

# FISCAL 2027



## PRELIMINARY BUDGET PLAN

FY27



BRANDON M. SCOTT  
MAYOR

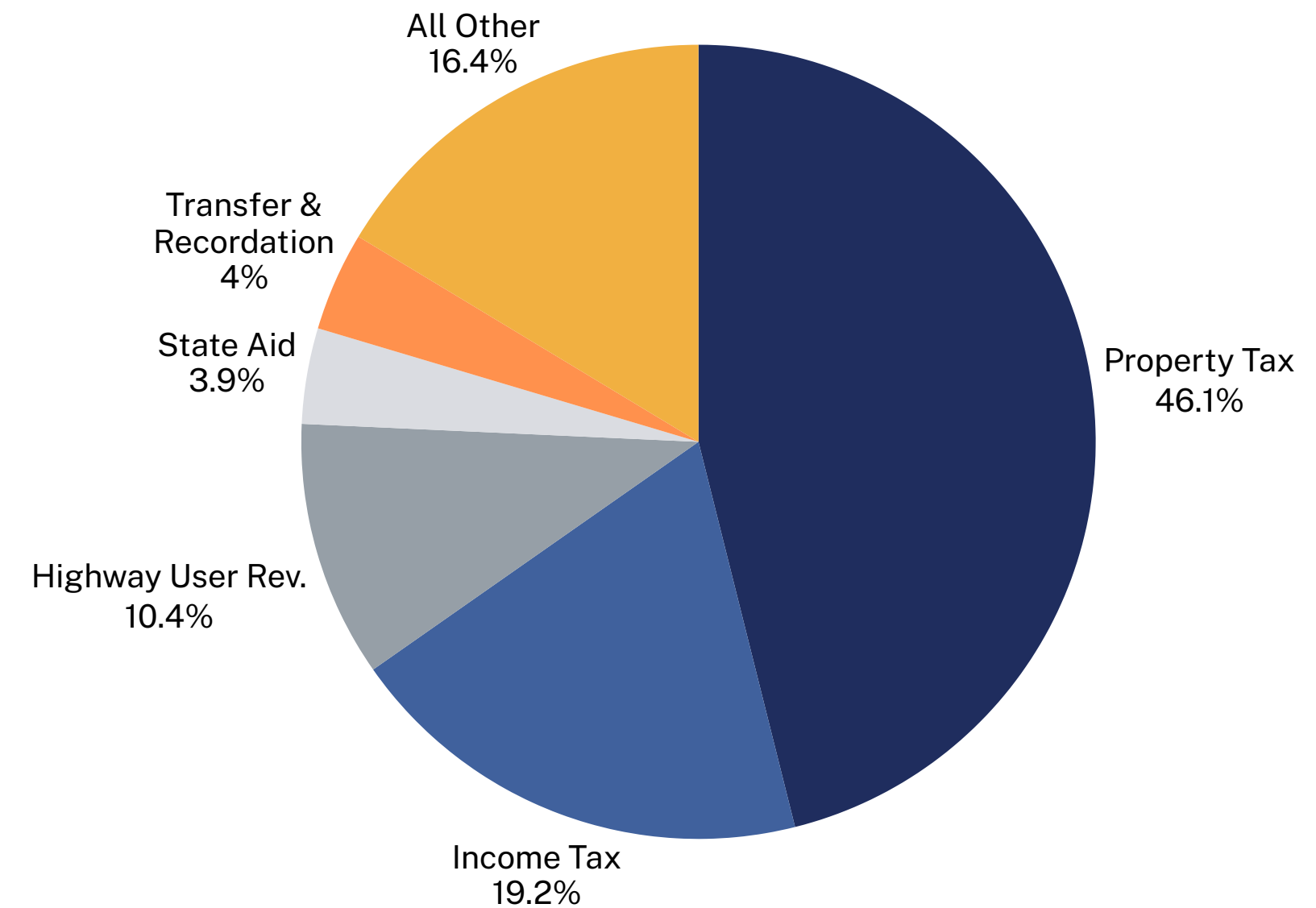
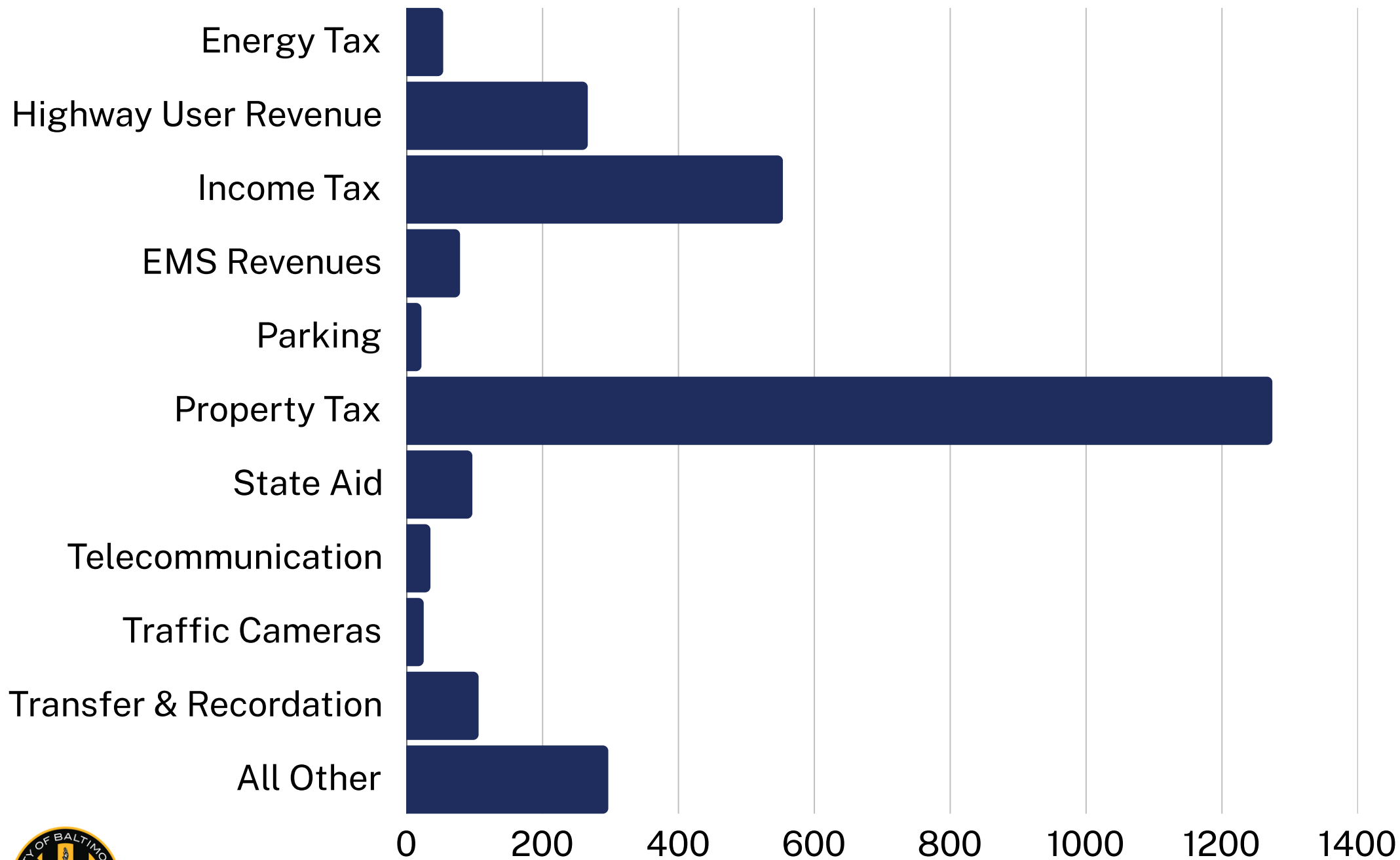
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Revenue Budget Briefing  
April 2026

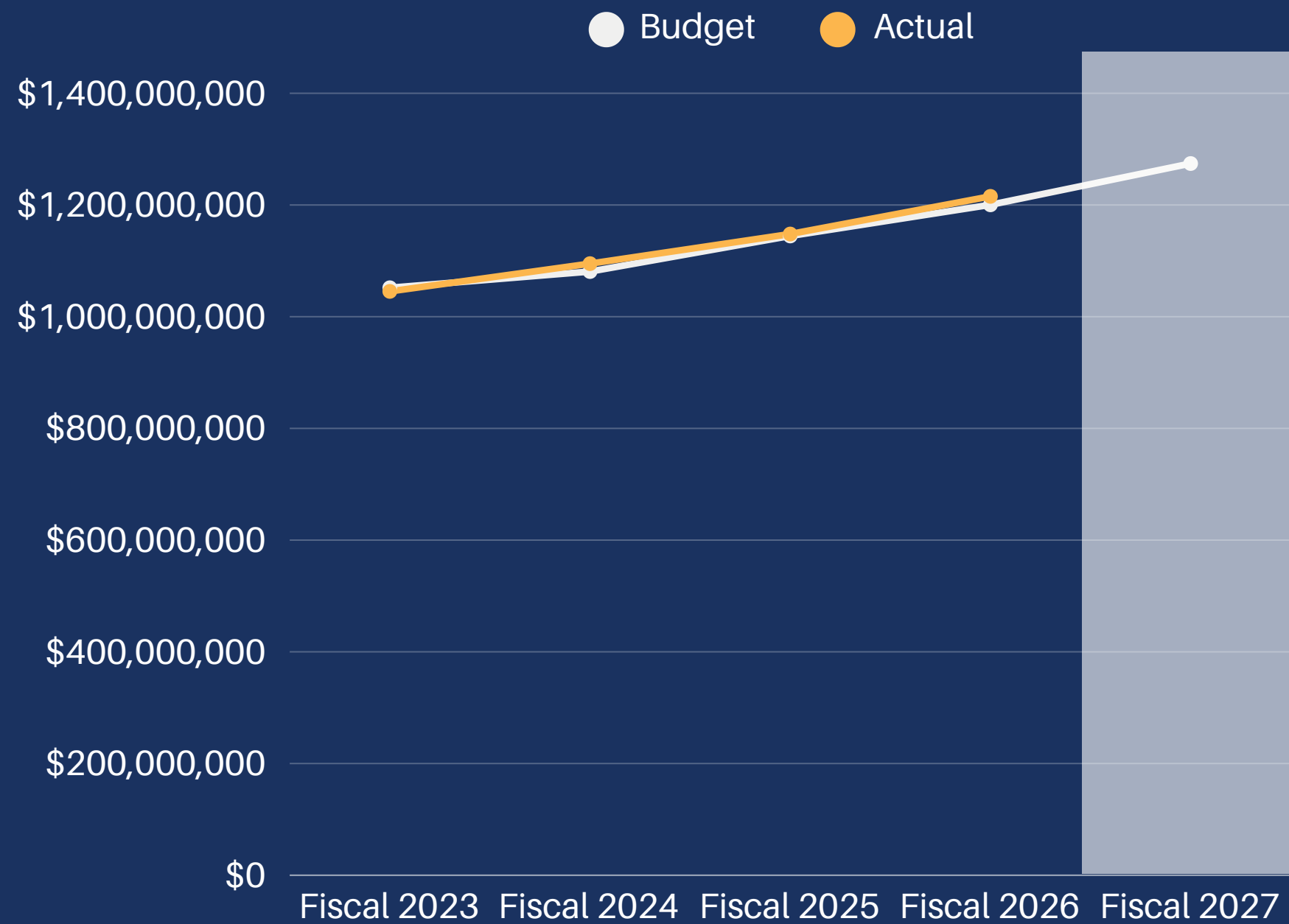
# Where the Money Comes From

Total General Fund Budget= **\$2.8 Billion**

### General Fund Budget by Source



# Property Tax



## Key Stats

Share of Total General Fund	46.1%
\$ Change from Fiscal 2026	+\$73.9 Million
% Change from Fiscal 2026	+6.2%
Rate (Real Property)	Owner-Occupied: \$2.048 All Other: \$2.248

## Summary of Major Changes

- Fiscal 2027 includes reassessments for Group 2 properties.
- Overall triennial assessment growth=10.5%.
  - Residential: 13.4%
  - Commercial: 7.1%
- Real Property tax revenue projected to increase by 6.0% in Fiscal 2027, largely due to large phase-ins from previous year re-assessments.

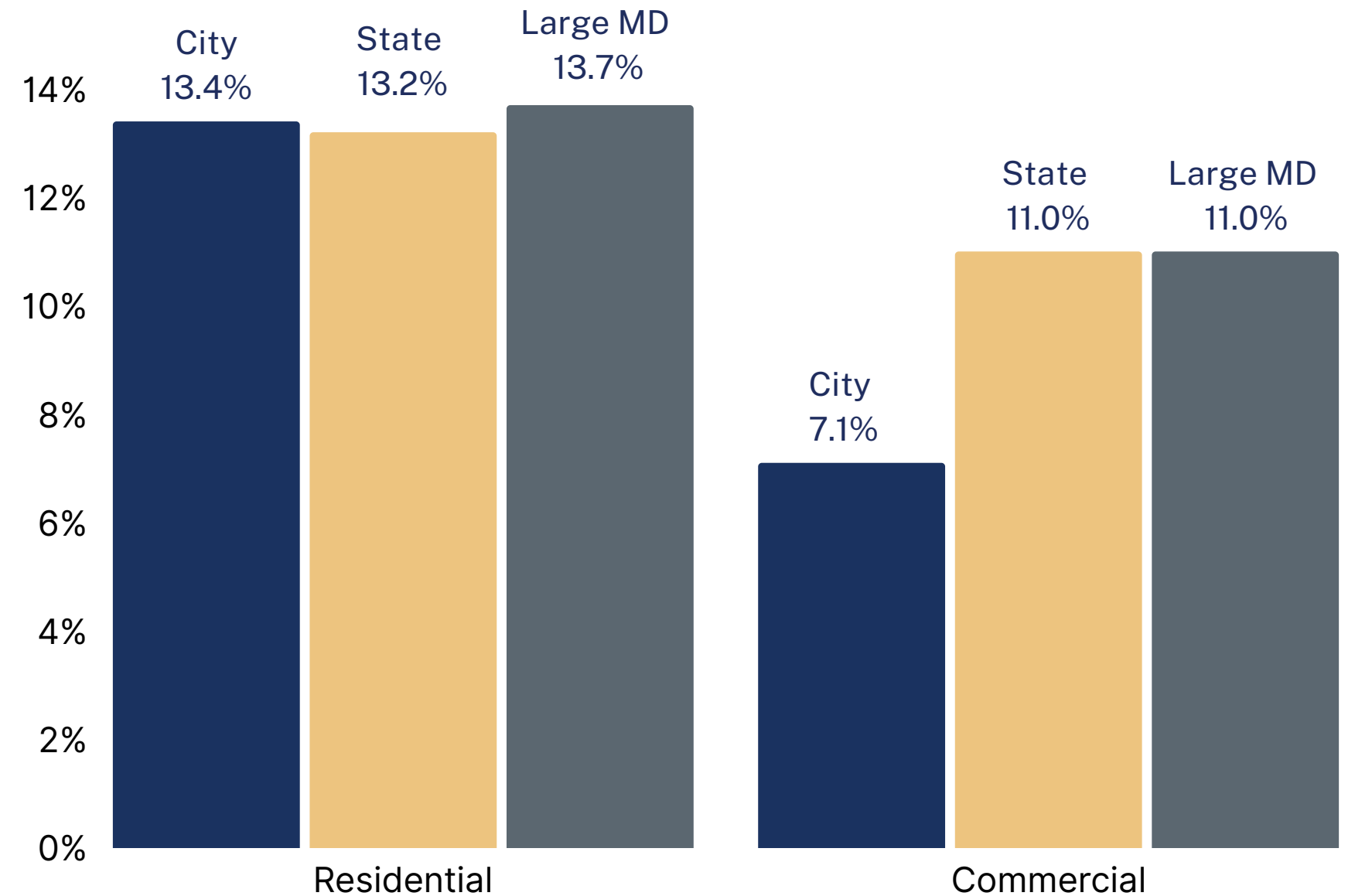


# Triennial Assessment Increases

Fiscal Year	Assessment Group	% Increase
Fiscal 2017	Group 1	10.9%
Fiscal 2018	Group 2	6.2%
Fiscal 2019	Group 3	3.6%
Fiscal 2020	Group 1	8.4%
Fiscal 2021	Group 2	9.1%
Fiscal 2022	Group 3	4.1%
Fiscal 2023	Group 1	6.6%
Fiscal 2024	Group 2	21.6%
Fiscal 2025	Group 3	17.9%
Fiscal 2026	Group 1	17.4%
Fiscal 2027	Group 2	10.5%

- Fiscal 2027 is the 13th consecutive year of assessment increases.
- City residential growth kept pace with State-wide growth and other large Maryland counties.
- City commercial growth of only 7.1%, the fourth lowest in the State.

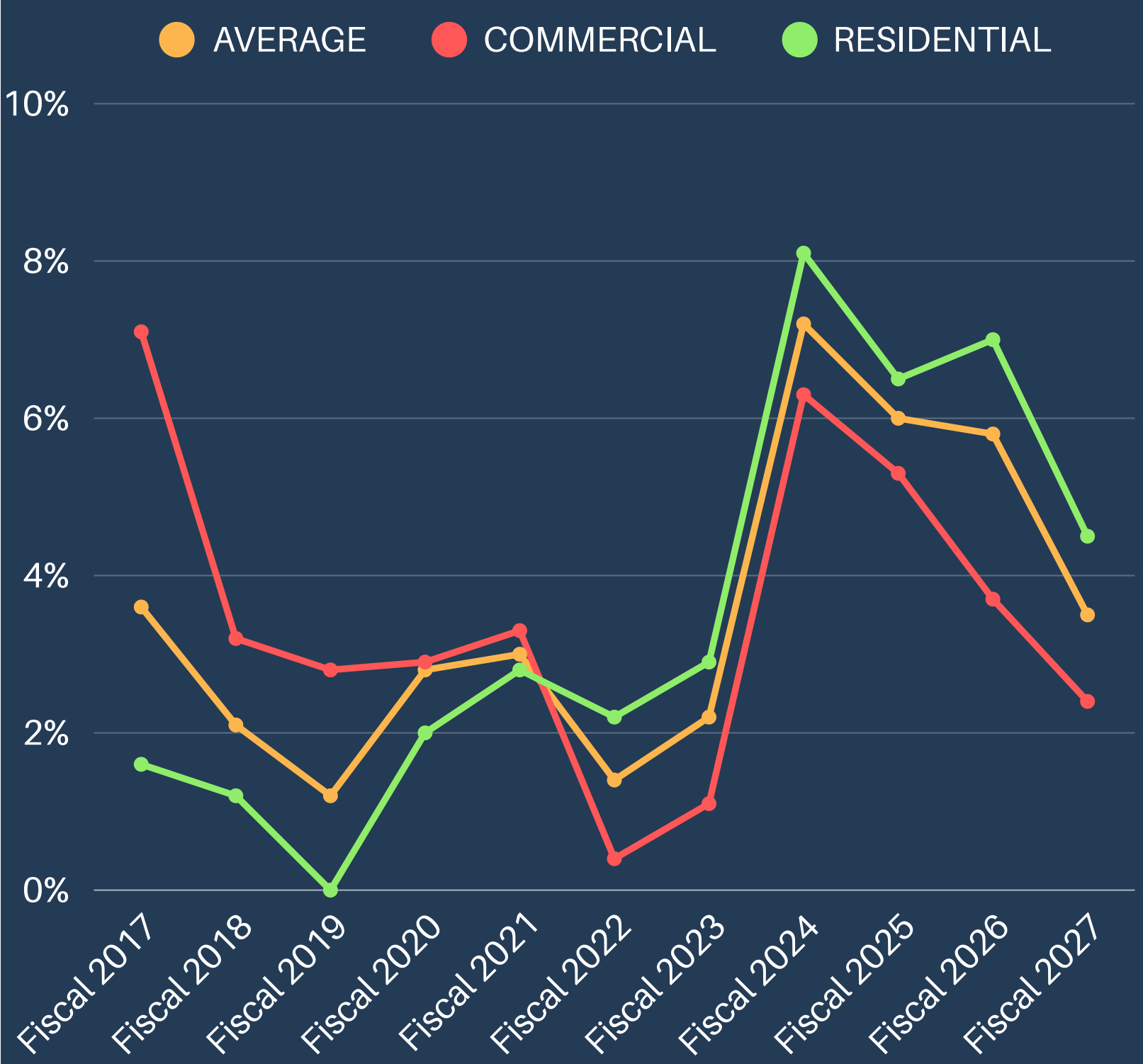
## Statewide Assessment Growth



# Annual Assessment Activity

Fiscal Year	Assessment Group	Commercial	Residential	Combined
Fiscal 2017	Group 1	7.1%	1.6%	3.6%
Fiscal 2018	Group 2	3.2%	1.2%	2.1%
Fiscal 2019	Group 3	2.8%	0.0%	1.2%
Fiscal 2020	Group 1	2.9%	2.0%	2.8%
Fiscal 2021	Group 2	3.3%	2.8%	3.0%
Fiscal 2022	Group 3	0.4%	2.2%	1.4%
Fiscal 2023	Group 1	1.1%	2.9%	2.2%
Fiscal 2024	Group 2	6.3%	8.1%	7.2%
Fiscal 2025	Group 3	5.3%	6.5%	6.0%
Fiscal 2026	Group 1	3.7%	7.0%	5.8%
Fiscal 2027	Group 2	2.4%	4.5%	3.5%

- Commercial assessment activity shifted after COVID.



# Commercial Assessment Activity

Neighborhood	Properties	FY 2020	FY 2026	Change
DOWNTOWN	337	\$1,372.7	\$876.4	(\$496.3)
INNER HARBOR	92	\$731.4	\$368.0	(\$363.4)
DOWNTOWN WEST	22	\$515.0	\$300.4	(\$214.6)
HARBOR EAST	17	\$606.7	\$480.8	(\$125.9)
FELLS POINT	175	\$379.0	\$289.1	(\$89.9)
CANTON IND. AREA	86	\$367.8	\$290.8	(\$77.0)
HARBOR POINT	5	\$311.2	\$255.0	(\$56.2)
BREWERS HILL	36	\$207.4	\$151.7	(\$55.6)
MOUNT VERNON	82	\$156.5	\$108.4	(\$48.1)
OTTERBEIN	11	\$212.2	\$167.4	(\$44.8)
MIDDLE EAST	17	\$77.3	\$36.2	(\$41.1)
CANTON	94	\$107.1	\$72.3	(\$34.8)

- Between Fiscal 2020 and Fiscal 2026, commercial properties in the City have experienced substantial out-of-cycle assessment reductions.
- Out of 14,027 commercial properties, 4,085 or 29.1% lost an average 28.7% during these period.
- A total of 337 properties in the Downtown area experienced a combined decline of \$496.3 M, 92 properties within the Inner Harbor reduced \$363.4M, and in Downtown West 22 totaled \$214.6M assessment reduction over the last six years.
- The table on the left details the neighborhoods with the largest decline in assessments.

# Commercial Assessment Activity

Neighborhood	Properties	FY 2020	FY 2026	Change
<b>INNER HARBOR</b>	100	\$833.5	\$473.0	(\$360.4)
DECREASED	92	\$731.4	\$368.0	(\$363.4)
INCREASED	8	\$102.1	\$105.0	\$2.9
<b>DOWNTOWN WEST</b>	33	\$695.5	\$485.6	(\$209.9)
DECREASED	22	\$515.0	\$300.4	(\$214.6)
INCREASED	11	\$180.5	\$185.2	\$4.7
<b>DOWNTOWN</b>	651	\$1,766.5	\$1,563.8	(\$202.7)
DECREASED	337	\$1,372.7	\$876.4	(\$496.3)
INCREASED	314	\$393.8	\$687.3	\$293.5
<b>OTTERBEIN</b>	16	\$296.5	\$255.5	(\$41.1)
DECREASED	11	\$212.2	\$167.4	(\$44.8)
INCREASED	5	\$84.3	\$88.1	\$3.8

- The four largest net changes experienced by neighborhoods are detailed on the table on the left.
- The table below display the top 10 propreties with declines:

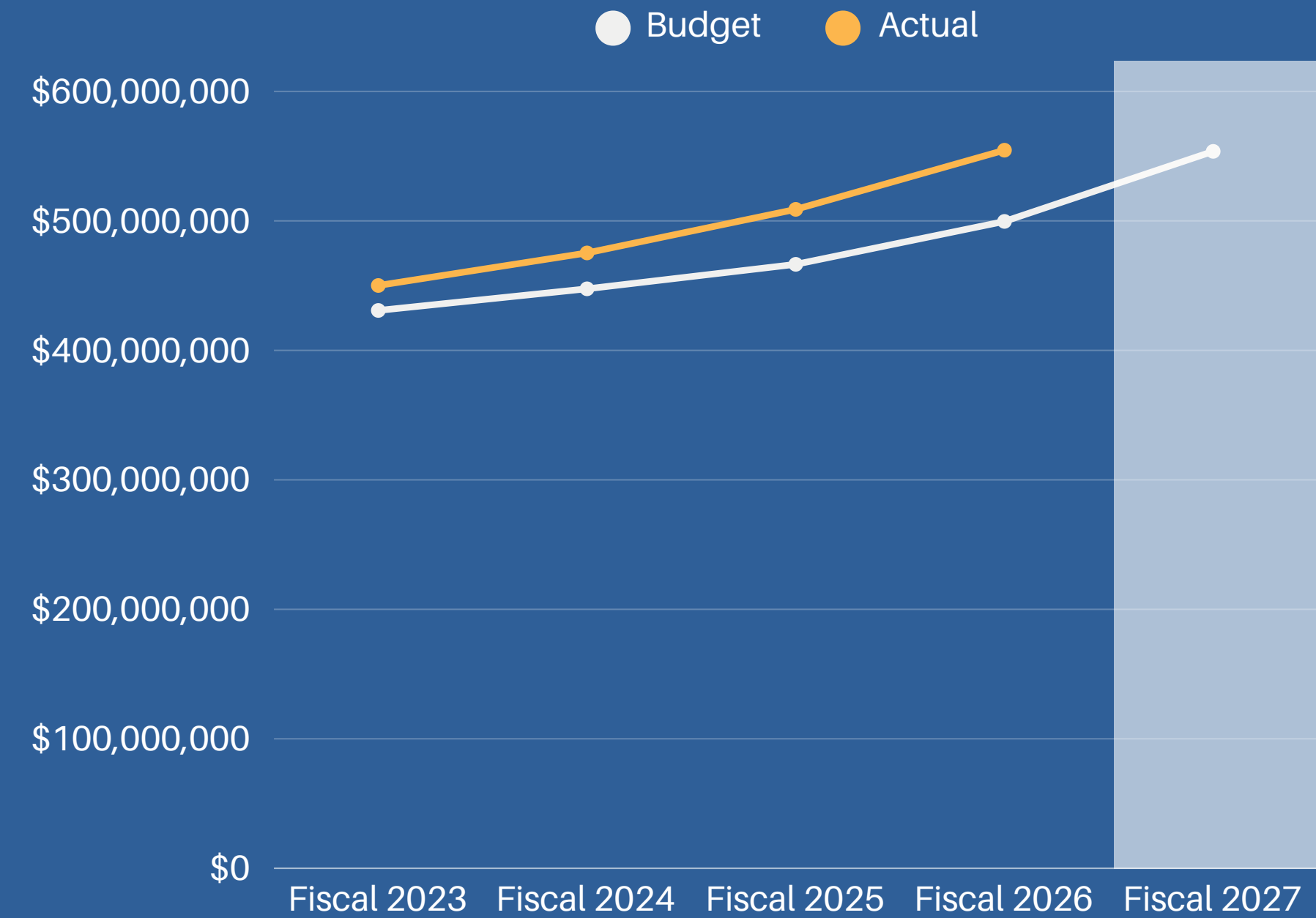
Property	Neighborhood	FY 2020	FY 2026	Change
<b>100 PRATT ST E</b>	INNER HARBOR	\$170.9	\$32.0	-\$138.9
<b>1 LIGHT ST</b>	DOWNTOWN	\$185.0	\$97.7	-\$87.3
<b>110 SOUTH ST</b>	INNER HARBOR	\$99.0	\$51.2	-\$47.8
<b>100 LIGHT ST</b>	DOWNTOWN WEST	\$89.2	\$42.0	-\$47.1
<b>700 ALICEANNA ST</b>	HARBOR EAST	\$143.1	\$100.8	-\$42.3
<b>1000 WILLS ST</b>	HARBOR POINT	\$229.5	\$188.9	-\$40.6
<b>800 WOLFE ST N</b>	MIDDLE EAST	\$63.8	\$25.8	-\$38.0
<b>500 PRATT ST E</b>	INNER HARBOR	\$55.3	\$18.1	-\$37.2
<b>3700 TOONE ST</b>	BREWERS HILL	\$135.5	\$102.0	-\$33.5
<b>1 PRATT ST E</b>	DOWNTOWN WEST	\$57.8	\$26.3	-\$31.5

# Residential Assessment Activity

Neighborhood	Properties	FY 2020	FY 2026	Change
CANTON	6,108	\$1,682.0	\$2,003.3	\$321.2
HAMPDEN	3,075	\$531.4	\$695.0	\$163.6
BELAIR-EDISON	6,081	\$525.7	\$686.4	\$160.6
PATTERSON PARK	2,399	\$395.5	\$527.5	\$131.9
FRANKFORD	3,804	\$468.1	\$569.7	\$101.6
RIVERSIDE	2,949	\$804.9	\$902.3	\$97.3
HOMELAND	1,083	\$480.5	\$577.8	\$97.2
BROOKLYN	2,722	\$155.8	\$251.8	\$96.1
ROLAND PARK	1,523	\$531.5	\$625.8	\$94.2
WASHINGTON VILLAGE/PIGTOWN	2,629	\$308.8	\$402.8	\$94.1
BOLTON HILL	936	\$279.1	\$370.6	\$91.6
OLIVER	1,952	\$64.2	\$149.2	\$85.0

- Unlike commercial properties, between Fiscal 2020 and Fiscal 2026, residential properties in the City have experienced substantial assessment increases.
- Out of 205,369 residential properties in the City, more than 204,000 or 99.5% have experienced increase in value during this period.
- The table on the left details the neighborhoods with the largest increase in assessments.

# Income Tax



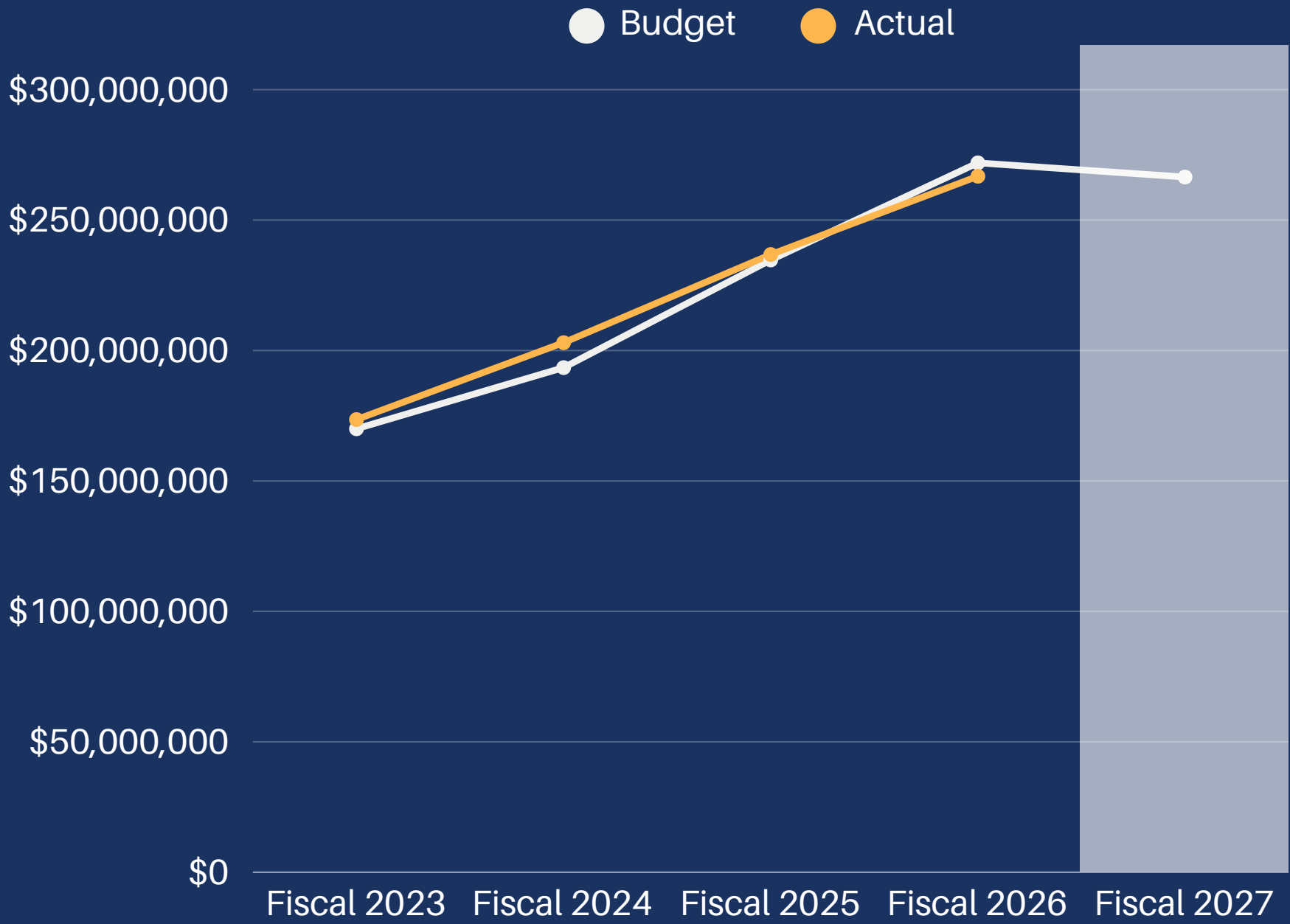
## Key Stats

Share of Total General Fund	19.2%
\$ Change from Fiscal 2026	+\$60.0 Million
% Change from Fiscal 2026	+12.2%
Rate	3.2%

## Summary of Major Changes

- In 2024 (most recent tax year), the City saw an additional 505 tax filers and a 8.9% increase in the average income of City taxpayers.
- Taxpayers earning less than \$30k declined by 4,500, while those earning more than \$60k grew by 6,000.
- The City's unemployment rate has increased from 4.0% to 4.8% as of December 2025, but our labor force grew by 0.6%.

# Highway User Revenue



## Key Stats

Share of Total General Fund	10.4%
\$ Change from Fiscal 2026	-\$5.5 Million
% Change from Fiscal 2026	-2.0%
Rate	12.2% of Statewide Collections

## Summary of Major Changes

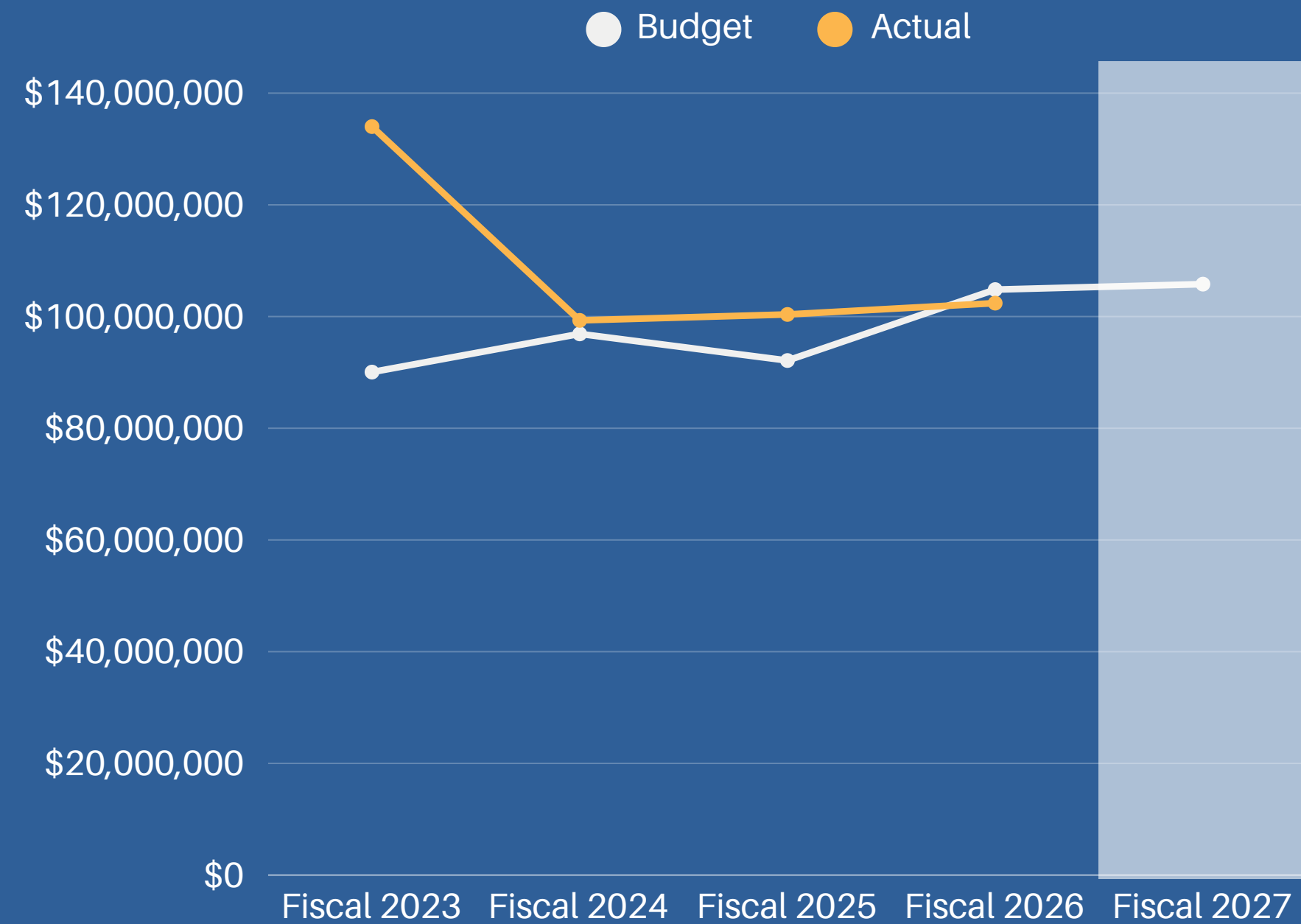
- Fiscal 2027 is the 5<sup>th</sup> and final year of a 5-year boost in the City’s share of State-wide HUR receipts.
- 30% of HUR revenue will be dedicated to DOT Capital; failure to extend formula beyond Fiscal 2027 will result in significant loss of Capital investment.
- Decline in projected receipts explained by a projected decrease in one key component, the Corporate Income tax, by 19.5%.



Brandon M. Scott  
Mayor



# Transfer & Recordation Taxes



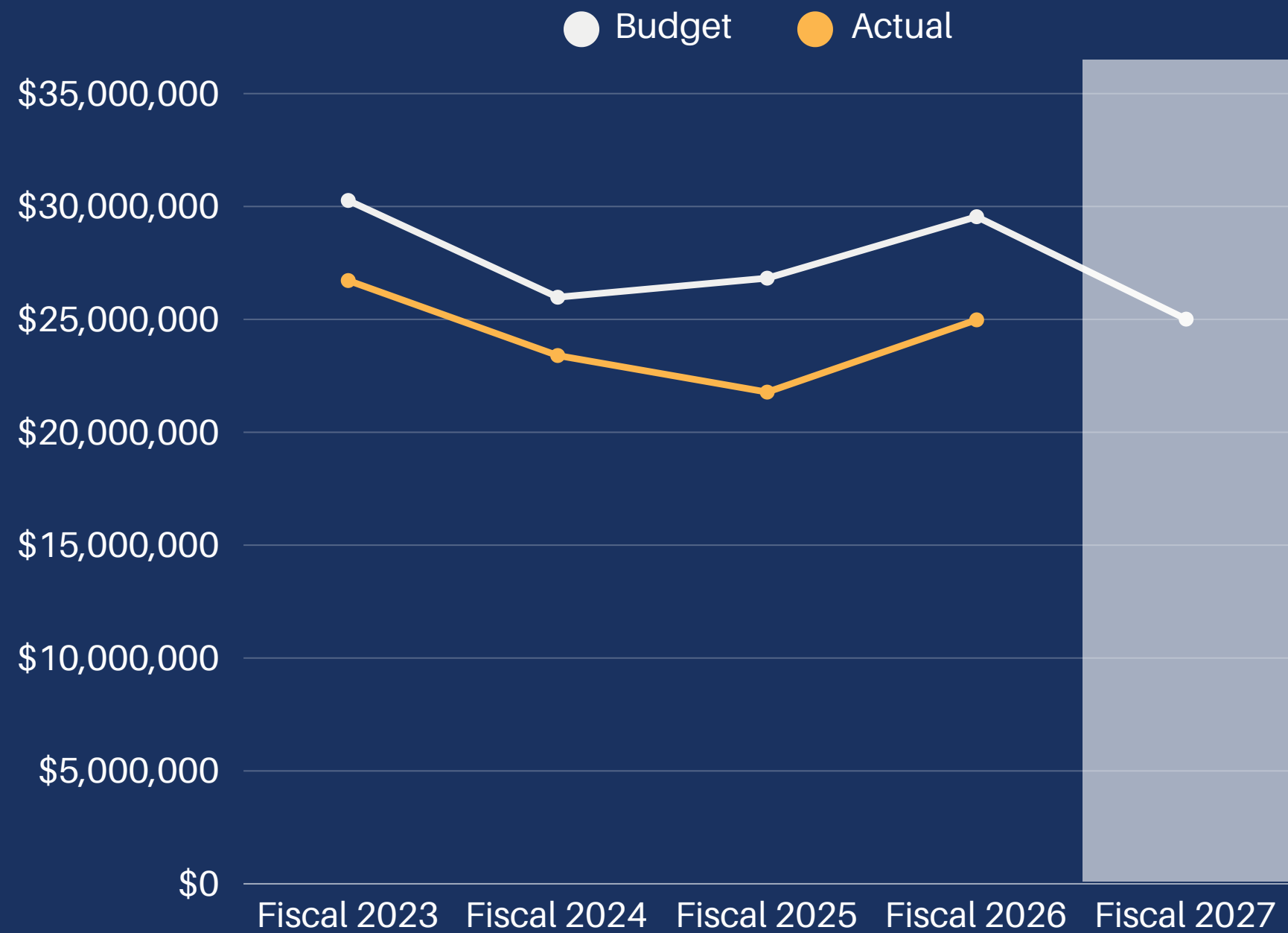
## Key Stats

Share of Total General Fund	4.0%
\$ Change from Fiscal 2026	+\$1.0 Million
% Change from Fiscal 2026	+0.9%
Rate	Based on Consideration Value: Transfer: 1.5% Recordation: 1.0%

## Summary of Major Changes

- High 30-year fixed mortgage rate (6%+) continues to stifle market activity.
- Fiscal 2027 projection reflects fewer transactions but continued growth in average sale prices.
  - Fiscal 2025 Average Home Price: \$261.5k
  - Fiscal 2026 Average Home Price: \$276.8k

# Traffic Cameras



## Key Stats

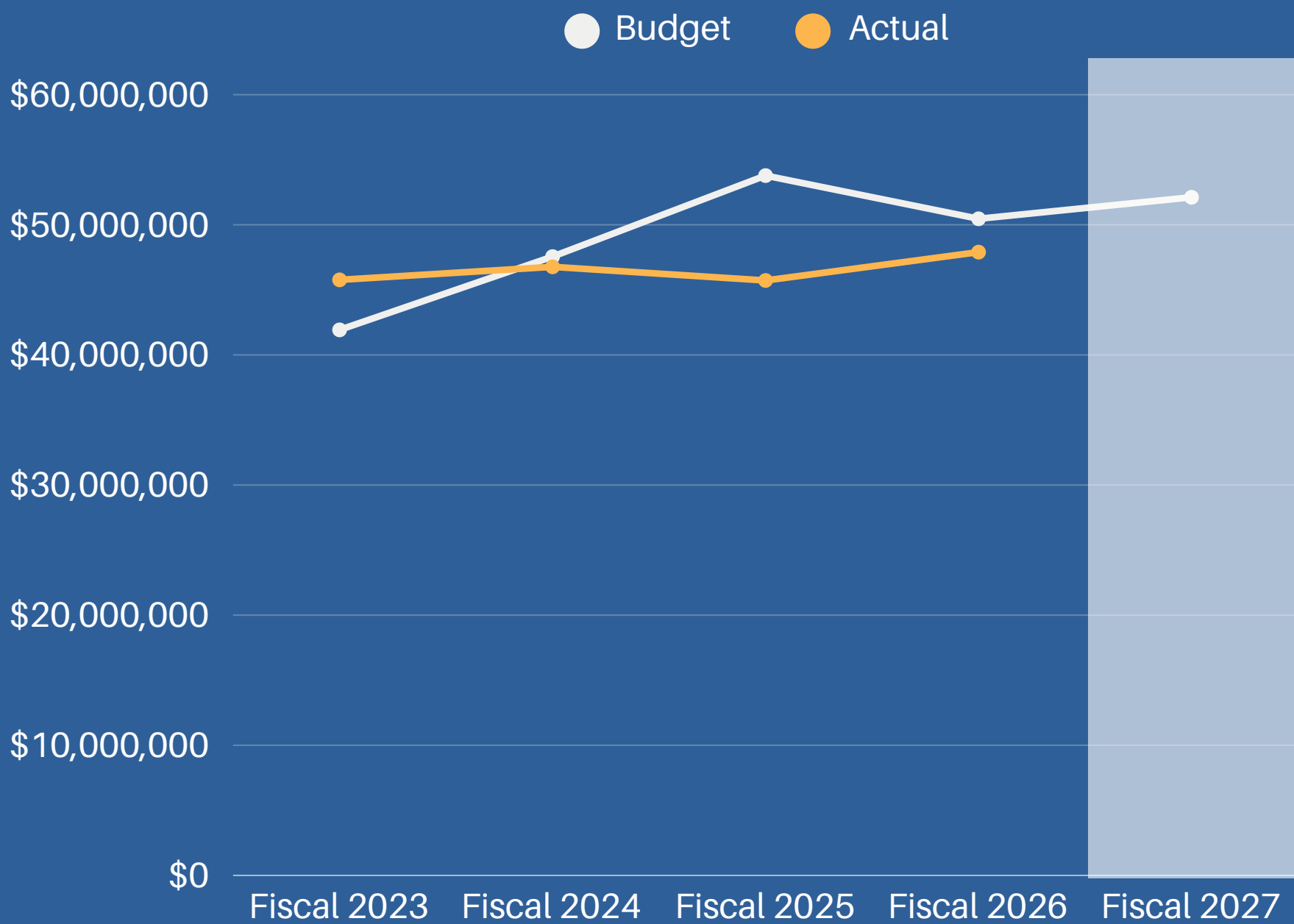
Share of Total General Fund	0.9%
\$ Change from Fiscal 2026	-\$4.5 Million
% Change from Fiscal 2026	-15.4%

## Summary of Major Changes

- This revenue source includes the City's network of redlight and speed cameras (but excludes I-83 cameras).
- Projected decline in speed camera receipts due to:
  - Longer-term reduction in the overall number of speed camera citations issued as drivers acclimate to new locations.
- Red-light citation revenue anticipated to increase by \$0.4 million with the installation of 20 new cameras that were not included in the Fiscal 2026 budget.
- First full year of tiered fines with higher fines for more severe violations, which has already resulted in driver behavior change.



# Parking & Tourism Revenue



## Key Stats

Share of Total General Fund	1.9%
\$ Change from Fiscal 2026	\$1.7 Million
% Change from Fiscal 2026	3.3%

## Summary of Major Changes

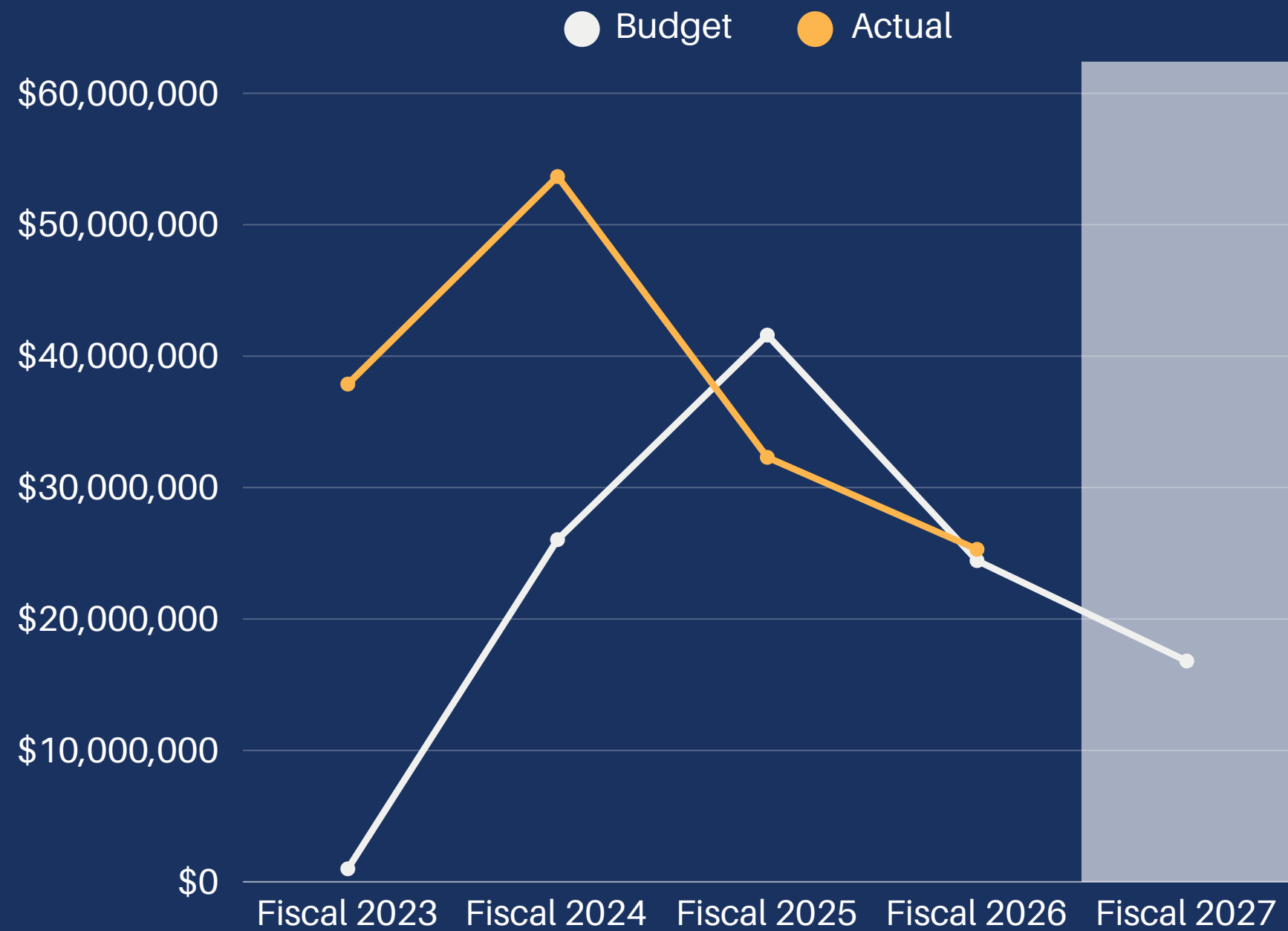
### Hotel Taxes

- The Fiscal 2027 budget reflects a mild recovery from soft Fiscal 2026 trends, in which we are seeing lower demand and flat room rates.
- The budget draws \$4.5 million from the Convention Center Bond Fund for design costs for a new facility.

### Parking

- The Fiscal 2027 budget assumes a modest \$0.3 million increase in parking revenues, largely from an improvement in parking staffing which is leading to more consistent enforcement.

# Investment Earnings



## Key Stats

Share of Total General Fund	0.6%
\$ Change from Fiscal 2026	-\$7.6 Million
% Change from Fiscal 2026	-31.1%

## Summary of Major Changes

- The projection reflects a reduction in cash on hand for investments, due to spend-down of remaining ARPA funds by the federal deadline of December 2026.
- The projection assumes a reduction in short-term interest rates from 3.6% to 2.9%, based on consensus economic forecasts.





# Questions?



Brandon M. Scott  
Mayor

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