

CITY OF BALTIMORE
COUNCIL BILL 13-0091R
(Resolution)

Introduced by: Councilmembers Stokes, Henry, Kraft, Middleton, Branch, President Young,
Councilmembers Curran, Holton, Welch, Clarke, Reisinger, Spector

Introduced and read first time: February 4, 2013

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Finance, Baltimore Development Corporation

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing - Tax Credit Incentives**

3 FOR the purpose of requesting that representatives of the Department of Finance publish on their
4 Department's web site information that details the tax incentives received by companies,
5 from the City, and the amount of money that devolves to these companies, from these
6 incentives.

7 Recently, the *Baltimore Sun* reported that the Maryland PIRG Foundation published a study,
8 "*Transparency in City Spending: Rating the Availability of Online Government Data in*
9 *America's Largest Cities*", in which Baltimore received a score of 89, or a B+, with only 3 cities
10 - Chicago, New York, and San Francisco - receiving a higher grade. Said Laura Muth, an
11 associate with Maryland PIRG, "Baltimore's performance in our study makes clear that spending
12 transparency can be achieved by cities of all sizes. The city scored better than many other cities
13 with significantly larger budgets and populations".

14 But Maryland PIRG also said that though Baltimore got a good grade, there is room for
15 improvement, specifically that more information on tax incentives, such as the benefits specific
16 companies receive, should be provided.

17 Baltimore City awards money in the form of tax-increment financing, tax credit exemptions,
18 and other tax subsidies. These initiatives that result in forgone tax revenue have the same
19 bottom-line effect on the City's budget as direct appropriations. Many of these expenditures are
20 created with the goal of creating jobs, retaining jobs, or simply growing the economy, but there
21 may be no reporting oversight to hold the recipients of the tax incentives accountable.

22 Presently on the Department of Finance's website is public information, under which a
23 citizen may read documents and reports published by the Department, including the Baltimore
24 City Annual Financial Reports, the latest one of which was published for 2011. The report does
25 not include information about the tax incentives and their recipients.

26 It would help to further the goal of making more transparent Baltimore City government's
27 way of doing business, by publishing information on line about the tax subsidies.

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

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1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That this Body
2 requests that representatives of the Department of Finance publish on their Department's web site
3 information that details the tax incentives received by companies, from the City, and the amount
4 of money that devolves to these companies, from these incentives.

5 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to representatives of
6 the Department of Finance and to the Mayor's Legislative Liaison to the City Council.