

FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research 4 th Floor, City Hall		
	SUBJECT	City Council Bill 23-0400 - Port Covington Community Benefits District – Amendment - Boundaries		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

July 26, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council City Council Bill 23-0400, Port Covington Community Benefits District – Amendment - Boundaries, the purpose of which is to amend the boundaries of the Port Covington Community Benefits District (the “District”).

Background

The District was established in 2020 through Ordinance 20-358, and its financial plan went into effect in 2023 after approval from the Board of Estimates. The District is managed by the Authority and its Board of Directors. The Board of Directors prepares the annual operating budget and manages funds received from a property tax surcharge, which is approved by the District’s property owners by vote. These funds are used to provide additional services within the District that are related to sanitation and safety such as street cleaning, graffiti removal, abandoned vehicle removal, crime alerts, and safety patrols.

Fiscal Impact

The Authority is funded primarily by a property tax surcharge of \$0.19 per \$100 of assessed value imposed to each taxable property within the District. This surcharge is approved annually by the Board of Estimates. As of June 2023, the District has 86 total properties, 68 of which are taxable and 18 that are not taxable. Under the proposed amendments to the boundaries of the District, there will be 86 total properties, 66 of which are taxable and 20 that are non-taxable. While there is no direct cost or revenue impact to the City, there is an estimated reduction of \$12,371 to the District’s surcharge revenues for Fiscal 2024 as a result of the proposed amendment to the boundaries.

Conclusion

The Port Covington Community Benefits District represents an agreement between the area’s property owners and the District, in which property owners pay a supplemental tax rate, in addition to the City’s property tax rate, for additional services. While there is no direct cost or revenue impact to the City, these additional surcharges add to an already high tax burden on property owners and have the potential to discourage investments. The increased tax burden has the potential to limit the City’s flexibility to increase General Fund revenues in the future.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 23-0400.

cc: Michael Moiseyev
Nina Themelis