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Testimony in support of Council bill 25-0036

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I am a Baltimore City resident of almost 55 years. We raised our family here and sent our children to the public schools. We've always been aware of the high property tax rate

Our family has experienced the budget strictures on our City in various ways. Our daughter was an active athlete at Roland Park Middle School and City College. When we had games in Baltimore or Harford County, we were startled by the stark contrast in the condition and scope of the fields, pools, and gymnasiums. I have been playing over-60 basketball at the Bykota Senior Center in Towson since 2008. Similar programs are not available in Baltimore City.

Of course, our City has bigger problems in public education operating costs and infrastructure, housing, public works, health, and many other areas. It was a positive step forward to have the PILOT agreement with the wealthiest nonprofits several years ago. The Comptroller reports that their property would produce \$108 million if taxed fully, and they consume \$47 million in public services. The current \$6 million contribution should be increased for the benefit of the City as a whole and so that the nonprofits will continue to find Baltimore a good place to conduct operations.

Many decades ago, my great State Senator Barbara Hoffman raised the issue of Baltimore's disadvantage in the property tax system. We have limited land, and we have a higher percentage of it owned by nonprofit organizations than any other of Maryland's 24 jurisdictions. This is a structural reason why property tax rates are higher in Baltimore City and why some people are discouraged from living here. Creating the Task Force under this bill will be a positive sign to the General Assembly that the City is working to improve its finances.

Some of the non-profits operating in Baltimore City are quite wealthy. Some of their top executives make more in compensation than their PILOT obligation to the City under the existing arrangement. Although they may be affected by impending federal budget cuts, they are in better condition to absorb the cuts than are the vast majority of our City's residents.

The task force contemplated by Council bill 25-0036 would transparently create a fair formula to use as a guide to the City in negotiating payments with the wealthy nonprofits. It is important to complete this work in timely fashion so that the City does not suffer from a gap in PILOT payments. For all these reasons, I urge a favorable report on Council Bill 25-0036.