over 10% vacancies in their commercial spaces. Prolonged vacancies like this inhibit revitalization and the long-term economic growth of our communities.

The existing tools are not enough to alter the behavior of the owners of these vacant spaces. Often, there is financial incentive to hold on to vacant properties in the hopes of profiting from long-term development plans that may or may not happen. In the meantime, the communities are not benefiting from the vacant spaces as a viable, productive part of the neighborhood economy.

What This Bill Does:

The goals of Senate Bill 767 are two-fold: 1) to support the growth of small businesses in vital downtown corridors, and 2) to give local jurisdictions another tool to address vacant commercial spaces. The bill allows local jurisdictions to provide a property tax credit to

owners of commercial properties that are rented or rented-to-own to small businesses at fair market rates.

The credit is targeted at properties within official Main Street communities; Arts and Entertainment Districts and other business improvement districts. The State created the Main Streets Program and Arts and Entertainment Districts to revitalize communities, promote tourism, and boost local downtowns and neighborhoods by strengthening their economic potential. This bill provides another tool in the toolbox to ensure that the hearts of neighborhoods across the state remain strong.

Why You Should Vote for This Bill:

This bill adds a new and flexible tool for local jurisdictions and creates a new incentive for owners to put vacant property back into the hands of small businesses that contribute to the economic vitality of our neighborhoods. The bill expands the existing benefits of the Arts and Entertainment Districts (tax benefits) and Main Street program (grants) making those benefits even more valuable.

The bill's provisions are fully voluntary for each jurisdiction and are designed to be tailored to their specific needs. It is incumbent upon the State to provide the tools necessary for local jurisdictions to address the economic drag of vacant properties.

I am pleased to present SB 767 and respectfully request a favorable report.