

# Property Tax Relief / Homestead Tax Credit

## Budget and Appropriations Committee Hearing



# 10-Year Financial Plan Tax Reduction Strategy

## Key Principles



- 1 Reduce the residential tax rate  
*and:*
- 2 Provide direct relief to homeowners  
*in a manner that:*
- 3 Preserves the City's ability to sustainably balance its' budget.

# New Proposal

Pair a 5% Homestead cap with a phased-in 5-cent residential rate reduction, prioritizing longer-term homeowner protection.

## City Impact

Fiscal 2027 General Fund Impact	
Effective Residential Tax Rate from \$2.04 to \$2.03	(1.9)

Fiscal 2028 General Fund Impact	
Homestead Cap Change from 4% to 5%	2.3
Effective Residential Tax Rate from \$2.03 to \$1.99	(7.6)
<b>Net Impact</b>	<b>(5.3)</b>

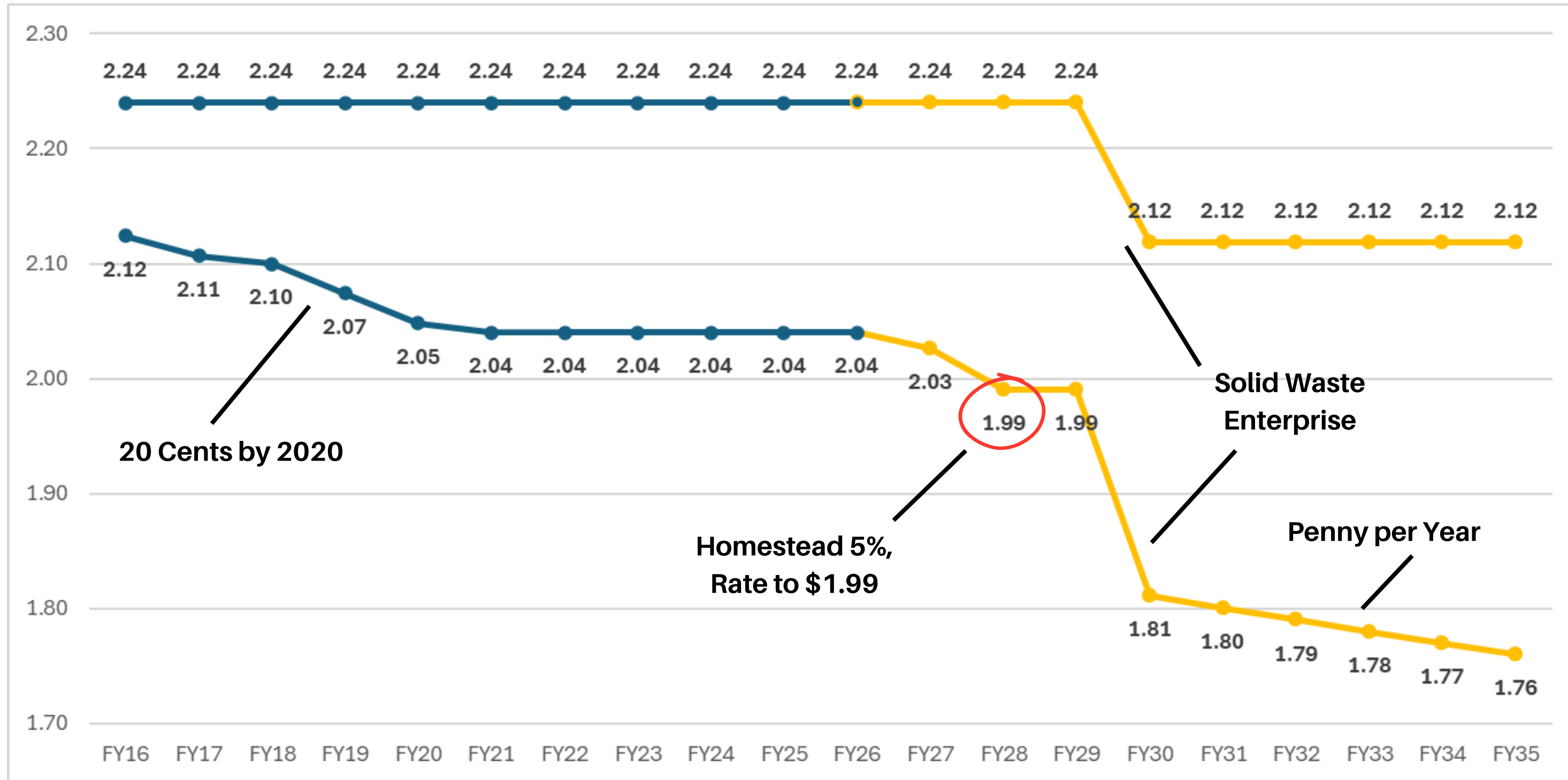
## Homeowner Impact

- Fiscal 2027:
  - 1-cent reduction.
  - All 75,000 homeowners see small savings.
- Fiscal 2028 / 2029:
  - 4-cent reduction + 5% Homestead.
  - All 75,000 homeowners no worse off at a minimum, with vast majority seeing net savings.
- Long Run:
  - Homeowners fully protected through two full assessment cycles (six years).
  - Vast majority of homeowners benefit in the long-run.



# New Proposal

Still meets the 10-Year Plan goal of reducing the residential homeowner rate to \$1.99 by Fiscal 2029.



# New Proposal

Makes the City consistent with the most common practice among Maryland counties.

12 out of 23 counties (more than half) already set their Homestead cap at 5%.

Among counties, Baltimore City's 5% Homestead cap would rank right in the middle.

The City would still be in the bottom-third among Maryland municipalities, highlighting the City's prudent approach.

Maryland Counties	
County	Cap
State of Maryland	10%
Calvert	10%
Montgomery	10%
Somerset	10%
Charles	7%
Caroline	5%
Carroll	5%
Dorchester	5%
Frederick	5%
Garrett	5%
Harford	5%
<b>Baltimore City</b>	<b>5%</b>
Howard	5%
Kent	5%
Prince Georges	5%
Queen Anne's	5%
Washington	5%
Wicomico	5%
Allegheny	4%
Baltimore Co.	4%
Cecil	4%
St. Mary's	3%
Worcester	3%
Anne Arundel	2%
Talbot	0%

Maryland Municipalities		
Municipality	Cap	County
Gaithersburg	10%	Montgomery
Rockville	10%	Montgomery
Annapolis	10%	Anne Arundel
Laurel	10%	Prince Georges
Hyattsville	10%	Prince Georges
Takoma Park	10%	Montgomery
Easton	10%	Talbot
Aberdeen	10%	Harford
New Carrollton	10%	Prince Georges
Bel Air	10%	Harford
Bladensburg	10%	Prince Georges
Mount Rainier	10%	Prince Georges
Elkton	8%	Cecil
Westminster	7%	Carroll
La Plata	7%	Charles
Frederick	5%	Frederick
Bowie	5%	Prince Georges
Hagerstown	5%	Washington
<b>Baltimore City</b>	<b>5%</b>	<b>Baltimore City</b>
Greenbelt	5%	Prince Georges
Havre de Grace	5%	Harford
Cambridge	5%	Dorchester
Cumberland	4%	Allegheny
Mount Airy	3%	Carroll
College Park	0%	Prince Georges



Brandon M. Scott  
Mayor

Note: Municipality list includes all municipalities with population greater than 10,000.

# Outreach Strategy



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Mayor

# Boosting Tax Credit Enrollment Workgroup

## Interagency workgroup formed to advance this project

Led by MOCA and Finance, with Dr. D providing leadership from the Mayor's team

**Participating Agencies:** DHCD, BCHD, MIMA, MOCFS, and MOOAAA

**Strategy:** Build on the work the City is already doing and support external partners in expanding enrollment activities

- City-led communications and outreach strategy, focused on connecting with networks already in place
  - Build into current outreach strategies being led by MOCA and partner agencies
  - Share materials with PIOs across the City
  - Build framework and tracking systems to monitor progress of outreach efforts
- Expand outreach from community-based organization(s) that are subject-matter experts on enrollment in these programs
  - Issue grant to fund targeted outreach to priority geographic areas
  - Assess impact and adjust as needed



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Mayor



# THE OPPORTUNITY - BOOST HOMESTEAD ENROLLMENT

**99,851**

Baltimore Households  
eligible for the Homestead

**25,424**

Baltimore Households  
eligible, but not  
currently approved

From SDAT data, it is estimated that there are nearly 100,000 Baltimore households marked as homeowners. Of those, a little over 75,000 are approved for the Homestead credit currently.

This leaves potentially up to 25,424 Baltimore households to be signed up for this tax credit program.



# Layered Communication with Eligible Residents

## 1 First Contact

- Targeted direct mail to under-enrolled homeowners (committee to review options: water bills, stand-alone mailer, other options to be considered)
- Mailer to provide Information on how to enroll in all tax credit programs

## 2 Second Contact

- Door-to-door canvassing in highest-need neighborhoods – areas where the data shows highest density of under-enrolled residents
- Leave door hanger with information on all available credits
- Coordination with Mayor’s Office of Communications to develop social media outreach

## 3 Third Contact

- **DHCD Tax Sale Prevention Program integration and coordination for technical assistance**
- Provide neighborhood associations with informational flyers and provide language for listserv & social distribution via MOCA liaisons
- Partner engagement with community-based organizations to encourage and assist with enrollment during upcoming tax preparation and tax sale prevention season
- Hosting workshops at MOCFS Cap Centers & Enoch Pratt libraries
- Tabling at community events, festivals, block parties, and other public engagements
- Coordinating efforts with City Councilmembers



# THE OPPORTUNITY - BOOST STATE HOMEOWNERS ENROLLMENT



From analysis using US Census tract data, it is estimated that there are roughly 21,000 Baltimore households eligible for the Homeowners' credit. Of those, a little over 5,000 are receiving the Homeowners' credit currently.

This leaves over 16,000 Baltimore households to be signed up for this State tax credit program.



# Layered Communication with Eligible Residents

## 1 First Contact

- Targeted direct mail to under-enrolled homeowners (committee to review options: water bills, stand-alone mailer, other options to be considered)
- Mailer to provide Information on how to enroll in all tax credit programs

## 2 Second Contact

- Door-to-door canvassing in highest-need neighborhoods – areas where the data shows highest density of under-enrolled residents
- Leave door hanger with information on all available credits
- Coordination with Mayor's Office of Communications to develop social media outreach

## 3 Third Contact

### Annual Filing Deadline:

- The deadline to apply is October 1st of each year.
- However, it is to their advantage to submit the application by April 15 so that any credit due can be deducted beforehand from the initial July tax bill.

- **Coordinate enrollment efforts with nonprofit partners & tax prep providers assist with annual renewal requirements of State Homeowners Tax Credit**
- **DHCD Tax Sale Prevention Program integration and coordination for technical assistance**
- **Annual renewal support by hosting workshops at MOCFS Cap Centers & Enoch Pratt libraries, in coordination with other income-based assistance programs**
- Hosting workshops at MOCFS Cap Centers & Enoch Pratt libraries
- Tabling at community events, festivals, block parties, and other public engagements
- Coordinating efforts with City Councilmembers
- Participate in other agency events and meetings that are relevant



# THE OPPORTUNITY -RENTERS' TAX CREDIT ENROLLMENT

**149,844**

Baltimore renters by dwelling units

**58,355**

Baltimore renters may be eligible, but not currently approved

From analysis of SDAT real property data, it is estimated that there are nearly 150,000 rental dwelling units in Baltimore.

The 2025 State Housing Needs Assessment identified 59,965 renter households that were cost burdened in 2021. In 2025, the State granted 1,610 Renters' Tax Credits to City residents.

This leaves 58,355 Baltimore renters that may be eligible for the tax credit.



# Layered Communication with Eligible Residents

## 1 First Contact

- Targeted direct mail to under-enrolled renters (committee to review options: water bills, stand-alone mailer, other options to be considered)
- Mailer to provide Information on how to enroll in the renters tax credit program

## 2 Second Contact

- Door-to-door canvassing in highest-need neighborhoods – areas where the data shows highest density of under-enrolled residents **where units are walkable**
- Leave door hanger with information on all available credits
- Coordination with Mayor's Office of Communications to develop social media outreach

## 3 Third Contact

- **Coordinate enrollment efforts with nonprofit partners & tax prep providers assist with annual renewal requirements of Renters Tax Credit**
- **DHCD Tax Sale Prevention Program integration and coordination for technical assistance**
- **Annual renewal support by hosting workshops at MOCFS Cap Centers & Enoch Pratt libraries, in coordination with other income-based assistance programs**
- Hosting workshops at MOCFS Cap Centers & Enoch Pratt libraries
- Tabling at community events, festivals, block parties, and other public engagements
- Coordinating efforts with City Councilmembers

### Annual Filing Deadline:

- Renters have until October 1 of the year in which the credit is sought to apply.



# Monthly Tracking of Impact

## Map tax credit enrollment by neighborhood and Council District

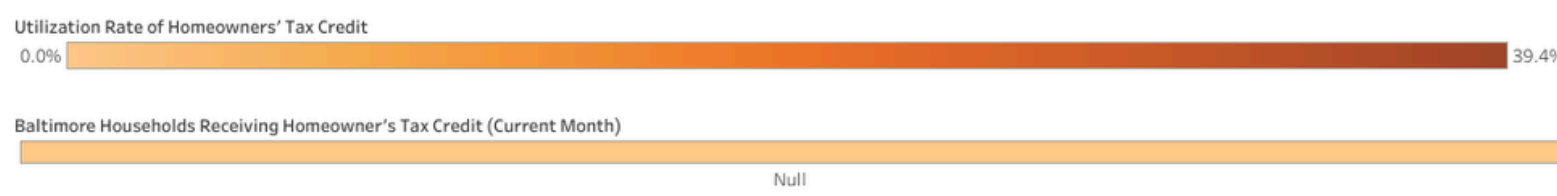
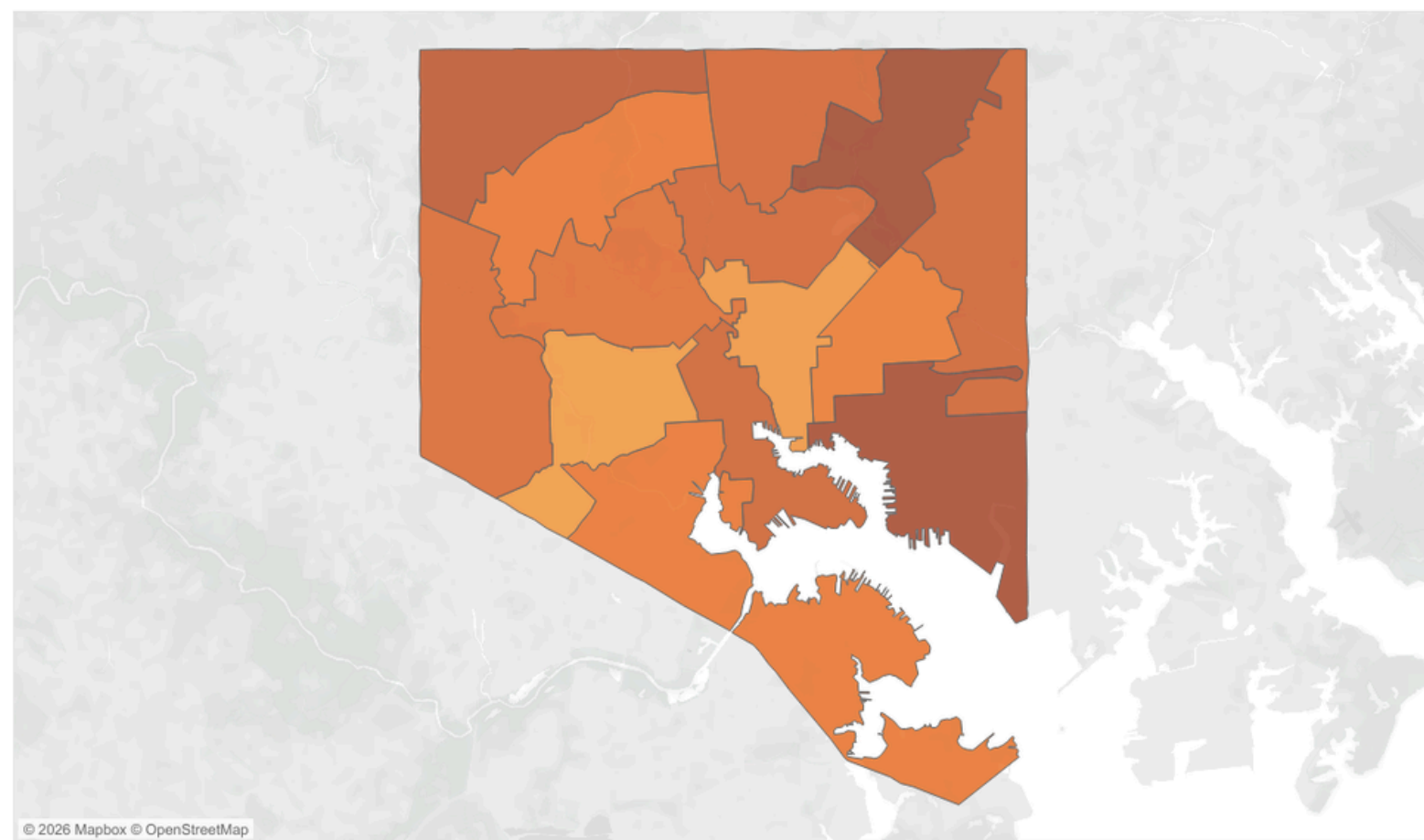
The City will track changes in enrollment in the State Homeowner's and Homestead Tax Credits by neighborhood and City Council District based on monthly data received from SDAT.

This data will be shared with City Council for awareness.

In addition, this data will inform priority geographic areas for targeted outreach efforts.

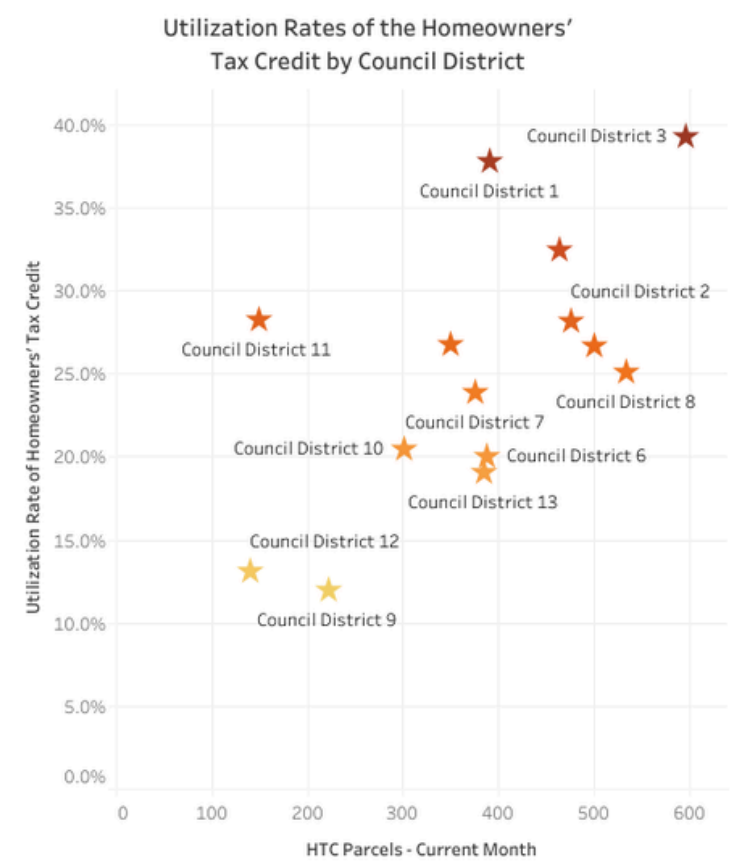
Homeowners' Tax Credit Utilization  
by Council District and Neighborhood  
Baltimore City ..

View Council or Neighborhood (HTC)  
Council Map (HTC)



Data sources: Baltimore City Real Property file (available publicly at OpenBaltimore). Analysis prepared by the Fiscal Integrity Office (FIO). Interested in learning more about tax credits in the City of Baltimore? We encourage you to review the Department of Finance's report on tax credit programs along with workgroup materials.

**80**  
more Baltimore households  
receiving the Homeowners Tax Credit  
compared to last month.



Brandon M. Scott  
Mayor

# Metrics and Next Steps

## PROJECT GOALS

Reduce access barriers for low-income and older residents

Increase awareness of available tax credits

Target outreach to highest under-enrollment neighborhoods

Support annual renewal for income-based programs

## SUCCESS METRICS

# Residents engaged through outreach

# Applications submitted with assistance

# Recipients enrolled (tracked monthly, quarterly, annually by program)

Total credit dollars issued to Baltimore residents

## NEXT STEPS

Issue RFQ for external partner

Incorporate outreach materials into regular activities

Implement targeted mailing strategy



# Questions?



Brandon M. Scott  
Mayor