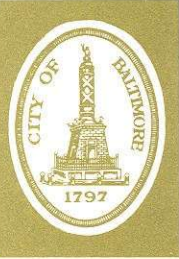


Andrew Kleine

FROM	NAME & TITLE	Andrew W. Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410)396-4940
	SUBJECT	City Council Bill No. 13-0212 Parking Tax

CITY of
BALTIMORE
MEMO



TO

DATE:
May 7, 2013

The Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

Attention: Karen Randle

CCB 13-0212 – Change to Grow: 10-Year Plan – Parking Tax

The current language of Section 22-3 of Article 28 of the Baltimore City Code provides that beginning on July 1, 2013 the City's parking tax rate will be reduced from 20% to 19%. This bill, with an effective date of July 1, 2013, would eliminate that language and permanently set the City's parking tax rate at 20%.

Analysis

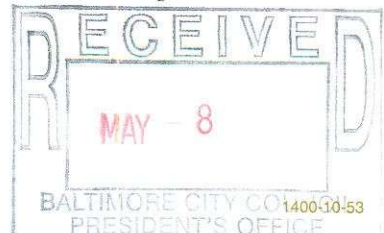
This proposed legislation is part of the Change to Grow: Ten Year plan. The plan is dependent on this additional revenue source to eliminate blight, improve schools and reduce property taxes. One focus of the plan is to diversify the City's revenue stream and create a more equitable contribution to the cost of City services.

On a daily basis over 80,000 commuters enter the City for work and then return home to their suburban residences at the end of the day. The City must support services such as police, fire, transportation, and sanitation for this influx of suburban residents during the daytime hours. Yet the City receives no property or income tax from these suburban residents for these services. Instead, the residents of Baltimore City are subsidizing these expenditures through higher property tax rates. The parking tax is one of the few mechanisms the City has to more equitably share the cost of City services with those who consume them.

Three years ago, the City Council considered Council Bill 10-0471, which originally had the purpose of raising the City's parking tax rate from 16% to 20%. That bill was amended prior to passage to include a provision which would automatically lower the parking tax rate by 1%, to a rate of 19%, on July 1, 2013.

This bill eliminates the amended language of Section 22-3 of Article 28 and permanently sets the rate at 20%. This was the intent of the original legislation. This legislation will help to

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diversify revenues and begin to shift the cost of the City's services more equitably to those who consume them.

Fiscal Impact

The Fiscal Year 2014 Budget estimate predicts revenues from the parking tax, based on a 20% tax rate, to be \$27,653,000. If this legislation fails to pass, the revenue associated with this tax, and the general fund appropriations, will both need to be reduced by \$1,382,650.

Recommendation

The Finance Department supports CC Bill 13-0212.

Cc: Harry Black
Angela Gibson
William Voorhees