

**CITY OF BALTIMORE  
COUNCIL BILL 10-0221R  
(Resolution)**

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Introduced by: Councilmembers Holton, Spector, Stokes, Kraft, Cole, Henry, Conaway,  
Reisinger, Welch, Clarke, President Young, Councilmembers D’Adamo, Middleton, Curran  
Introduced and read first time: August 9, 2010  
Assigned to: Budget and Appropriations Committee

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REFERRED TO THE FOLLOWING AGENCIES: Department of Finance

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Revenue Enhancement Measures**

3 FOR the purpose of requesting the Director of Finance and the Chief, Bureau of Budget and  
4 Management Research to develop a mechanism for periodic review of revenue  
5 enhancement measures adopted to address Fiscal Year 2011 budgetary shortfalls to  
6 determine the rate of return and performance when compared to traditional revenue  
7 streams.

8 **Recitals**

9 The overview of the Fiscal 2011 Preliminary Budget Plan states that “the number that  
10 defines Baltimore’s budget challenge for Fiscal 2011 is \$121 million. That is the gap between  
11 the cost of maintaining the current level of City services and the amount of revenue the City  
12 expects to take in. The \$121 million gap is equivalent to the cost of half of the City’s police  
13 force, the entire firefighter force, or the combined Health, Housing, Recreation and Parks, and  
14 Library budgets.”

15 The Mayor’s Press release of March 24, 2010 warned that “without additional revenue, the  
16 City faces the prospect of closing seven fire companies, laying off sworn police officers,  
17 grounding police helicopters, shuttering dozens of recreation centers and swimming pools,  
18 slashing street repair and resurfacing, and abolishing 941 positions, 606 of them currently filled  
19 according to the Preliminary Budget Plan.”

20 Challenged with an unprecedented \$121 million deficit, the prospect of laying off a  
21 demoralizing number of City employees, and a cutback, or canceling, of many services to the  
22 citizens of Baltimore, the City Council and Administration labored collaboratively to adopt a  
23 number of revenue enhancement measures projected by budget analysts to generate  
24 approximately \$48.08 million in addition revenues:

25 <b>Ordinance/Bill Number</b>	<b>Description</b>	<b>Additional Revenue (In Millions)</b>
26 Ord. 10-0294 (CC 468)	Income Tax Increased from 3.05% to 3.20%.	\$5.91

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter deleted by amendment.

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1	Ord. 10-0299 (CC 467)	Hotel Tax Rate Increased from 7.5% to 9.5%.	\$3.14
2	Ord. 10-0300 (CC 470)	Energy Tax Increase 15% for all except non-profits. Non-profits are charged 8% of bill, up from 6%.	\$6.98
3	Ord. 10-0301 (CC 471)	Parking Tax Increased from 16% to 20% of parking charge.	\$5.08
4	Ord. 10-0302 (CC 472)	Increased parking fines by various amounts.	\$3.17
5	Ord. 10-0303 (CC 473)	Telecommunications Tax increased per line charge from \$3.50 to \$4.00 per month.	\$3.74
6	Ord 10-0337 (CC 290)	Simulated Slot Machines Tax eliminated admissions and amusement tax and levied a sliding scale excise tax.	\$1.91
7	Ord. 10-0339 (CC 469)	Property Tax Discount Savings period reduced to 0.5% in July only.	\$2.50
8	Ord 10-0340 (CC 489)	Civil Citation Fines Increased by various amounts.	\$0.17
9	Ord. 10-0342 (CC 516)	Residential Vacant Property structure fee increased by \$100 and Commercial vacant structures by \$250.	\$1.28
10	Ord. 10-0343 (CC 474)	Beverage Container Tax of \$.02 on all beverage containers under 2 liters, excluding milk and juice.	\$5.70
11	Board of Estimates	Payment in Lieu of Property tax made by universities and hospitals.	\$5.40
12	Board of Estimates	Parking Meters Increased \$1.00 to \$2.00 in high usage areas.	\$3.10
		Total	\$48.08

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1       Periodic review of these revenue enhancement measures is essential to determine if they are  
2 meeting, exceeding, or falling short of revenue generating expectations. The reviews will  
3 provide guidance as to effective budgetary intervention practices for future years when the City  
4 faces extraordinary fiscal shortfalls.

5       **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
6 Director of Finance and the Chief, Bureau of Budget and Management Research are requested to  
7 develop a mechanism for periodic review of revenue enhancement measures adopted to address  
8 Fiscal Year 2011 budgetary shortfalls to determine the rate of return and performance when  
9 compared to traditional revenue streams.

10       **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the  
11 Director of Finance, the Chief, Bureau of Budget and Management Research, and the Mayor's  
12 Legislative Liaison to the City Council.