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FROM	NAME & TITLE	Robert Cename, Budget Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 432, City Hall (410) 396-4774		
	SUBJECT	CCB 19-0331 – Corrective – Consumer Price Index Used in the Adjustment of Energy Tax Rate		

TO

DATE:

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

March 5, 2019

Attention: Ms. Natawna Austin

We are herein reporting on City Council Bill 19-0331, which calls for correcting the regional Consumer Price Index (CPI) used for calculating the annual adjustment of energy tax rates.

Background

The City levies energy tax on three user groups: commercial, residential and nonprofit users. The rate is applied on a per unit basis of consumption for five types of energy: electricity, natural gas, liquid petroleum gas, fuel oil and steam.

In accordance with Article 28, Section 25-14(d) of the Baltimore City Code the Director of Finance is required to adjust energy tax rates by the annual percent change in the Baltimore-Washington CPI as reported in November by the United States Department of Labor (USDL). The USDL discontinued the calculation of CPI for this geographical area in November 2017 and replaced it with the Baltimore-Columbia-Towson CPI indicator in December of the same year.

Fiscal Analysis

The proposed legislation does not have any fiscal impact to the City. The proposed legislation would simply adjust the basis used by the Department of Finance to calculate energy tax rates based on CPI.

Conclusion

The Finance Department supports the passage of CC Bill 19-0331.

cc: Henry Raymond
Jeff Amoros