Introduced by: The Council President
At the request of: The Administration (Department of Finance)

Prepared by: Department of Legislative Reference **Date:** May 2, 2017

Referred to: BUDGET AND APPROPRIATIONS Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 17-0066

A BILL ENTITLED

AN ORDINANCE concerning

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

No. ____

****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

_____ Baltimore City Public School System

_____ Baltimore Development Corporation

_____ City Solicitor

_____ Comptroller's Office

_____ Department of Audits

_____ Department of Finance

_____ Department of General Services

_____ Department of Housing and Community Development

_____ Department of Human Resources

_____ Department of Planning

_____ Other:_____

_____ Other:_____

_____ Other:_____

_____ Department of Public Works

_____ Department of Real Estate

_____ Department of Recreation and Parks

_____ Department of Transportation

_____ Fire Department

_____ Health Department

_____ Mayor's Office of Employment Development

_____ Mayor's Office of Human Services

_____ Mayor's Office of Information Technology

_____ Office of the Mayor

_____ Police Department

_____ Other:_____

_____ Other:_____

Boards and Commissions

_____ Board of Estimates

_____ Board of Ethics

_____ Board of Municipal and Zoning Appeals

_____ Comm. for Historical and Architectural Preservation

_____ Commission on Sustainability

_____ Employees' Retirement System

_____ Other:_____

_____ Other:_____

_____ Other:_____

_____ Environmental Control Board

_____ Fire & Police Employees' Retirement System

_____ Labor Commissioner

_____ Parking Authority Board

_____ Planning Commission

_____ Wage Commission

_____ Other:_____

_____ Other:_____

_____ Other:_____

CITY OF BALTIMORE
ORDINANCE 17-036
Council Bill 17-0066

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee
Committee Report: Favorable
Council action: Adopted
Read second time: June 12, 2017

AN ORDINANCE CONCERNING

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for the period July 1, 2017 through June 30, 2018, a tax is levied and imposed for the use of the Mayor and City Council of Baltimore on all property in the City of Baltimore (except property exempt by law), as follows:

(a) except as otherwise specified in item (b) of this section, a tax of $2.248 is levied and imposed on every $100 of assessed or assessable value of real property; and

(b) a tax of $5.62 is levied and imposed on every $100 of assessed or assessable value of:

(1) personal property; and

(2) operating real property described in State Tax-Property Article § 8-109(c).

SECTION 2. AND BE IT FURTHER ORDAINED, That this tax shall be paid and collected in the manner prescribed by law including the provisions of Section 10-210 of the Tax-Property Article of the Annotated Code of the Public General Laws of Maryland.

SECTION 3. AND BE IT FURTHER ORDAINED, That for the period July 1, 2017, through June 30, 2018, the semiannual payment service charges to be imposed under State Tax-Property Article section 10-204.3 is 0.275%.

SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

Council Bill 17-0066

Certified as duly passed this _____ day of JUN 12 2017

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this _____ day of JUN 12 2017

Chief Clerk

Approved this 13 day of June, 2017

Mayor, Baltimore City

Approved For Form and Legal Sufficiency
This 12th Day of June 2017.

Elena DiPietro
Chief Solicitor

dlr17-0223-3rd/07Jun17
proptaxFY2018/cb17-0066-3rd/nbr

BALTIMORE CITY COUNCIL
BUDGET AND APPROPRIATIONS COMMITTEE
VOTING RECORD

DATE: 6-7-17

Bill #: 17-0066

BILL TITLE: Annual Property Tax – Fiscal Year 2018

MOTION BY: Henry **SECONDED BY:** Scott

☑ **FAVORABLE** ☐ **FAVORABLE WITH AMENDMENTS**

☐ **UNFAVORABLE** ☐ **WITHOUT RECOMMENDATION**

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Costello, Eric - Chair	☑	☐	☐	☐
Pinkett, Leon - Vice Chair	☑	☐	☐	☐
Henry, Bill	☑	☐	☐	☐
Middleton, Sharon	☑	☐	☐	☐
Scott, Brandon	☑	☐	☐	☐
Schleifer, Isaac	☑	☐	☐	☐
Sneed, Shannon	☑	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
TOTALS	7	—	—	—

CHAIRPERSON: C. D. Costello

COMMITTEE STAFF: Marguerite M. Currin, **Initials:** M.M.C.

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor

OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 17-0066

Annual Property Tax - Fiscal Year 2018

Committee: Budget and Appropriations
Chaired By: Councilmember Eric Costello

Hearing Date: June 6 and 7, 2017

June 6, 2017
Time (Beginning): 10:10 AM
Time (Ending): 10:15 AM
Location: Clarence "Du" Burns Chamber
Total Attendance: Approximately 10

June 7, 2017
Time (Beginning): 11:50 AM
Time (Ending): 11:55 AM
Location: Clarence "Du" Burns Chamber
Total Attendance: Approximately 25

Committee Members in Attendance:

Eric Costello
Leon Pinkett
Bill Henry
Sharon Green Middleton
Brandon Scott
Isaac "Yitzy" Schleifer
Sharon Sneed

Bill Synopsis in the file?	☒ yes	☐ no	☐ n/a
Attendance sheet in the file?	☐ yes	☐ no	☒ n/a
Agency reports read?	☒ yes	☐ no	☐ n/a
Hearing televised or audio-digitally recorded?	☐ yes	☒ no	☐ n/a
Certification of advertising/posting notices in the file?	☒ yes	☐ no	☐ n/a
Evidence of notification to property owners?	☒ yes	☐ no	☐ n/a
Final vote taken at this hearing?	☒ yes	☐ no	☐ n/a

Motioned by: **Councilmember** Henry
Seconded by: **Councilmember** Scott
Final Vote: **Favorable**

Major Speakers

(This is not an attendance record.)

- None

Major Issues Discussed

1. A brief hearing was called on June 6th and recessed. The hearing reconvened on June 7, 2017. The chairman of the committee advised the attendees, "No compromise has been reached yet. We (Council) want to get a deal done!" Vote taken.

Further Study

Was further study requested? ☐ **Yes** ☒ **No**

If yes, describe.

Committee Vote:

E. Costello: ..... **Yea**
B. Scott: ..... **Yea**
B. Henry: ..... **Yea**
I. Schleifer: ..... **Yea**
S. Middleton: ..... **Yea**
L. Pinkett: ..... **Yea**
S. Sneed: ..... **Yea**

M. M Currin

Marguerite M. Currin, Committee Staff

Date: June 7, 2017

cc: Bill File
OCS Chrono File

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor

OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Budget and Appropriations

Bill 17-0066

Annual Property Tax - Fiscal Year 2018

Sponsor: *President Young at the request of the Department of Finance*
Introduced: *May 8, 2017*

Purpose:

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

Effective: July 1, 2017 through June 30, 2018

Hearing Date/Time/Location: Wednesday/June 7, 2017/11:45 AM/Council Chambers

Agency Reports

Not Applicable

Analysis

Current Law

I. Article VI – Board of Estimates
Section 3 et seq.
Baltimore City Charter

II. Annotated Code of the Public General Laws of Maryland (Section 10-210 – Tax – Property Article)

III. State Tax-Property Article, Section 10-204.3

Background

The committee held a hearing on **Wednesday, May 17, 2017**; referred to as "**Taxpayers' Night.**"

Taxpayers' Night provided the residents of Baltimore City the opportunity to share comments and concerns about the City's budget.

And, a brief hearing was called and recessed on **Tuesday, June 06, 2017**. On **Wednesday, June 7, 2017** the committee will reconvene the hearing; a vote is anticipated.

Additional Information

Fiscal Note: The Fiscal Year 2018 Annual Property Tax **is at the same rate as the current fiscal year**; FY2017.

Information Source(s): Notes from the May 17th and June 6th public hearings.

Marguerite M. Currin

Analysis by: Marguerite M. Currin
Analysis Date: June 7, 2017

Direct Inquiries to: 443-984-3485

CITY OF BALTIMORE
COUNCIL BILL 17-0066
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

A BILL ENTITLED

AN ORDINANCE concerning

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

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(b) a tax of $5.62 is levied and imposed on every $100 of assessed or assessable value of:

(1) personal property; and

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SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

CITY OF BALTIMORE
CATHERINE E. PUGH, Mayor

OFFICE OF COUNCIL SERVICES
LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Budget and Appropriations

Bill 17-0066

Annual Property Tax - Fiscal Year 2018

Sponsor: *President Young at the request of the Department of Finance*
Introduced: *May 8, 2017*

Purpose:

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

Effective: July 1, 2017 through June 30, 2018

Hearing Date/Time/Location: Tuesday/June 6, 2017/10:00 AM/Council Chambers

Agency Reports

Not Applicable

Analysis

Current Law

I. Article VI – Board of Estimates
Section 3 et seq.
Baltimore City Charter

II. Annotated Code of the Public General Laws of Maryland (Section 10-210 – Tax – Property Article)

III. State Tax-Property Article, Section 10-204.3

Background

The committee held a hearing on **Wednesday, May 17, 2017**; referred to as "**Taxpayers' Night**."

Taxpayers' Night provided the residents of Baltimore City the opportunity to share comments and concerns about the City's budget.

On **Tuesday, June 06, 2017**, the committee will reconvene the hearing and a vote is anticipated.

Additional Information

Fiscal Note: The Fiscal Year 2018 Annual Property Tax **is at the same rate as the current fiscal year**; FY2017.

Information Source(s): Notes from the May 17th public hearing

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Marguerite M. Currin

Analysis by: Marguerite M. Currin
Analysis Date: June 6, 2017

Direct Inquiries to: 443-984-3485

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor

OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 17-0066

Annual Property Tax - Fiscal Year 2018

Committee: Budget and Appropriations
Chaired By: Councilmember Eric Costello

Hearing Date: Wednesday, May 17, 2017
Time (Beginning): 5:10 PM
Time (Ending): 6:20 PM
Location: Clarence "Du" Burns Chamber
Total Attendance: Approximately 80
Committee Members in Attendance:

Eric Costello	Sharon Green Middleton
Leon Pinkett	Brandon Scott
Bill Henry	Isaac "Yitzy" Schleifer
Sharon Sneed	

Bill Synopsis in the file?	☒ yes	☐ no	☐ n/a
Attendance sheet in the file?	☒ yes	☐ no	☐ n/a
Agency reports read?	☒ yes	☐ no	☐ n/a
Hearing televised or audio-digitally recorded?	☒ yes	☐ no	☐ n/a
Certification of advertising/posting notices in the file?	☒ yes	☐ no	☐ n/a
Evidence of notification to property owners?	☒ yes	☐ no	☐ n/a
Final vote taken at this hearing?	☐ yes	☒ no	☐ n/a

Major Speakers

(This is not an attendance record.)

- Robert Cenname, Department of Finance
- John Walker, Baltimore City Public School System
- Stephanie Murdock, Speaker
- Ellie Mitchell, Speaker
- Melissa Schober, Speaker
- Bill Romani, Speaker

- Nabeeham Azeez, Speaker
- Moesha Olds, Speaker
- Ryan Turner, Akobe Foundation
- Thaen Hardy, Speaker
- Sharicca Boldon, Speaker
- Phillip Bass, Speaker
- Irma Woltke, Speaker
- Sara Evjer, Speaker
- Kim Trueheart, Speaker
- George Buntin, Speaker
- Mark Dennis, Speaker
- Wesley Hawkins, Speaker
- Rebecca Mark, Maryland Working Families

Major Issues Discussed

1. The representative from the Department of Finance gave a brief overview about the fiscal year 2018 proposed budget for the City of Baltimore. **A copy of the presentation is in the bill file.**
2. The Chief Financial Officer for the Baltimore City Public School System (BCPSS) gave a brief overview about the fiscal year 2018 proposed budget for the BCPSS. **A copy of the presentation is in the bill file**
3. Testimony was received from the public. **Copies of written testimony are in the bill file.** Some highlighted comments and/or concerns were:
    - More Skate Parks are needed in the City
        - capital funding is needed, and
        - a Skate Park Planner is needed
    - Community Schools
        - funding need to be put back in the budget
        - School Readiness – reinstatement of funding needed
        - Community School Organizers are important!
        - the children are our future!
        - Schools are essential!
        - more funding is needed
    - Experience Corp
        - $176,000 need to be restored
    - Youth Funding
        - $2.4 million need to be restored
    - Out-of-School Time/After-School Programs/Youth and Families
        - thanked Councilmembers for the additional funding
    - Recreation Centers
        - importance thereof
        - impact Centers have on the lives of youth
    - More playgrounds are needed in the community
    - Akobe Foundation
        - Foundation focuses on early childhood and literacy

- comments regarding the importance of education

- Would like:
  - more summer jobs
  - no cost for swimming
  - shuttle buses available for youth to get to recreation centers and pools
  - youth works expanded
  - to see $49 million taken from the Police Department for these initiatives
- Concerned about Property Tax and Energy Tax Rates – highest in the State!
- A part of the "No Leader Project"
  - children are struggling in the City
  - children needs motivation
  - children are lost!
  - budget cuts seems to always come from the schools
  - kids have nothing to do!
  - constantly pushing our youth!
  - give kids some hope!
  - people born and raised in the City need to feel comfortable

4. The committee member(s) thanked the public for attending the hearing. Hearing called to recess; a voting session will be scheduled at a later date.

Further Study

Was further study requested? ☐ **Yes** ☒ **No**

If yes, describe.

M. Currin

Marguerite M. Currin , Committee Staff Date: May 22, 2017

cc: Bill File
OCS Chrono File

City Council Taxpayer Night
5/17/17
Public Testimony by Nabeehah Azeez, Age 30
1301 Lakeside Ave, 21218

Hello, My name is Nabeehah Azeez, and I am a community Organizer with Communities United. I am a resident in the Lakeside/Ednor Gardens community in the 14th City Council District. In the community where I live, the closest recreation center is Walter P. Carter Elementary/Middle School. Not only is it the closest recreation center but it is also the closest public pool. As a result of the 21st Century Schools model, a new school building will be opening in 2019. However, there are fears that this school will no longer be able to serve the community under the new budget shortfalls. Walter P. Carter is a community school supported by The Y of Central Maryland. If it cannot continue to serve the youth in my neighborhood the next closest recreation center will be all the way in Lake Clifton. As we all know, without the $2.24 million that has been cut from the Mayor's budget, we will lose 6 community schools and more than 1000 afterschool opportunities. Please make every effort to pressure the Mayor to reinstate this funding NOW!!!

When I attend my neighborhood association meetings many of the elders in my community express concerns around local middle and high school students who roam the area with nothing to do. As you can imagine, sometimes the only thing to do is to get into trouble. We were all kids once so we understand the problem. Our kids already do not have enough extracurricular activities and programs to participate in. When I was a student, I was at school from sun up to sundown. I attended before school and afterschool programs. I was a member of the marching band. I participated in the school athletics program, DECA, and anything else that was available. More importantly, I had a safe and loving home. My fridge was always full, and I was able to simply be a kid. I was privileged!

Unfortunately, in Baltimore City an overwhelming number of students do not have these privileges. The don't have safe homes to go to. They have empty fridges. Some of them are met with dark homes because utilities are unpaid. Any cuts to community schools and out of school time is unacceptable especially, $2.24 million in cuts. Please give our youth an opportunity to simply be kids!! Please give them an opportunity to have a healthy childhood.

You can't fix all of the problems Baltimore City youth have to face but you can help us to find the money to restore necessary programs & resources for our students. This should be your #1 priority. Anything less, is unacceptable.

City Council Taxpayer Night
5/17/17
Public Testimony by Moesha Olds, Age 21
1012 Druid Hill Ave, 21201

Hello, My name is Moesha Olds and I represent Communities United. I am a resident living in McCulloh homes and a proud taxpayer currently working 2 jobs. I would first like to Thank President Young & City Council for your leadership and support for children, youth and families. Specifically, thank you President Young for your pledge of $10 Million dollars to help #fixthegap for city schools. As a result of the $2.24 Million dollar deficit in funding for community schools and out of school time; we will lose 6 community schools and more than 1000 afterschool opportunities. Please reinstate this funding!

After school programs keep kids safe and also feeds children who may not have food at home. More importantly it gives kids somewhere to go. I am a Renaissance Academy Alumni and if I had not had an afterschool program to go to I would have been on the streets doing the wrong things. These afterschool programs impact the lives of children in a major way.

Since I've graduated from Renaissance Academy I am proud to say that my school has become an expanded Community School. Renaissance Academy along with Booker T. Middle School offer a weekly food pantry which feeds many of the families and elders who live in my neighborhood whether they have kids at RA or not. Communities United, a grassroots membership organization fighting for power in low-income communities for racial, economic and social justice, has an office in Renaissance Academy and we provide support to students beyond the hallways such as helping kids with their youth works applications, driving them to their interviews and offering field trips to students and their families. Also, the Seeds of Promise program works inside of Renaissance Academy making sure each male student who attends RA has a mentor who is a positive male role model in their lives.

The afterschool program I was in as well as these new programs are important, so I am here asking for you to find a way to restore the 2.24 million dollars in the budget for out of school time so that Community Schools like mine are able to continue to support student success.

Currin, Marguerite

From: Currin, Marguerite
Sent: Friday, May 19, 2017 12:25 PM
To: Costello, Eric; Pinkett, Leon; Henry, Bill; Henry, Bill (email); Middleton, Sharon; Scott, Brandon; Sneed, Shannon
Subject: FW: Trash Free Baltimore budget testimony
Attachments: TFMD_BaltimoreBudget_testimony.pdf; Budgetary Needs.pdf; DPW Transition LEGISLATIVE INITIATIVES FOR 2017.pdf

As requested see attached files. A hard copy will be placed in your mailbox today; to include copies placed in the bill file.

From: Plymouth, Paul
Sent: Friday, May 19, 2017 11:58 AM
To: Currin, Marguerite
Subject: FW: Trash Free Baltimore budget testimony

Hey Marguerite,

Trash Free MD, a non-profit that is working to eliminate Trash in MD, could not make it to Taxpayers Night. They asked that the attached documents be forwarded to the members of the committee. Could you do that and add the docs to the bill file?

Thanks so much!
Paul

Protecting Communities
Creating Jobs
Strengthening Accountability
Investing in Youth

PAUL PLYMOUTH
Legislative Assistant
Office of City Council President Bernard C. "Jack" Young
100 Holliday Street, Room 400, Baltimore, MD 21202
Office: 443-984-3050 Cellular: 443-324-8437 Fax: 410-539-0647
Email: paul.plymouth@baltimorecity.gov
Website: www.baltimorecitycouncil.com
Twitter Facebook Subscribe to Jack's Journal

From: Julie Lawson [mailto:julie@trashfreemaryland.org]
Sent: Monday, May 15, 2017 9:47 PM
To: Plymouth, Paul; Katherine Jones
Subject: Trash Free Baltimore budget testimony

Paul & Katherine-

Attached is my testimony for Wednesday night about the budget allocation for the Trash Free Baltimore/anti-litter campaign. I attached the two documents from the transition committee highlighting the funding requests that DPW was making under the prior administration.

If you see any major edits I should make before it's circulated, please let me know and I can probably do them tomorrow. If either of you have any questions, please don't hesitate to let me know.

Thank you for your help!

-Julie

Julie Lawson
Executive Director
Trash Free Maryland
www.trashfreemaryland.org

MD: 410-861-0412
DC: 202-347-0412
julie@trashfreemaryland.org

Trash Free
MARYLAND

Baltimore City Council - FY2018 Budget - Taxpayers' Night
Wednesday, May 17, 2017

Trash Free Maryland is a nonprofit organization working to create policies and programs that lead to long-term prevention of litter and trash pollution. We work on legislative proposals like disposable bag and foam food packaging bans, but we also work to understand why people litter, how trash gets into the environment, and where we can intervene to prevent it.

While we continue to believe that limiting the use of disposable plastic packaging (source reduction) is a critical piece of the solution, we have also heard the feedback of the Council over the years that the City needs a robust public education campaign and other opportunities for residents to voluntarily commit to managing their trash properly.

Together with stakeholders from federal, state, and city government and nonprofit organizations from across the city, Trash Free Maryland has developed a behavior change campaign to encourage people to reconnect with their neighbors by cleaning up litter around their homes. The Trash Free Baltimore campaign is based on extensive research and feedback from residents across the city, who said that litter in their community makes it harder to carry on with the lives they are trying to live.

The Department of Public Works in particular and the Environmental Control Board have been involved since early stages of the project, and Health, Schools, and Rec & Parks have all been briefed and are eager to participate. We briefed Mayor Pugh directly during the transition process and she was supportive of the effort, saying it was necessary to achieve her vision of a beautiful city. The campaign is included in the transition report.

We have built relationships with community partners in clinics, neighborhood associations, parks groups, and churches working directly with residents to establish these good-neighbor behaviors. We also have a comparable campaign underway at the Port of Baltimore. If just a few people on each block keep their own stoops clean—a classic Baltimore image—we can dramatically change the feeling of the community. When there is less litter on the street, fewer people add to it.

So far this campaign has been funded with federal, state, and private grants. What's missing is the City.

DPW submitted a $100,000 budget enhancement request for the campaign for FY2017 and it was accepted right up until the end of the budget process last summer, when it was cut. We were told throughout the fall that it would be in the FY2018 budget, and that the city would request matching assistance from the state. We were prepared to request a state appropriation but withdrew the request when the City said they would.

But nothing happened. The campaign is not in the mayor's FY2018 budget, and we missed our opportunity to secure new state funding. This funding is critical to getting our tested messaging out to a broader audience through outdoor advertising and CharmTV.

Focus group participants repeatedly said that a campaign with the city's backing would have credibility in their community. We have done much of the groundwork, but we cannot be successful without the city's partnership. **We ask that the Council restore $100,000 for the Trash Free Baltimore campaign in the DPW budget.**

Enclosures:
DPW Legislative Initiatives for 2017 (see page 8, first bullet)
Department of Public Works Budgetary Needs Not Met by Current Operating and Capital Budgets (see item #1)

Contact:
Julie Lawson
Trash Free Maryland
410-861-0412
julie@trashfreemaryland.org

DPW LEGISLATIVE INITIATIVES FOR 2017

Summary

The Department of Public Works (DPW) maintains regular contact with City Council representatives, briefing them on key or pending initiatives, assisting with constituent issues, attending all Council meetings and relevant hearings, providing agency reports and testifying on bills impacting DPW's functions and operations, and introducing and shepherding legislation to advance the work of the agency. It is expected that the new Council term will see the reintroduction of the Minimum Wage bill and new legislation to require aggressive water affordability-driven billing for low-income customers. It is also expected that this new Council will exercise its oversight role to a greater degree than previous Councils. A summary of anticipated bills is provided under the "City Legislation" section of this paper.

DPW has been a member agency of the Mayor's State Task Force since its inception. The Task Force is managed by the Mayor's Office of Government Relations (MOGR) whose staff coordinates bill assignments, fiscal note referrals, and determines when and how the City will take positions on important legislation. For legislative positions supported by the Maryland Association of Counties and the Maryland Municipal League, MOGR will sometimes request agencies to provide testimony delivered by their representatives in a panel format. MOGR also annually requests agencies to provide State Operating Funds and State Legislative requests for consideration as part of the Mayor's General Assembly package. DPW's requests are attached to this paper. It is expected that the 2017 General Assembly session will see bills that could fundamentally change the way properties are handled in tax sale (based on the recently released Center for Community Progress Report supported by the Tax Sale Work Group), bills resulting from the Summer Study Rent Court Reform (which could impact Baltimore's water billing processes and billing relationships with tenants), efforts to expand or mandate new water assistance or water affordability programs, and several environmental bills dealing with Zero Waste and water quality. This will be the first year that DPW will submit an Illegal Dumping report to the City's Delegation as required by State law. These issues are detailed under the "State Legislation" section of this paper.

Water infrastructure needs and how to help communities fund these costly projects have finally gained traction in Congress and has appeared in several bipartisan bills. Getting Congress to take up legislation addressing these concerns has been a long term effort assisted by MOGR, the U.S. Conference of Mayors, and many of the water professional organizations such as the National Association of Clean Water Agencies (NACWA), American Water Works Association (AWWA), Water Environment Federation (WEF). Baltimore's Congressional Delegation has been very attentive and supportive of these efforts. In addition to seeking new ways to fund Baltimore's infrastructure needs, it is expected that issues such as lead in drinking water, highlighted by the crisis in Flint Michigan, will continue to drive water treatment and water quality regulations, rules, and legislation in Washington D.C. A list of some of the legislation and rules are found under the "Federal Legislation" section of this paper.

City Legislation

With the term of the 71st Baltimore City Council coming to a close in early December, DPW actively participated in or implemented legislation important to its mission: Charter change to establish a separate stormwater enterprise fund; successfully established and implemented stormwater remediation fee and fund legislation to support the costs associated with aging stormwater infrastructure and MS4 permit-related improvements; followed the changes to the Zoning Law (Transform Baltimore) to protect DPW facilities and functions of the Department; assisted with the cleanup bill to update the Code concerning the transfer of responsibilities caused by the DPW-DOT-DGS department creations; updated the 10-year Solid Waste Plan as required by State law; made changes to the Building, Fire and Related Codes bill to prepare for the use of the larger 65-gallon municipal trash cans; and changed the Code to allow for converting quarterly billing to monthly billing for water, sewer, and stormwater charges.

The new City Council term will see eight new members and seven incumbents return to the Council. Many of the new members have little to no experience in government and in legislating. DPW has met with six of the new members to provide them with an overview of the Department, and finds the new members to be a young and energetic group that is very change oriented and not shy about expressing their expectations. It is expected that this new Council will be willing to tackle some very tough and complex issues.

Minimum Wage Bill – Increasing the minimum wage is seen by many in the Council as a very tangible way to phase in a more livable wage for many of the City's underemployed residents as well as residents working at entry level positions. City Council Bill 16-0655 was amended in an attempt to ensure its passage, but was remanded back to Committee when it became apparent that sufficient votes were not there to pass the bill or sustain a potential veto. The Finance Department's report looked at the budgetary and employee impacts of the bill. They noted three general areas of concern: the over 2,000 part-time and temporary employees would see their hourly minimum wage increase above the State's minimum wage in the out years, resulting in additional cost to the City ($1 - $2 million annually); full time employees would be expected to keep pace with and exceed the phased in minimum wage, but the resulting pay compression would put upward pressure on overall wages for AFSCME and CUB employees to maintain salary differentials; and the 8,000 Youth Works jobs would begin to see the impact by FY 2019, causing the City to find more funds or to reduce the number of youth employed. Many of the incoming Council members are supportive of the bill and it is expected that it will be reintroduced early in the new term of the Council.

Water Affordability Bill – Councilman Henry introduced City Council Resolution 16-0307R (Water Affordability) at the urging of several advocacy groups. The intent of the legislation was to examine the City's water assistance programs for low-income residents and to listen to other programs and proposals to help with the cost of water bills. DPW presented an update on all of the changes to water billing and the conversion to monthly billing, as well as an overview of the assistance programs currently offered and the payment plans that are available to customers. While the Councilman likes the changes that

were recently instituted (monthly billing, no minimum charges for water, replacing declining block rate structure with a flat rate structure, etc.) it did not seem to deter his thinking regarding changing the way in which bills are issued to low income customers. Advocates are very focused on a Philadelphia law that was passed in November of 2015. This law and resulting program has yet to be implemented or tested. The Philadelphia law creates three tiers of low income customers that would receive a water bill based on affordability, a program that must be in place by the summer of 2017. It is estimated that the resulting program will mean at least a $16 million reduction in revenue which would be supported by the rest of the ratepayers. Prior unpaid water bills owed by the income-eligible participants would also be forgiven. Councilman Henry intends to introduce a water affordability bill in April of 2017, based closely on the Philadelphia model.

Stormwater Resolutions – Councilman Costello introduced two City Council resolutions (City Council Resolutions 16-0301R Expediting Stormwater Management Projects and Activities, and 16-0302R Stormwater Enterprise Fund Usage) to discuss the progress of the newly formed utility and the pace at which the stormwater projects will occur. DPW provided a detailed PowerPoint presentation at the hearing. The public attendance was limited to a small group of environmental partners who have been following the program closely and whose testimony focused on their desire for more green infrastructure in the ground, an accelerated capital program, greater program transparency, and disappointment that the MS4 permit is about 20% restoration rather than measureable water quality limits (the subject of their unsuccessful MS4 permit suits). Like the water and wastewater utilities, the public – and even environmental advocates – find the funding complicated and feel these financial densities do not help them understand or analyze the City's efforts to implement these environmental programs. Councilman Costello plans to introduce a bill at the first meeting of the new term of the City Council to establish an advisory committee of stakeholders (primarily environmental groups) to continue the dialog and help "translate" the program. DPW is already working with its own Stormwater Advisory Committee.

Stormwater Remediation Fee and Fund – This law was passed in 2013 to create what was, at the time, a State mandate for a stormwater fee to ensure that MS4 requirements would be met by the 9 counties and Baltimore City with Phase I MS4 permits. During the local legislative process, the fee was set to make sure it would not be increased for the first four years of the program. Beginning in FY 2018 the Board of Estimates may set the fee upon recommendation of the Directors of Finance and Public Works, the same way that water and sewer rates are established.

Stormwater Management – The stormwater management law governs the control of stormwater runoff during construction or renovation projects that disturb 5,000 square feet or more of land, and the long-term management of stormwater runoff created by the changes to the land. This is a delegated authority to the City from the State and the law is updated periodically based on a State model ordinance. The last time this law was updated was in 2010. The majority of the modifications did follow the State model ordinance with the exception of some additional public notification requirements which were amended into the ordinance at the request of some environmental groups. While DPW does not

object to the additional notifications, the amendments were so broadly written that they require direct mailing of notices for all projects requesting waivers, including linear utility or roadway projects which routinely receive qualitative waivers. These projects require direct mailing of hundreds of public notices, many of which result in returned mailings or receipt/opening of the mailed documents after the deadline for comments. DPW is proposing to modify the public notice portion of the law to post these notices on the DPW website, similar to the public notification process used by MDE for NPDES permits.

Transform Baltimore – City Council Bill 12-0152 (Transform Baltimore – Zoning) will establish a new Zoning Code for Baltimore City. The last Zoning Code update occurred in the 1970s. The amended bill is the culmination of years of hearings, work sessions and voting sessions on the text, tables, and maps governing land use control, with the final Committee voting on amendments occurring at the very end of the process. The bill will receive third reader at the Council's meeting on December 5 and the new Zoning Code will take effect 180 days after its enactment. During the 180 day period the current Zoning Code prevails. A team of agencies involved in the Transform process will be meeting to review the new ordinance, identify necessary corrections, changes, conflicting issues, and begin to prepare corrective and substantive bills prior to the enactment of the new Code. During this same period, Council members who may introduce bills that affect specific properties' zoning, or may wish to introduce more comprehensive changes, will need to think about both Codes in their legislative actions.

Comprehensive Water and Wastewater Plan – As with the 10 Year Solid Waste Plan, the City must submit to the State a comprehensive water and wastewater plan that shows it has the necessary water supplies, water and wastewater treatment capacities and administrative and legal structures to provide for these needs within the City and the larger region, for at least the next 10 years. The plan must have a public hearing and be adopted under a Mayor and City Council Resolution before it is submitted to the State for approval.

Energy Grants – The DPW Office of Sustainable Energy routinely applies for and receives grants from the State and federal government as well as other sources to fund energy opportunities for City government and nonprofit organizations. The timing of the application and notification process often spans two fiscal years, making it difficult to anticipate the amount and timing of grant awards that can be included in the Office's budget. When this happens, the Board of Estimates must approve acceptance of the grant award and a Supplemental Appropriation ordinance is needed to complete the process. There will be at least one Supplemental Appropriation ordinance required for Energy this fiscal year to accept a $3 million grant award from the Maryland Energy Administration.

State Legislation

Tax Sale – DPW representatives participated in a technical assistance grant provided by the Center for Community Progress that examined the City's tax sale process and made recommendations on ways to improve the process. The grant was submitted jointly by the City and the Tax Sale Work Group. DPW was invited to participate because water bills are liens that can be swept into or be the sole reason for a property to enter the tax sale lien certificate process. The Center's report and recommendations did not

address water bills or other municipal charges as liens, but focused solely on the property tax. The report recommended doing away with the sale of lien certificates to private investors, pursuing State and local legislation to allow the City to seek payment of liens or go directly to foreclosure to take possession of the delinquent properties, and providing a robust program to assist low-income property owners with assistance programs, repayment plans and other safety net approaches to help them keep their homes. Due to the limited time the Center had to devote to this grant, City staff felt the report did not provide sufficient data to support the recommendations being made or to adequately estimate the amount of time and cost the City would incur to make such a complete process change, including assuming full ownership and maintenance of delinquent properties. Without a cost-benefit analysis of the proposal, City staff could not assess the feasibility or the impact of the recommendations. The Finance Department assembled all of the agency comments and prepared a final response paper to the Center for Community Progress on their report's final recommendations. The Tax Sale Work Group is very excited by the recommendations proposed in the Center's report and appears ready to approach the Legislature as soon as the 2017 Session to seek the changes needed in State law to allow for localities to opt to change their tax sale process through local legislation.

Water Affordability – In addition to years of legislative compromise concerning the tax sale lien thresholds and the role of water bills in tax sale, the cost of water for vulnerable households is becoming more concerning for advocates who work with low-income clients. Delegate Washington's bill last legislative session would have required assistance programs to reduce the burden on low-income customers and in particular, seniors eligible solely by age criteria, not income. A Summer Study on Rent Court Reform has been meeting on some of the more contentious tenant-landlord issues as a result of last session's Senate Bill 801. The bill would have required longer periods prior to sending a notice of default via certified and first-class mail and a period for tenants to rectify the default. It would also have prohibited the filing for "additional rent" items such as late charges and utilities. The bill was withdrawn so that the Summer Study could provide additional time for opposing parties to discuss their issues and concerns and work toward mutually agreed upon solutions that the Legislature could consider. This group met with DPW to discuss the impact of unpaid water bills, tenant access to water bill information, how bill adjustments may be applied when a tenant is a party to the bill, and why water billing cannot be set up as customer-based (like BGE) rather than premise-based. It is expected that new legislation will be introduced in the coming General Assembly session based on the findings of the Summer Study.

Illegal Dumping Reporting – During the 2016 General Assembly Session, a bill was enacted to require DPW to report annually to the City's Delegation on the status of illegal dumping in Baltimore by legislative district by the end of the calendar year. Delegate McCray sponsored the bill and DPW submitted a report supporting it. Conversations with the Delegate demonstrate his strong interest in the City providing an alternative to Quarantine Road Landfill for small haulers to dispose of their loads. He believes that if the citizen drop-off centers were open to these haulers, less illegal dumping would occur. While many of the citizen drop-off centers are landlocked and have limited space, DPW is looking at the possibilities of opening up the Northwest Transfer Station to small haulers. DPW is preparing the

report that will provide a complete picture of the types of illegal dumping that occur, how the collection and disposal is managed and the costs to do so, and efforts to provide education and outreach to communities. DHCD has a range of categories that are considered illegal dumping that the Bureau of Solid Waste responds to: dirty streets and alleys; dirty lots (public and private); and privately-owned properties that are cleaned and boarded by Solid Waste. These SRs can range from a few bags of trash in an alley, to furniture or mattresses dumped in an alley or vacant lot, to piles of construction rubble dumped in a park or along a wooded street shoulder. It will be important to describe and illustrate the full array of illegal dumping and provide context for these complaints and the process DPW must follow to clean private property areas. DPW will request enforcement data from DHCD to include in the report.

Stormwater Financial Assurance Plans – During the 2015 General Assembly Session, the State Stormwater law was amended to make the stormwater remediation fee voluntary and required the counties and Baltimore City to submit a Financial Assurance Plan (FAP) that would demonstrate how each county and Baltimore City would fund its projects and programs necessary to meet their respective MS4 permits. The FAPs were due to the State on July 1, 2016 after a public hearing process, a deadline and process that the City met. MDE reviewed the FAPs and issued their findings that the submittals met the requirements of the law. Environmental groups wrote a critique of the submittals and noted that several counties did not show evidence of fully funding their programs; included nutrient trading to satisfy their MS4 permits; some did not hold public hearings or filed their FAPs timely; and MDE should take action against permit holders who submitted insufficient funding justifications while claiming that the "maximum extent practicable" requirement could not be met. Concurrently, the Governor proclaimed the FAPs proved that the MS4 permits could be met without a stormwater fee. The contradictions that these reports have stimulated may be reflected in legislation in the coming General Assembly session. All FAPs and MDE's comments are provided on-line. Baltimore City's FAP showed that the stormwater fee revenue provides about 85% of the funding for the operation budgets of the NPDES permit program and will allow for utility revenue bonds to be sold.

Bag Bill and Bottle Bill – These recurring bills attempt to address the problems of plastic bags in the environment through a ban on retail dispersal of plastic disposable bags and a fee on paper bags, and a refundable charge for certain beverage containers to encourage their return and recycling. One or both bills may be introduced again in the upcoming General Assembly session. Attempts to ban plastic bags and the use of Styrofoam packaging through the Council have yet to be successful. A State-wide ban on retail plastic disposable bags would be a more effective approach and could provide a source of funds for environmental grants. A bottle bill poses more logistical issues and could result in the City and other jurisdictions taking on the burden of providing refund centers.

Zero Waste – The Governor O'Malley Zero Waste report triggered a series of bills over several legislative sessions to promote waste reduction and to reduce reliance on traditional waste disposal methods. Some of the bills have been very aggressive in restricting the use of waste-to-energy and prohibiting disposal of yard waste and food scraps. Baltimore's use of the BRESCO waste-to-energy plant and the Quarantine Road Landfill are very cost effective solutions for trash management and disposal. However, it will be important for the City to begin planning and investing in composting and testing other means

to effectively reduce our waste stream. Several advocacy groups have approached DPW to discourage the use of BRESCO and landfilling. While that is the goal, it will take years to plan for such a shift and to educate citizens in the new ways to manage trash. It is expected that more bills with a Zero Waste focus will be introduced in the coming General Assembly session, including a possible food waste bill and the return of the paint stewardship legislation. A bill to allow MDE to implement regulations for material recovery facilities and composting by means of anaerobic digestion did not survive the legislative process and may reappear in the coming General Assembly session.

Nutrient Trading – Nutrient trading is a controversial program that is trying to get established in Maryland. MDE introduced House Bill 325 last legislative session which would have allowed MDE to use Bay Restoration Funds to purchase nitrogen and phosphorus nutrient credits and to adopt regulations in coordination with the Maryland Department of Agriculture and the Department of Natural Resources. This legislation was an effort by MDE to start up a trading program. The bill was withdrawn. MDE maintains that nutrient trading will provide an incentive to implement voluntary controls to reduce nutrients discharged to waterways and achieve a reduction in the total costs required to meet the Bay Watershed Implementation Plan. Some municipalities are opposed to this approach because it takes money away from the Bay Restoration Fund that is supposed to be used for wastewater treatment plant upgrades and other infrastructure projects. Although this program may help counties meet their current MS4 permits environmental groups express suspicion that the program will help counties avoid investing in meaningful projects that will help improve water quality. This bill, or similar legislation, may be introduced during the next General Assembly session.

Hydraulic Fracturing – Hydraulic fracturing, or fracking, is a horizontal drilling technique used to access and retrieve oil or natural gas trapped in subterranean rock formations. By creating fractures in rock formations that are not naturally porous, the trapped oil or natural gas can be released in a wellbore at very economic rates. This process requires pumping large amounts of water mixed with sand or other propellants to fracture the rock and release the oil or gas. When the wellbore pressure is released, a percentage of the water flows out of the well and requires treatment to remove chemicals and other contaminants. Marcellus Shale which formed along the Appalachian Basin from a river delta more than 350 million years ago extends from southern New York to Pennsylvania, West Virginia, eastern Ohio and far western Maryland. This formation is estimated to contain up to 500 trillion cubic feet of natural gas and is attractive to companies that wish to extract the available natural gas through hydraulic fracturing. Hydraulic fracturing has strong proponents and opponents. During the 2015 General Assembly Session, legislation was passed that banned hydraulic fracturing in Maryland until October 1, 2017 and required MDE to adopt regulations on hydraulic fracturing by October 1, 2016. MDE released their regulations in October of this year for comment. City Council passed Ordinance 13-113 which prohibits the storage, treatment, discharge, or disposal of flow back or other wastewater resulting from hydraulic fracturing within the City or in any City-owned facility or property (e.g. wastewater treatment plants), wherever situated. The Ordinance also added a new Code provision that prohibits a person from discharging any waste from hydraulic fracturing into the City's sanitary or storm sewers. In 2015 the Council passed a resolution urging the State Legislature to pass a State-wide ban on hydraulic fracturing in Maryland. City

Council Bill 16-0758 will receive third reader approval at the Council's December 5 meeting that will ban hydraulic fracturing in the City. While hydraulic fracturing is not an activity that will occur in the City, the bill is part of a movement by opponents to ban the activity across Maryland, jurisdiction by jurisdiction. This issue is expected to return to the General Assembly in the coming session.

Renewable Energy Portfolio Standard – The House Bill 1106 that emerged from the Legislature was vetoed by the Governor. This bill would have increased the annual percentage requirements for Tier 1 Non-solar and Tier 1 Solar sources to meet the State's Renewable Energy Portfolio Standard (RPS). The total RPS percentage requirements increase from 20% by 2022 to 25% by 2020. The Maryland Energy Administration may use the Strategic Energy Investment Fund, including money that the fund received from the approval of the Cove Point liquefied natural gas export facility by the Public Service Commission, to provide funding for access to capital for small, minority, and women-owned businesses in the clean energy industry. This bill may be introduced again in the next General Assembly session.

State Operating Funds Requests submitted to current Mayor's Office – Every summer the current Mayor's Office of Government Relations asks agencies to submit proposals for projects or programs that could be or are funded, in whole or in part, in State agency budgets. These proposals are reviewed and some may be selected as part of the Mayor's legislative agenda for the next General Assembly session. These submittals also alert the Mayor's Office to State funding that, if cut, could create budgetary difficulties for the impacted City programs. DPW submitted the following six proposals to the Mayor's Office for consideration (full applications are attached to this paper):

- A three-year State funding request ($240,000 - $190,000 - $190,000) matched with $50,000 of City funds each year toward an Anti-Litter Campaign to educate residents on proper trash disposal and engage them in helping keep the City clean;
- $100,000 for GROW Centers where citizens could learn about stormwater practices they can use to help with stormwater runoff and the pollution that results from the runoff, and access free or low-cost materials to help install these practices (the U.S. Forest Service pledged to provide some funding during a recent White House Round Table event in October);
- $250,000 to purchase and provide free Residential Recycling Cans to community clean up participants to thank them for their efforts and to grow the City's recycling rate;
- A three year State funding request ($100,000 - $75,000 - $75,000) and City matching funds ($20,000 - $40,000 - $40,000) for a comprehensive Stormwater communications plan as recommended by our Stormwater Advisory Committee;
- $10,000 to purchase three to four drones and to train and certify three employees in their use, for aerial inspection of construction sites (e.g. erosion & sediment control inspection) and for water sampling; and

- A list of the City's pending State Revolving Loan fund submittals totaling $196 million in loans and $28 million in grants that help support the water infrastructure capital programs.

Legislative Requests submitted to current Mayor's Office – In early fall, the current Mayor's Office of Government Relations asks agencies to submit legislative proposals that would be beneficial to the City. Once reviewed, the Mayor's Office selects the proposals that will become part of the Mayor's legislative agenda for the next General Assembly session. DPW submitted the following seven proposals to the Mayor's Office for consideration (full applications are attached to this paper):

- Slow Down to Get Around – would require drivers to slow down and switch lanes when possible, when passing utility vehicles or curbside collection vehicles to ensure the safety of our workers;
- Cybercrimes – would prohibit unauthorized access to computer and network systems related to water and sewage services to protect these vital services;
- Product Flush Warning Label – would require certain products to have a label stating that they are not safe to flush, which is part of a national effort by water agencies to reduce sanitary overflows;
- Right to Repair – would require manufacturers of certain electronic products to make public the information on how to repair their products, enabling consumers to make the repairs themselves, which would lead to a reduction in electronic waste and would support the circular economy/zero waste effort;
- Mandatory recycling and reporting for businesses as well as mandatory recycling reporting for multi-family dwellings to ensure the City is credited for all recycling efforts recognized by the State;
- Amend the definition of "Solid Waste" to include Construction and Demolition materials so that those materials count toward the mandated recycling rate; and
- Ban the use of Polystyrene containers in order to reduce litter.

Federal Legislation

With the influx of a new administration under President-Elect Trump and with both Congressional houses under the control of Republican-affiliated members, it is difficult to anticipate the key agenda items and the climate that will prevail at the federal level. It has been the practice of DPW to work with the Mayor's Office of Government Relations when reaching out to our senators and congressmen when seeking support for positions on federal legislation. DPW also uses its connections with the professional organizations to gain support for positions on legislation that are helpful to the City.

Water Resources Development Act (WRDA) – DPW joined with the National Association of Clean Water Agencies (NACWA), Washington Suburban Sanitary Commission (WSSC), and Anne Arundel County

representatives to discuss the recently passed Senate WRDA bill (S. 2848) and the "slimmed down" House version (H.R. 5303). The Senate bill has several key provisions under Title 7 that are important to our water utilities as well as other water utility agencies that would be good to bring under the House version: it codifies integrated planning which allows communities to use environmental and other criteria to evaluate and prioritize capital projects that could allow for longer completion dates for mandatory projects; uses local economic conditions and impact on low-income populations to evaluate affordability determinations instead of relying on a community-wide MHI (particularly important for Baltimore); reauthorizes wet weather grant program at $1.8 million over 5 years (combined sewer overflows, sanitary sewer overflows, managing stormwater & subsurface drainage waters); permanently authorizes the Water Infrastructure and Innovation Act program (WIFIA), another means to fund infrastructure improvements through public/private financing; and establishes a Water Infrastructure Trust Fund supported by voluntary consumer goods label (to augment Revolving Loan Funds allocated to the states from federal allocations). Mayor Rawlings Blake signed a letter to Congressman Cummings asking for his support to integrate key Senate provisions into the House bill. Both houses of Congress passed their respective bills with wide, bipartisan margins. It is hoped that this support can be maintained to get a unified bill passed by both houses and sent to the President for signature.

Water Infrastructure Finance & Innovation Act (WIFIA) – This program is a new financing mechanism to accelerate investment in water infrastructure. WIFIA is designed to provide loans for up to 49 percent of eligible costs for projects of at least $20 million for large communities and $5 million for small communities (population of 25,000 or less). EPA anticipates implementing the program over the coming year as funds become available through Fiscal Year (FY) 2017 appropriations. EPA is currently developing program rules and guidelines after received public commentary.

Energy Efficiency and Accountability Act – The Senate and House are conferring on this bill (S. 2012) and may produce and enact a conference report during the Lame Duck session. Several key clean water provisions may become part of the final conference package, including authorization for a pilot program to promote energy efficiency at water and wastewater treatment facilities, support for greater technical assistance to water and wastewater utilities by the Department of Energy's Industrial Assessment Centers, and establishing an interagency coordination committee to oversee federal research and development funding for projects related to the energy-water nexus. Energy efficiencies are one of the ways that water utilities can reduce some of their fixed costs in an effort to keep water rate increases under control.

Agriculture Environmental Stewardship Act – This legislation was introduced on a bipartisan basis in both the House (H.R. 5489) and Senate (S. 3248) to improve water quality by extending the 30% federal energy tax credit to nutrient recovery technologies and biogas property. This bill has the support of organizations such as the National Milk Producers Federation. It is important to urban centers that agriculture makes appropriate contributions toward advancing watershed-level water quality improvement. This is particularly crucial in Maryland where stringent pollution reduction targets for Chesapeake Bay protection that are not met by agriculture may otherwise be passed on to local

municipalities and utilities, further increasing compliance costs and applying additional pressure on water rates.

Rules and Regulations

Waters of the U.S. – Due to two recent Supreme court case decisions regarding the scope of the federal Clean Water Act and the federal government's control over certain waters, the EPA and the Corps of Engineers (COE) released for public comment a "Waters of the U.S." draft Rule to clarify what water bodies are subject to federal regulatory control and the Clean Water Act. This document caused a great deal of consternation around the country, which inevitably lead to different interpretations as to what the water bodies and manmade waterways (irrigation ditches, stormwater facilities, old streams encased in conduits, ephemeral streams, etc.) were subject to federal control. EPA and COE released the Final Rule which was rapidly followed by efforts in Congress to amend a variety of bills to prevent the implementation of the new rule. This issue may surface again once the Congress convenes and a new Administration weighs in on the issue.

Lead and Copper Rule – The series of tragic and ill-thought-out decisions in Flint MI and experiences in other communities has renewed interest in the federal Lead and Copper Rule issued under the Safe Drinking Water Act. Lead can leach into drinking water due to the presence of lead in old fixtures, pipes and solder and water that is corrosive enough to release it. In the case of Flint MI, the change to a more corrosive water supply, the lack of adequate buffering to reduce the corrosive effects of the water, and old infrastructure, resulted in residents drinking water contaminated with lead in amounts much higher than allowed under the federal Clean Drinking Water Act. This had tragic consequences for the community, particularly young children. EPA is currently reviewing comments and proposals to update the Lead and Copper Rule, and is considering whether local governments should be responsible for removing not only public infrastructure that could be the source of lead, but also private pipes that are sources of lead as well. These proposals are in the early stages of review. Baltimore removed most if not all of its pipes containing lead in the 1990s but may have small connections that could also be sources of lead. DPW will be following the progress of potential changes to the Rule.

FEMA's Regulations to Implement Executive Order 13690 and the Federal Flood Risk Management Standard – These regulations could impact utilities using federal funding for infrastructure projects located in a floodplain, as well as those using FEMA funding, such as the Hazard Mitigation Grant Program. As these regulations are developed and cause other federal agencies to revise their regulations and operating procedures, DPW's participation in its professional organizations will help to monitor these proposals for their potential impact on clean water utilities as they are published.

Department of Public Works

Budgetary Needs Not Met by Current Operating and Capital Budgets:

General Fund Operating Budget Needs:

1. Funding for a citywide multi-media community outreach program to address litter and illegal dumping - estimated cost: $2.1M.

2. Funding to add five (5) additional Mechanical Sweeper Operators to the staff of the Mechanical Street Sweeping Program – estimated cost: $300,000.

3. Increased funding for the grass cutting contract to maintain the current 30 day duration time – estimated cost: $600,000.

4. Purchase of three (3) additional standard pick-up trucks for supervisors of the Property Management Division's Cleaning and Boarding Operations, who currently share vehicles – estimated cost: $60,000.

5. Purchase of eight (8) additional small pick-up trucks for use by the eight additional Pest Control Workers – estimated cost: $120,000.

6. Additional funding for disposal of materials collected at household hazardous waste events, as the current level of funding is inadequate – cost: $100,000.

7. Funding for materials and supplies for Recycling Administration to have a full-fledged school recycling out outreach program – cost $100,000.

8. Create a Sanitation Enforcement Unit dedicated to enforce sanitation regulations and issue violations /citations. This group was part of the Bureau of Solid Waste but was moved to Housing in fiscal 2008. They have been reclassified to Housing Inspectors and are now performing a wider range of functions, and as a result, are not doing as much sanitation related work as expected, or is needed. We recommend the creation of a new Sanitation Enforcement Unit within DPW that will be dedicated to this function, which will consist of 16 Officers, 3 Supervisors, 1 Captain and 5 support staff - estimated total cost: $1.9M.

9. Create a maintenance mechanic position to be assigned to the landfill to better maintain equipment and prevent costly repairs and down time for equipment – estimated cost: $62,000.

10. Funding to comply with regulatory mandates to eradicate woody, noxious vegetation from the landfill; funding for an on-call contractor for installation and maintenance of drainage systems and sediment and erosion control devices at the Quarantine Road and Millenium Landfills; increased funding to repair and maintain the paved roadway system at the Quarantine Road landfill – estimated total cost: $1.5M.

11. Additional funding for an on call contractor for maintenance and repair of the leachate collection system – estimated cost: $250,000.

12. Funding to purchase a new CAT836K compactor with CCS900 compaction system – estimated cost - $1.1M.

13. Funding (general funds) for DPW's Office of Computer Services to purchase additional and replacement computer equipment as needed – estimated cost: $100,000.

Water Utility Fund Operating Budget Needs:

1. The Environmental Police, who are state certified, full-service police officers who have the legal authority on watershed property under the custody or control of the Mayor and City Council of Baltimore in Baltimore City and Baltimore, Howard, Harford and Carroll Counties, to enforce environmental laws relating to water pollution, protection of critical water infrastructure from vandalism, theft and terrorism. In recent years their responsibilities have effectively doubled. There are 14 budgeted positions in the Unit, 13 of which are Watershed Ranger positions. Due to fiscal challenges, four (4) of the Watershed Ranger positions are not currently funded, and, therefore, cannot be filled. Funding to fill these positions and obtain additional vehicles and equipment is needed – estimated cost: $300,000.

2. The Bureau of Water and Wastewater's Maintenance Division maintains approximately 3,400 miles of mains in the water distribution system in Baltimore City and Baltimore County. Currently, 30 of the 550 positions in that division are salary saved due to budgetary constraints in the water utility. It's important that these positions be filled to successfully accomplish the mission of the division - estimated cost $1.3M.

Stormwater Utlity Fund Operating Budget Needs:

1. Funding is needed for additional inlet cleaning in FY18 in addition to the current contract – estimated cost: $200,000.

2. Funding is needed for contracted major stream cleaning in hot zones - Trash Watershed Implementation Plans (WIP) in FY18 – estimated cost: $500,000.

3. Funding needed for FY18 for dredging of Brooklyn pond on contracted maintenance of existing stormwater facilities, which will not be retrofitted as part of WIP. The dredging is required to keep the pond in compliance – estimated cost: $150,000.

4. For FY17 there is salary savings budgeted in service 674, activities 31 and 33, but positions will be created and filled for FY18 so the funding must be available in the FY18 budget – amount: $145,000.

5. Funding required for contracted outfall inventory and initiation of hydraulic modeling. The outfall inventory will assist with new projects for the next permit, plus provide data to meet MDE's upcoming mandates – estimated cost: $400,000.

6. Funding is needed in FY19 for maintenance of new stormwater facilities. Most of the small projects will be completed, totaling 60 acres. Construction warranties don't usually include regular maintenance. This would be contracted initially. Using a unit rate of $11K per acre per year for O & M of small stormwater projects – estimated cost: $660,000 / year.

7. Funding is needed for a comprehensive study of our GIS inventory. The current inventory is inaccurate and at least 20% of the fields are empty. There is no master plan for repairs or replacements because a full inventory or assessment has not been completed in over 20 years. Estimated cost of the study: $19.5M, however, additional funding, the amount of which is unknown at this time, would be required to repair any problems deemed critical.

Capital Budget Needs:

1. Funding for the Mechanical Street Sweeping signage needed in regions 2 through 4 of the Central District – estimated cost: $4.9M.

2. Funding for the design and construction of an Eastern Transfer Station – estimated cost: $10M.

3. Additional funding required to complete the construction of the Administration Building and upgrade of the Citizens Convenience/Drop Off Center at the Bowleys Lane yard – estimated cost: $4M.

4. A study of the current Water and Wastewater SCADA (Supervisory Control and Data Acquisition) System is being conducted. Both utilities are in need of an upgrade, as there are concerns about the systems being vulnerable to cyber warfare/bioterrorism attacks - estimated cost: $73M.

5. Funding is needed for a comprehensive study of our GIS inventory. The current inventory is inaccurate and at least 20% of the fields are empty. There is no master plan for repairs or replacements because a full inventory or assessment has not been completed in over 20 years. Funding is needed for an accelerated replacement of stormwater infrastructure. Continuing on at the current rate of replacement would result in a 400 year replacement schedule which is not realistic. This effort would have to be spread across 5 to 10 years – estimated cost: $19.5M.

6. Funding for contracted assistance for establishing the hydraulic models for the system, plus hiring two Engineer IIs dedicated to this task. These models will assist with evaluating flooding, plus determine options for stormwater repair or replacement, and will tie into the water quality monitoring program – estimated cost $200,000 - $500,000, plus $190,000 per year.

BALTIMORE CITY
PUBLIC SCHOOLS

FY18 Budget Overview

Presentation at Baltimore City Council Taxpayers Night

May 17, 2017

Dr. Sonja Brookins Santelises
Chief Executive Officer, Baltimore City Public Schools

John Walker
Interim Chief Financial Officer

Budget Development Objectives

- Maximize support for students and schools by aligning district office initiatives to focus areas identified by the CEO
- Address drivers of annual budget gaps, working to break the cycle of annual reductions
- Close the FY18 budget gap with minimum possible impact on schools

CEO Focus Areas

- **Student wholeness:** Creating school communities that support students' social, emotional, and physical well-being and provide opportunities that ignite curiosity and passion for learning.

- **Literacy:** Emphasizing reading, writing, speaking, and listening across subject areas, so that students have the tools to think deeply, analyze critically, and express themselves powerfully.

- **Staff leadership:** Providing all staff members with opportunities to grow as leaders who improve outcomes for students by connecting with, empowering, and championing them.

Drivers of Annual Budget Gaps

Driver	Causes	Actions
Revenue	• Flat state funding • Declining enrollment	• Advocacy for resources • Enrollment campaign
Student need	• Effects of concentrated poverty • Higher percentage of students with disabilities	• Focus on student wholeness • Emphasize early intervention
Range of schools	• Small schools • Schools with different funding models	• Maintain small-school supplement for FY18 • Continue annual portfolio review to ensure school effectiveness • Review funding models for equity, comparability

Drivers of Annual Budget Gaps

Driver	Causes	Actions
Buildings	• Old buildings in poor condition • Commitment to 21st Century School Buildings Plan	• Maximize building efficiency (e.g., energy use) • Emphasize maintenance
Salary and benefits	• Innovative contracts to attract, retain, and compensate high-quality staff • Increased costs for some benefits	• Negotiations for new contracts that maintain structure while reducing costs • Regular auditing of benefits costs

Closing the FY18 Budget Gap

• Additional resources from city and state:	$59 million
• Cuts from district office budgets, withdrawal from fund balance:	$31 million
• Cuts from school budgets:	$30 million
• Slowed growth in expense increases:	$10 million

Reduction in Force: Scope

- **No more than 300 staff members affected**
- School and district leaders worked to preserve classroom positions
- **No more than 75 classroom teachers in core content areas affected** (e.g., elementary classroom teachers, science teachers)
  - Among Baltimore Teachers Union (BTU) members, greatest impact will be among school counselors, librarians
- Among Public Schools Administrators and Supervisors Association (PSASA) members, greatest impact will be among assistant principals
- Other layoffs are spread across support positions across the district and unaffiliated positions at the district office
- **District office will eliminate a maximum of 50 positions**
  - Number of district office staff members affected may be higher or lower, based on union agreements and potential "bumping"
- School police will not lose positions, but will experience a hiring freeze

Reduction in Force: Implementation

- District office staff working to finalize identification of staff members who will receive layoff notifications, based on criteria in each bargaining unit agreement
- Scope changes daily, as incumbent staff submit retirement or resignation notifications
- Job vacancies are anticipated in certain high-need areas (e.g., special education) and will to the maximum extent possible be filled with existing staff members
- Staff being laid off will receive notifications by June 1
- Implementation will cause "bumping" as those identified for layoff according to bargaining unit criteria may not hold a position identified for elimination at a particular school or office

BALTIMORE CITY
PUBLIC SCHOOLS

Board Of School Commissioners

Marnell Cooper, *Chair*
Tina Hike-Hubbard, *Vice-Chair*
Muriel Berkeley
Michelle Harris Bondima
Cheryl Casciani
Linda Chinnia
Andrew "Andy" Frank
Martha James-Hassan
Peter Kannam
Jonathan Townes, *Student Commissioner*
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Alison Perkins-Cohen, *Chief of Staff*
Sean L. Conley, *Chief Academic Officer*
Theresa Jones, *Chief Achievement and Accountability Officer*
Andre Cowling, *Chief of Schools*
Keith Scroggins, *Chief Operations Officer*
DeRay Mckesson, *Interim Chief Human Capital Officer*
Kenneth Thompson, *Chief Technology Officer*
Tammy L. Turner, Esq., *Chief Legal Officer*
John Walker, *Interim Chief Financial Officer*

City Council Taxpayer Night
Fiscal 2018 Overview

Department of Finance| May 17, 2017

Bureau of the Budget and Management Research
BBMR
Budgeting for a Better Baltimore

EXPLAINING THE GAP

General Fund spending is outpacing the growth in revenue. In Fiscal 2018, the City is projecting revenue of $1.82B coupled with spending of $1.84B to maintain current service levels. The projected budget gap is $20M. The City must adopt a balanced budget.

CHANGE IN PROJECTED REVENUE

$56M

3.1% INCREASE IN REVENUE

- Growth in assessed value of Commercial and Residential properties
- Income tax growth due to economic recovery and changing population
- Increased cost of Property Tax reduction and new tax credits.

Planned Growth

$20M

2% pay increase for all employees.

$5M

General inflation of 2.2% for all non-personnel spending.

$4M

Increase in the City's State-required contribution to City Schools.

Investments

$12M

Dedicate $0.03 of every $100 of assessed property value to services for youth and children.

$10M

Preliminary estimate of costs resulting from the Department of Justice review.

$2M

Debt service increase to support fleet modernization.

Extraordinary Inflation

$9M

Increase in pension contributions due to low investment returns.

$10M

Increase in employee health benefit plan costs.

$1M

Increased cost of medical supplies used for treatment of known or suspected opioid overdose.

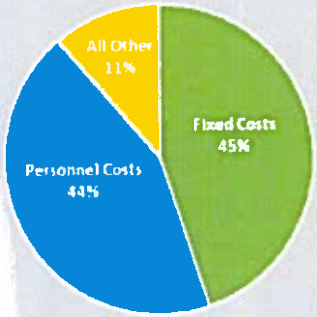
CHANGE IN PROJECTED EXPENDITURES

$76M

4.3% INCREASE IN SPENDING

General Fund Budget

$1.84B



Fixed costs (e.g. retiree benefits, debt service, school funding) limit the City's options for reducing the budget.

/BaltimoreBudget

budget.baltimorecity.gov

OutcomeStat.baltimorecity.gov

This document provides a sample of the City's Fiscal 2018 Key Cost Drivers

Icons created by Freepik from www.flaticon.com

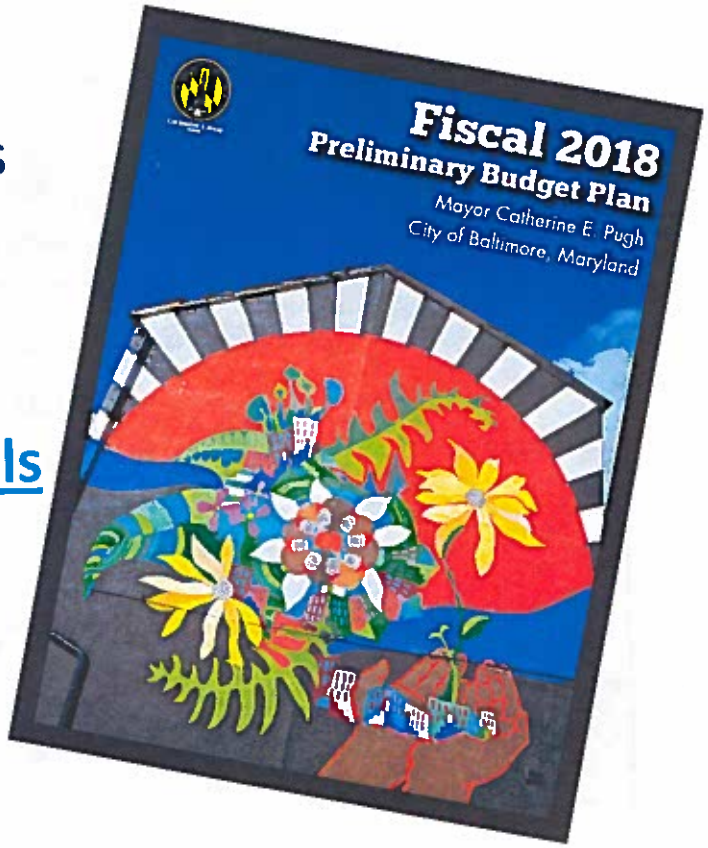
Overview: FY18 by the Numbers

FISCAL 2018	Recommended Amount	Change from Fiscal 2017	Percent Change from Fiscal 2017
OPERATING PLAN	$2.8 billion	+$124.5 million	+4.7%
CAPITAL PLAN	$1.1 billion	+594 million	+113%
TOTAL PLAN	**$3.9 billion**	**$733 million**	**+23%**

FISCAL 2018 General Fund	Recommended Amount	Change from Fiscal 2017	Percent Change from Fiscal 2017
BUDGET	$1.8 billion	+$72.1 million	+4.1%
POSITIONS	9,338	-54	-0.5%

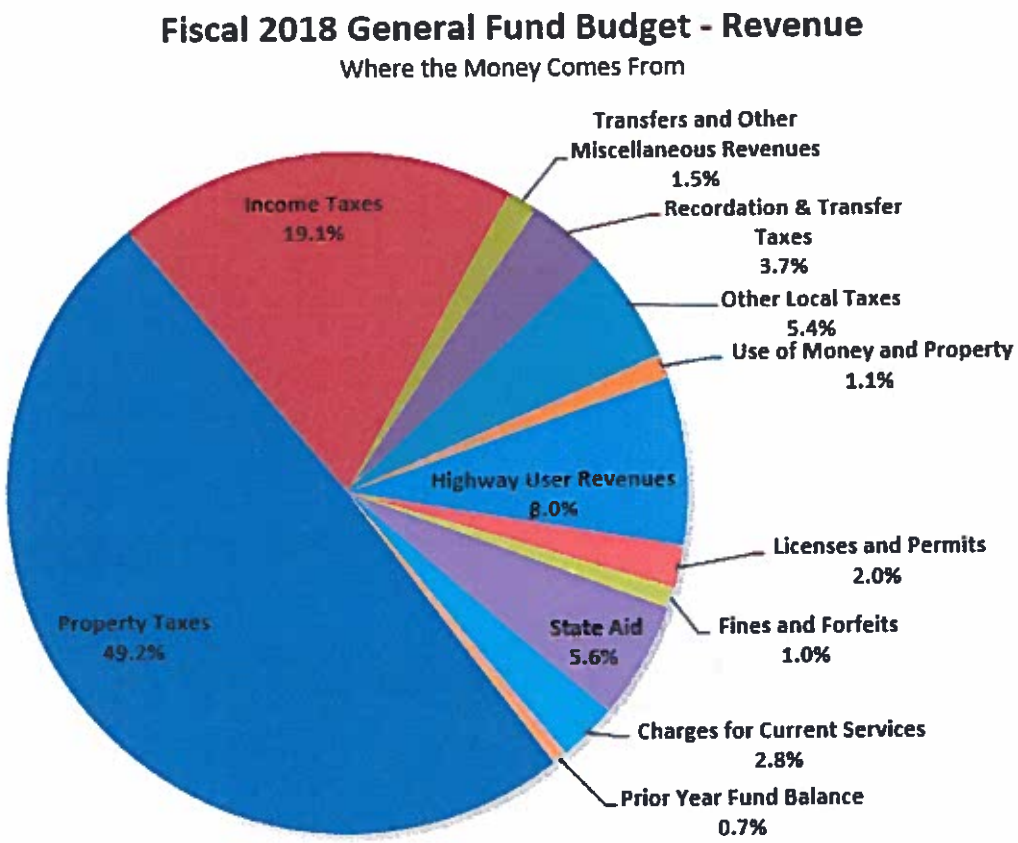
Fiscal 2018 Overview

- ✓ Closes **$20M** shortfall
- ✓ Provides **$22.4M** bridge funds for schools
- ✓ Continues *property tax reduction*
- ✓ Maintains core city services
- ✓ Includes **$10M** for DOJ consent decree
- ✓ **Shifts base funding from police to schools**
- ✓ Includes **$11.9M** for new Youth Fund
- ✓ Funds **new mobile workforce centers**
- ✓ Funds new strategies to *clean the city*
- ✓ B'More Bright will install **6,000 new streetlights**



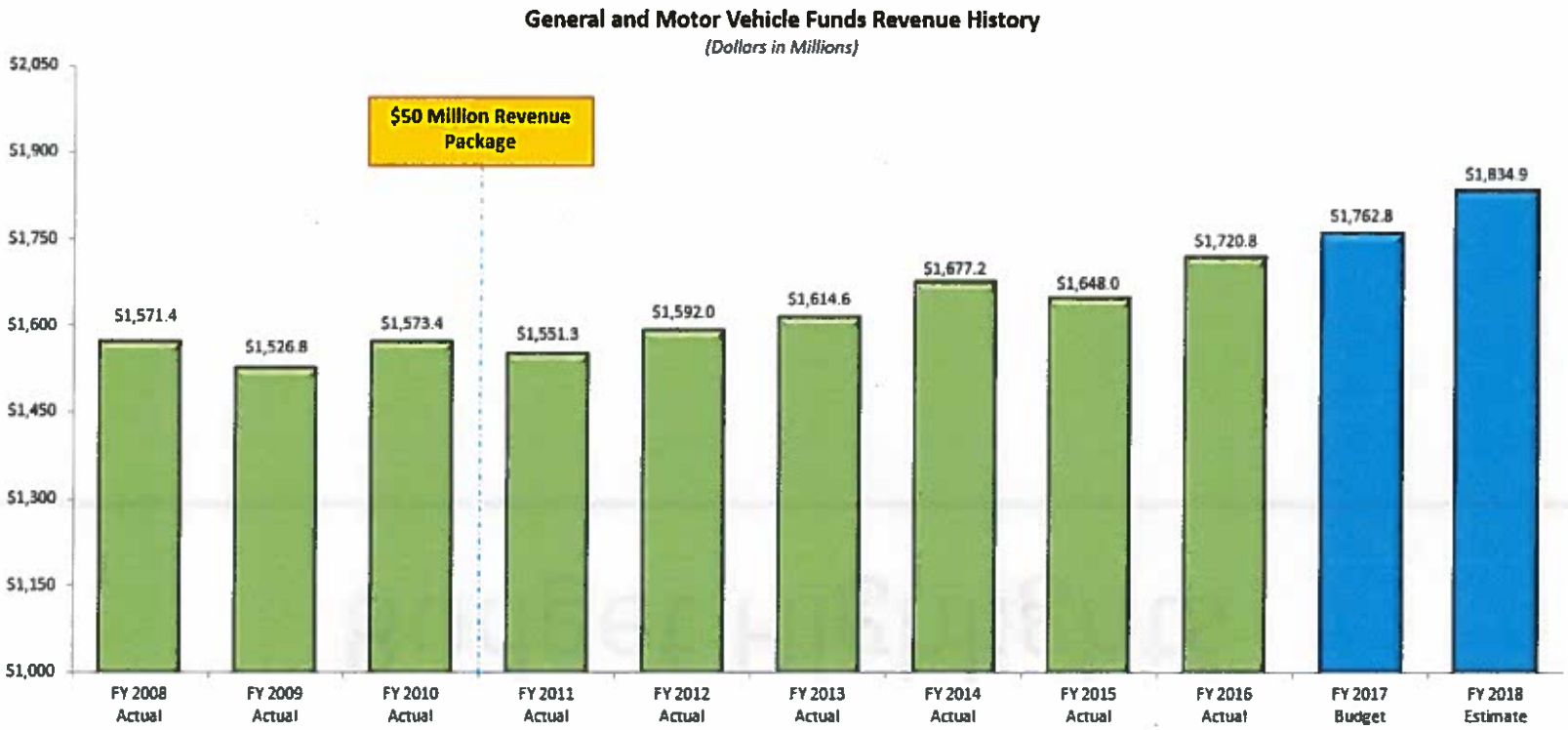
Revenue Outlook

Where the Money Comes From



Revenue:

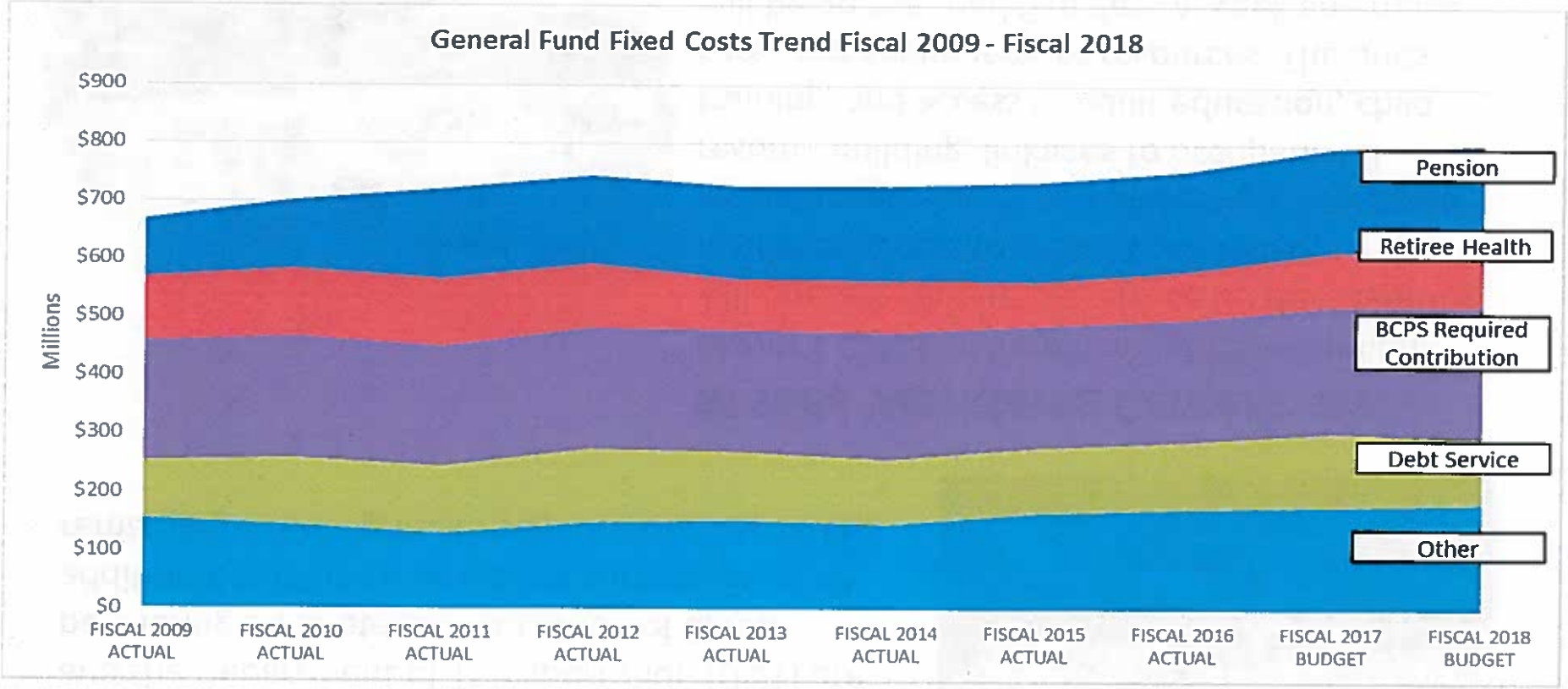
Shows Economic Recovery



Note: Actuals for Fiscal 2010, Fiscal 2014, Fiscal 2015 and Fiscal 2016 includes $30.6 million, $39.3 million, 7.5 million and $27.4 million respectively from fund balance and prior year reserves. The Fiscal 2018 Estimate include $12.5 million from prior year fund balance.

Budget Highlights

Fixed Costs by Category



Budget Highlights

B'More Bright: Baltimore Gas and Electric (BGE) and the Department of Transportation (DOT) are partnering on strategic installation of 6,000 additional LED lights, as well as conversion of all remaining street lights throughout the City to LED.

Mobile Workforce Centers: The Mayor's Office of Employment Development will operate Mobile Workforce Centers offering residents access to a variety of services including job search and placement assistance, resume building, linkages to occupational training, and access to adult education, child care, and expungement resources. The units will be on the road five days a week and make multiple stops each day to communities in need.

Budget Highlights

Big Belly Can Expansion: DPW is expanding "Big Belly" trash cans across all 19 City business districts, helping to curb overflows at corner cans and improve cleanliness in commercial districts.

New Site for Small Haulers: DPW will also implement a "Small Haulers Program" that will offer a new, centrally-located option at the Northwest Transfer Station for them to dispose of commercial waste. This is expected to reduce illegal dumping and decrease illegal use of residential Citizen Drop-off centers.

Budget Highlights

The Children & Youth Fund is a continuing, non-lapsing fund, to be used for new programs and services for Baltimore's youth, or to augment current programs and services. There will be a mandatory annual appropriation to the Fund, and any unspent funds will remain in the Fund. This budget proposes allocating the $11.9 million Children and Youth Fund.

Supporting City Schools by providing $90.2M in additional funding over three years - **$22.4M in Fiscal 2018**.

The budget includes a $10M Maintenance of Effort increase, to help make up for lost State formula aid and growing costs.

Support for City Schools totals $353M.

Budget Highlights

Free Transit for Kids on MTA, giving students unprecedented access to after-school programs, recreation activities, libraries, employment opportunities and more. This new services is supported through an additional **$5.4M in Highway User Revenue.**

Extended Library Hours at Enoch Pratt Free Library's 22 branches, with a focus on underserved neighborhoods. Funded through $3.7M in additional state and local dollars, this initiative will improve accessibility to resources such as computers, job and career information centers, business centers, government documents and special events.

www budget.baltimorecity.gov

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CITY OF BALTIMOR
CITY COUNCIL HEARING ATTENI

Committee: Budget and Appropriations
Date: Wednesday, May 17, 2017 | **Time:** 5:00 PM | **Place:**
Subject: Ordinance - Annual Property Tax – Fiscal Year 2018 and TAXPAYERS' NIGI

PLEASE PRINT

SIGNING IN TO TI

	FIRST NAME	LAST NAME	ST. #	ADDRESS/ORGANIZATION NAME	
	John	Doe	100	North Charles Street	2
✓ 1	Stephanie	Murdock		905 W 37th St.	
✓ 2	Ellie	Mitchell	2706	Sulgrave Ave	
✓ 3	Melissa	Schober	2723	Guilford Ave	
✓ 4	Bill	Romani			
—	Tyesha	Harell			
✓ 5	Nabechah	Azeez			
6	Moesha	Olds			
—	Tyasia	Mosley			
✓ 11	Ryan	Turner		Akobe Foundation	
—	Greg	Courtnier		Chose Not to Speak	

Sura

CITY OF BALTIMOR
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Committee: Budget and Appropriations
Date: Wednesday, May 17, 2017
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	John	Doe	100	North Charles Street	
	THAEN	HARDY	4481	OLD YORK RD	
✓ 8	Sharicca	Boldon	3503	N. Charles St	
✓ 9	Phillip	Bates	127	N. Edgewood St	
✓ 10	Irma	Woltke	3734	Gough St	
✓ 12	Sera	Evjen	3100	E Cumbard St	
✓ 7	Nabeehah	Azeez	1304	Lakeside Ave	
—	Moesha	Olds	1012	Druid Hill Ave	
—					

CITY OF BALTIMORE
CITY COUNCIL HEARING ATTEND

Committee: Budget and Appropriations

Date: Wednesday, May 17, 2017 | **Time:** 5:00 PM | **Place:**

Subject: Ordinance - Annual Property Tax – Fiscal Year 2018 and TAXPAYERS' NIGH

PLEASE PRINT

SIGNING IN TO TE

	FIRST NAME	LAST NAME	ST. #	ADDRESS/ORGANIZATION NAME	
	John	Doe	100	North Charles Street	21
√ 13	Kim	Truetheart	5519	Belleville	21
√ 14	George	Buntin	2316	Gwynns Falls	
√ 15	Mark ~~Dennis~~	Dennis		524 S. Charles	2
√ 16	Lindsey	Hawkins		3317 Cake ave	2
√ 17	Rebecca ~~[illegible]~~	Mark	21218	Maryland working families	2

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor

OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Budget and Appropriations

Bill 17-0066

Annual Property Tax - Fiscal Year 2018

Sponsor: *President Young at the request of the Department of Finance*
Introduced: *May 8, 2017*

Purpose:

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

Effective: July 1, 2017 through June 30, 2018

Hearing Date/Time/Location: Wednesday/May 17, 2017/5:00 PM/Council Chambers

TAXPAYERS' NIGHT/CONSTANT YIELD TAX RATE

Agency Reports

Not Applicable

Analysis

Current Law

I. Article VI – Board of Estimates
Section 3 et seq.
Baltimore City Charter

II. Annotated Code of the Public General Laws of Maryland (Section 10-210 – Tax – Property Article)

III. State Tax-Property Article, Section 10-204.3

Background

This Ordinance proposes a tax rate of $2.248 on every $100 of assessed or assessable real property in Baltimore City and a tax of $5.62 levied on every $100 of assessed or assessable value of:

1. Personal property; and
2. Operating real property as described in the State Tax Property Article – Section 8 – 109C.

The proposed tax rate is the same as proposed in fiscal year 2017.

Per State law, the Constant Yield Tax Rate for Baltimore City for fiscal year 2017/2018 must be advertised. As required, the advertisement was placed in the Baltimore Sun newspaper on Saturday, May 6, 2017. **A copy of the ad is attached**.

This hearing is also referred to as "**Taxpayers' Night**."

Taxpayers' Night provide the residents of Baltimore City the opportunity to share comments and concerns about the City's budget.

Note: The Committee/Council members listen to the speakers/citizens but do not answer and/or respond to questions or comments during the hearing.

Additional Information

Fiscal Note: The Fiscal Year 2018 Annual Property Tax **is the same as last year**; FY2017.

Information Source(s): City Charter, Annotated Code of Maryland and State Law and Council Bill 17-0066.

Marguerite M. Currin

Analysis by: Marguerite M. Currin
Analysis Date: May 14, 2017

Direct Inquiries to: 443-984-3485

Balto
Sun
Newspaper
May 6, 2017

BALTIMORE CITY
NOTICE OF PROPOSED
REAL PROPERTY TAX INCREASE

The City Council of Baltimore City proposes to increase real property taxes.

1. For the tax year beginning **July 1, 2017**, the estimated real property assessable base will increase by .8% from $35,081,482,710 to $35,347,762,338.

2. If Baltimore City maintains the current tax rate of $2.248 per $100 of assessment, real property tax revenues will increase by .8% resulting in $5,985,966 of new real property tax revenues.

3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to $2.231, the constant yield tax rate.

4. The City is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City proposes to adopt a real property tax rate of $2.248 per $100 of assessment. This tax rate is .8% higher than the constant yield tax rate and will generate $5,985,966 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held on **Wednesday, May 17, 2017** at **5:00 P.M.** at City Hall – Council Chambers, 4th floor, 100 N. Holliday Street, Baltimore, Maryland 21202.

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call **(443) 984-3485** for further information.

CITY OF BALTIMORE
COUNCIL BILL 17-0066
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

A BILL ENTITLED

AN ORDINANCE concerning

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for the period July 1, 2017 through June 30, 2018, a tax is levied and imposed for the use of the Mayor and City Council of Baltimore on all property in the City of Baltimore (except property exempt by law), as follows:

(a) except as otherwise specified in item (b) of this section, a tax of $2.248 is levied and imposed on every $100 of assessed or assessable value of real property; and

(b) a tax of $5.62 is levied and imposed on every $100 of assessed or assessable value of:

(1) personal property; and

(2) operating real property described in State Tax-Property Article § 8-109(c).

SECTION 2. AND BE IT FURTHER ORDAINED, That this tax shall be paid and collected in the manner prescribed by law including the provisions of Section 10-210 of the Tax-Property Article of the Annotated Code of the Public General Laws of Maryland.

SECTION 3. AND BE IT FURTHER ORDAINED, That for the period July 1, 2017, through June 30, 2018, the semiannual payment service charges to be imposed under State Tax-Property Article section 10-204.3 is 0.275%.

SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

THE BALTIMORE SUN MEDIA GROUP

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Baltimore, Maryland 21278-0001
tel: 410/332-6000
800/829-8000

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Was published in "The Baltimore Sun", "Daily", a newspaper printed and published in Baltimore City on the following dates:

May 06, 2017

The Baltimore Sun Media Group

By Shanna Evans

Subscribed and sworn to before me this 9 day of May 2017,

By _____

Michele Elaine

Notary Public

My commission expires 10/5/19

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BALTIMORE COUNTY

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G

RRECTIONS

he Baltimore Sun is committed to providing fair and accurate coverage. Readers who e concerns or comments are encouraged to call us at 800-829-8000.
n article in Friday's editions incorrectly reported the last year a New Jersey-bred horse the Kentucky Derby. It was 1934. The Baltimore Sun regrets the error.

THE BALTIMORE SUN MEDIA GROUP

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ryland 21202.

is open to the public, and public

encouraged.

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84-3485 for further information.

Andr Kleine 3

FROM		
NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO
AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410 396-4941)	
SUBJECT	Annual Property Tax Ordinance FY 2018	

TO Honorable President and Members of the Board of Estimates

DATE: May 3, 2017

ACTION REQUESTED OF THE BOARD OF ESTIMATES:

The Board is requested to approve the Fiscal 2018 Tax Rate Ordinance for transmittal to the Baltimore City Council.

AMOUNT AND SOURCE OF FUNDS:

NA

BACKGROUND/EXPLANATION:

The Real Property Tax rate is proposed to remain at $2.248 per $100 of assessed value. The Personal Property Tax rate is 2.5 times the Real Property Tax rate per State law.

MBE/WBE PARTICIPATION:

Not applicable; refer to the above certification.

LOCAL HIRING:

Not applicable; refer to the above certification.

APPROVED BY THE BOARD OF ESTIMATES:

Bernice H. Taylor
Clerk

MAY 03 2017
Date

CITY OF BALTIMORE
COUNCIL BILL 17-XXXX
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

A BILL ENTITLED

AN ORDINANCE concerning

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for the period July 1, 2017 through June 30, 2018, a tax is levied and imposed for the use of the Mayor and City Council of Baltimore on all property in the City of Baltimore (except property exempt by law), as follows:

(a) except as otherwise specified in item (b) of this section, a tax of $2.248 is levied and imposed on every $100 of assessed or assessable value of real property; and

(b) a tax of $5.62 is levied and imposed on every $100 of assessed or assessable value of:

(1) personal property; and

(2) operating real property described in State Tax-Property Article § 8-109(c).

SECTION 2. AND BE IT FURTHER ORDAINED, That this tax shall be paid and collected in the manner prescribed by law including the provisions of Section 10-210 of the Tax-Property Article of the Annotated Code of the Public General Laws of Maryland.

SECTION 3. AND BE IT FURTHER ORDAINED, That for the period July 1, 2017, through June 30, 2018, the semiannual payment service charges to be imposed under State Tax-Property Article section 10-204.3 is 0.275%.

SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

APPROVED BY THE BOARD OF ESTIMATES:

DATE

CLERK

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

CITY OF BALTIMORE
COUNCIL BILL 17-0066
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

A BILL ENTITLED

AN ORDINANCE concerning

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ACTION BY THE CITY COUNCIL

MAY 08 2017

FIRST READING (INTRODUCTION) _____ 20 ____

PUBLIC HEARING HELD ON May 17, June 6 and June 7, 2017 20 ____

COMMITTEE REPORT AS OF June 12, 2017 20 ____

X FAVORABLE ____ UNFAVORABLE ____ FAVORABLE AS AMENDED ____ WITHOUT RECOMMENDATION

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

JUN 12 2017

20 ____

____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING JUN 12 2017 20 ____

____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 ____

____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 ____

WITHDRAWAL _____ 20 ____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

President

Chief Clerk

1050-10-2

CITY OF BALTIMORE
COUNCIL BILL 17-0066
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

A BILL ENTITLED

AN ORDINANCE concerning

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CITY OF BALTIMORE
COUNCIL BILL 17-0066
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee

Budget

A BILL ENTITLED

AN ORDINANCE concerning

Annual Property Tax - Fiscal Year 2018

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EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 17-0066

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: May 8, 2017
Assigned to: Budget and Appropriations Committee
Committee Report: Favorable
Council action: Adopted
Read second time: June 12, 2017

AN ORDINANCE CONCERNING

Annual Property Tax - Fiscal Year 2018

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2017 through June 30, 2018; providing for estimated billings pursuant to State law; and setting the semiannual payment service charge for that period.

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SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

Council Bill 17-0066

Certified as duly passed this _____ day of _____, 20___

_____
President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this _____ day of _____, 20___

_____
Chief Clerk

Approved this _____ day of _____, 20___

_____
Mayor, Baltimore City

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor

DEPARTMENT OF FINANCE

HENRY J. RAYMOND, Director
454 City Hall
Baltimore, Maryland 21202
410-396-4940

June 12, 2017

The Honorable President and
Members of the City Council
City Hall

Ladies and Gentlemen:

In accordance with Article VI, Section 7 (c) of the Baltimore City Charter (1996 Edition) submitted herewith is a report for the fiscal period July 1, 2017 through June 30, 2018. The report shows the taxable basis (Table 1), the difference between anticipated General Fund expenditures approved by the City Council and expected General Fund revenues, exclusive of property taxes and a sufficient tax rate needed to raise the difference between such anticipated expenditures and revenues and funding sources.

Tax Rate Requirement Fiscal Year 2018

General Fund Appropriation proposed by Board of Estimates	$1,834,900,000
Council Cuts	$0
General Fund Appropriation	$1,834,900,000
General Fund Revenue Exclusive of Property Tax Estimated by Board of Estimates	$932,208,860
Property Tax Revenue Required	$902,691,140
General Fund Total Required Funding	$1,834,900,000
Sufficient Tax Rates:	
Real Property other than Public Utility	$2.248
Personal Property and Public Utility Real	$5.620

The Tax Property Article 6-302 of the State code establishes the tax rate applicable to personal property and public utility operating real property for any taxable year beginning after June 30, 2001 as 2.5 times the rate for real property. A tax rate of 1 cent per $100 of taxable value is estimated to yield $515,528 in personal property tax, which is 2.5 times the net tax yield for personal property and public utility real property of $206,211; and yield an estimated $3,500,002 for all other real property. The estimate is based on an anticipated tax collection rate of 97.5% for all real and personal property, and estimates of the property tax base as submitted by the Maryland State Department of Assessments and Taxation as adjusted and set forth in Table 1 for Fiscal 2018.

Therefore, a tax rate of $2.248 for real property other than public utility and $5.62 for all personal property and public utility real property will be sufficient to raise the required property tax revenue of $902,691,140.

Respectfully submitted,

Bernard C. Young, President

Catherine E. Pugh, Mayor

Joan M. Pratt, Comptroller

David Ralph, Acting City Solicitor

Rudolph S. Chow, Director of Public Works

TABLE 1

FISCAL 2018 TAX BASE AND ESTIMATED PROPERTY TAX YIELD

ESTIMATED ASSESSABLE BASE	Fiscal 2017	Fiscal 2018	Change
REAL PROPERTY			
Subject to $2.248 Tax Rate			
Real Property Assessed Locally	$37,205,168,000	$37,355,374,968	$150,206,968
Appeals, Abatements and Deletion Reductions	(1,494,823,927)	(195,279,982)	1,299,543,945
Adjustment for Assessment Increases over 4%	(1,628,187,000)	(1,515,394,105)	112,792,895
New Construction	42,500,000	42,120,000	(380,000)
Rail Road Property	207,419,000	210,632,000	3,213,000
Total Real Property Subject to $2.248 tax rate	**$34,332,076,073**	**$35,897,452,881**	**$1,565,376,808**
Subject to $5.62 Tax Rate			
Public Utility Property	128,410,000	134,441,000	$6,031,000
Total Public Utility Real Property Subject to $5.62 tax rate	**$128,410,000**	**$134,441,000**	**$6,031,000**
Total Taxable Real Property Value	**$34,460,486,073**	**$36,031,893,881**	**$1,571,407,808**
TANGIBLE PERSONAL PROPERTY			
Subject to $5.62 Tax Rate			
Railroad Personal Property	$35,569,000	$31,427,000	($4,142,000)
Ordinary Business Personal Property	$1,171,600,000	$992,463,000	($179,137,000)
Public Utilities Operating Personal Property	$865,350,000	$956,657,000	$91,307,000
Total Tangible Personal Property	**$2,072,519,000**	**$1,980,547,000**	**($91,972,000)**
Total Real and Personal Property	**$36,533,005,073**	**$38,012,440,881**	**$1,479,435,808**

ESTIMATED PROPERTY TAX YIELD		Fiscal 2018
Property Subject to $2.248 Tax Rate		
Real Property - Gross Tax Yield from $0.01 per $100 of Assessable Base	**$0.01/$100**	$3,589,745
Anticipated Rate of Collection		97.5%
Net Tax Yield from $0.01 per $100 of Assessable Base		$3,500,002
Estimated Total Tax Yield Property Tax Subject to 2.248 tax rate		$786,800,372
Property Subject to $5.62 Tax Rate (by law 2.5 times Real Property Tax Rate)		
Real Property (Public Utilities) - Gross Tax Yield from $0.01 per $100 of Assessable Base	**$0.01/$100**	$13,444
Tangible Personal Property - Gross Tax Yield from $0.01 per $100 of Assessable Base	**$0.01/$100**	$198,055
Total Gross Tax Yield from $0.01 per $100 of Assessable Base		$211,499
Anticipated Rate of Collection		97.5%
Net Tax Yield from $0.01 per $100 of Assessable Base		$206,211
Net Tax Yield from $0.025 per $100 of Assessable Base (2.5 times Real Property Tax Rate)		$515,528
Estimated Total Tax Yield Property Tax Subject to $5.62 tax rate		$115,890,767
Total Estimated Property Tax Yield - Real and Personal Property		**$902,691,140**
Net Tax Yield from $0.01 per $100 of Assessable Base - Real and Personal Property		**$4,015,530**