



MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Housing Commissioner

Date: May 2, 2023

Re: City Council Bill 23-0368 Real Property Tax Credit for Energy Conservation Devices

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 23-0368 for the purpose of amending the energy conservation devices real property tax credit; and providing for a special effective date.

If enacted, City Council Bill 23-0368 would repeal and re-ordain, with amendments Article 28 of the Baltimore City Tax Code to allow the Director of Finance to offer a credit against the City portion of real property tax on a qualifying dwelling in the lesser of: (1) 50% of the eligible costs up to a maximum of \$5,000; or (2) 50% of the eligible costs up to a maximum of \$1,500 for either a solar energy device or a geothermal energy device installed exclusively to provide hot water for use in the dwelling.

Taxpayers are presently eligible for a variety of real property tax credits designed to allow property owners to limit their tax exposure and take advantage of savings offered by the City. This legislation may provide City homeowners with additional incentive to “go green” and help lower real property taxes by creating a real Property Tax Credit for some energy conservation devices such as a solar or geothermal energy device.

Keeping homeowners in their homes is a key strategy to preserving affordable housing in our city. DHCD’s Office of Homeownership & Neighborhood Preservation, Tax Sale Coordination and Prevention Services Program assists homeowners in lowering property taxes and avoiding tax sale by promoting tax sale clinics and community-based information sessions, assisting homeowners with applications for State Homeowners and Homestead Tax credits and working with community partners to assist homeowners in applying for other public assistance. DHCD’s Tax Sale’s Ombudsmen would promote this tax credit should the Bill be approved.

DHCD supports the intent of City Council Bill 23-0368 but **defers to the Department of Finance** as the directly impacted agency.

AK/sm

cc: Ms. Themelis, Nina, *Mayor’s Office of Government Relations*