



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Bob Cenname, Deputy Finance Director <i>Bob Cenname</i>
DATE	June 9 th , 2026
SUBJECT	26-201 Charter Amendment – Parking Benefits District

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

Position: Oppose

The Department of Finance is herein reporting on City Council Bill 26-201 Charter Amendment – Parking Benefits District, the purpose of which is to create a non-lapsing Parking Benefits District Fund that would return a portion of parking revenues to the neighborhoods where the revenues are collected. The fund could be used for community improvements such as beautification projects, public safety enhancements, public amenities, façade improvement grants, tenant buildouts, property acquisition, and supplemental maintenance services. The legislation authorizes the Mayor and City Council to establish Parking Benefits Districts (PBDs) by ordinance and requires voter approval before the amendment can take effect.

Background

Parking Revenues and Expenses

Primary generators of parking revenues include parking tax, meters, fines and penalties on parking and traffic violations, and income from City-owned garages. Parking revenues are collected by two different agencies: the Parking Authority of Baltimore City (PABC) and the Department of Finance’s Bureau of Revenue Collections (BRC). Parking revenues are deposited into the City’s Parking Enterprise Fund (managed by the City’s Department of Finance), and those revenues are legally committed by the City to the repayment of the City’s parking revenue bond debt and to the operating expenses of the Parking Enterprise and Parking Management Funds. The net proceeds are then deposited into the General Fund. The Fiscal 2026 budget includes a net transfer of \$21.9 million to the General Fund:

**Council Bill 26-0201 - Parking Funds Transfer to the
General Fund**

Revenues	Fiscal 2026 Budget
<i>Meter Revenue</i>	\$10,700,000
<i>All other Parking Fund Revenues</i>	\$60,921,000
<i>Total Parking Fund Revenues</i>	\$71,621,000
Expenses	Fiscal 2026 Budget
<i>Parking Enforcement</i>	\$16,236,000
<i>Debt Service</i>	\$8,597,000
<i>All Other Parking Funds Expenses</i>	\$24,825,000
<i>Total Parking Funds Expenses</i>	\$49,658,000
<i>Transfer to the General Fund</i>	\$21,963,000

Non-Lapsing Funds

City Council Bill 26-201 creates a proposed Charter amendment establishing a continuing, non-lapsing Parking Benefits District Fund that would dedicate a portion of parking meter revenues for use within designated geographic districts and for specified community improvement purposes.

The Department of Finance has generally advised against the creation of special non-lapsing revenue funds. The best approach to budgeting is to centrally capture all discretionary funds in the General Fund, and then to allocate those resources through an annual budget process that is transparent and subject to a full annual review. Locking away increasing portions of general revenues into narrowly defined and potentially permanent purposes only serves to materially fragment the operating budget. Over time this limits the City’s ability to reprioritize resources, respond to changing conditions, or manage fiscal stress in a coherent and comprehensive manner.

This risk is especially serious given the City’s already comparatively high tax burden and high service demands from residents. In that context, expanding the ability to further earmark revenues outside the annual appropriations process would compound structural rigidity in the budget, weaken Council and executive budgetary discretion, and materially impair the City’s capacity to respond to evolving service demands, economic pressures, and affordability concerns.

Fiscal Impact

The creation of a new non-lapsing fund in and of itself does not create any fiscal impact for the City. However, our concern is that the follow-on legislation to create the Parking Benefit Districts (PBD) will ultimately impact General Fund resources.

Recurring Revenues and Expenses

The creation of the RBD’s has the potential to directly the City’s General Fund. For example, if the boundaries of the RBD or the parameters of the Fund are devised in a way that captures existing parking meter revenue, it would divert that money away from the General Fund.

Further, if a PBD chooses to expand parking meter operating hours, this would require additional enforcement personnel and create an additional General Fund expense.

Administrative Costs

City Council Bill 26-201 in and of itself does not create any new administrative burden. However, any follow-on legislation to create PBD could create a new administrative burden for either the City or a new entity. Resources would need to be dedicated to drawing clearly defined boundaries, developing systems to track parking meter revenues by district, modifying existing parking and financial systems, adding accounting controls, and reconciling revenues to ensure that they are attributed to the correct district. Further, once the revenues are collected, additional resources would need to be dedicated to administering the distribution of funds, calculating district allocations, monitoring allowable uses, processing payments, and ensuring compliance. These new responsibilities could result in additional staffing needs and operational costs for either the City or a new entity.

Conclusion

The Department of Finance generally advises against the creation of new non-lapsing special funds. These funds tend to divert resources away from the General Fund and serve to undermine the City's budget process. In addition, this particular proposal could add significant new administrative costs to establish and manage the new Parking Benefit Districts. Preserving the ability to allocate revenues through the annual budget process remains essential to maintaining sound financial management and providing the flexibility to respond to changing service demands and economic needs.

For the reasons stated above, the Department of Finance opposes City Council Bill 26-201.

cc: Michael Mocksten
Nina Themelis