


FROM	NAME & TITLE	William Voorhees <i>WV</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 545, City Hall (396-4961)		
	SUBJECT	City Council Bill 16-0651 – Property Tax Exemption – Community-Managed Open Space		

TO Honorable President and
Members of the City Council
C/O Natawna B. Austin
Room 409, City Hall

DATE: May 20, 2016

This CCB 16-0651 – Property Tax Exemption – Community-Managed Open Space is for the purpose of exempting certain qualifying open space properties from the City’s real property tax.

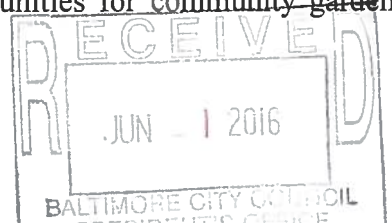
Analysis

This bill would provide an exemption from the City’s real property tax to properties that are qualifying Community Managed Open Spaces. Authorized by § 7-519 of the State Tax-Property, this exemption will provide real property tax relief to managed open space properties such as community gardens and small neighborhood parks that add both aesthetic and financial value to many neighborhoods in Baltimore. Finance Department staff has worked closely with members of the Mayor’s Office of Sustainability and members of the Open Space Management Community to reach agreements on acceptable terms and the resulting draft of this legislation is a testament to that spirit of cooperation. However, there is a minor issue that Finance would like to see resolved through an amendment to the legislation.

The exemption provided in this legislation is primarily targeted at “open spaces in a cultivated state” which may be no larger than 1 acre and qualify for the exemption. However, the exemption is also available to “sensitive environmental areas” in a natural state no larger than 8 acres. While the legislation provides examples of what would qualify as a “sensitive environmental area,” citing “forests, floodplains, or steeply sloped areas,” no definition of the term is provided. This is something the Finance Department would like to see corrected via an amendment, bringing the term “sensitive environmental areas” in line with the other clearly defined terms in the legislation, such as “Community Managed Open Space,” “Cultivated State,” and “Natural State.”

Fiscal Impact

While the exact number of properties to which this exemption could apply is unknown, it is a distinctly limited set of properties. Further, the agreed upon limitations in the bill that require geographic diversity within a Community Open Space Management Entity’s holdings further serve to protect the City against potential abuse of this exemption. Finally, it should be realized that many of the open space properties that are used by communities for community gardens and small parks are not suitable for



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development and without the benefit of community management would often end up over-grown and strewn with trash. The intervention and actions of Community Open Space Management Entities play a vital role in the economic and aesthetic preservation and enhancement of the city. As such, the exemption of these properties from real property tax is a very small cost for the City to bear in exchange for a much larger benefit.

The Department of Finance recognizes the important role that Community Open Space Management Entities play in the preservation and rehabilitation of many parts of the City. Having worked with those involved in these efforts to better understand the issues they face and the benefit they provide, the Department of Finance supports CCB 16-0651 with the one amendment mentioned above.

CC: Henry Raymond
Natawna Austin