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FROM	NAME & TITLE	Robert Cename, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 20-0484 – Midtown Community Benefits District and Management Authority – Renewal Through June 30, 2024		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

April 20, 2020

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 20-0484, Midtown Community Benefits District and Management Authority – Renewal Through June 30, 2024, the purpose of which is to reauthorize the Midtown Community Benefits District and Midtown Management Authority through June 30, 2024.

Background

The Midtown Community Benefits District was established in 1996 and is managed by the Midtown Management Authority and its Board of Directors. The Board of Directors prepares the yearly operating budget and manages funds received from property tax surcharges to provide additional services to the District. This surcharge was approved by the District’s property owners by vote. These services include street cleaning, alley maintenance, public space maintenance, tree planting and safety patrols.

Fiscal Impact

The Midtown Management Authority is funded primarily by a property tax surcharge imposed upon taxable properties within the District. Midtown District has 3,815 total properties, 3,580 of which are taxable and 235 that are not taxable. Each taxable property is subject to a surcharge of \$0.132 per \$100 of assessed value, which is approved annually by the Board of Estimates. In Fiscal 2020, the estimated revenue from this surcharge is \$1.37 million.

Conclusion

The Midtown Community Benefits District represents an agreement between the area’s property owners and the District, in which property owners pay a supplemental tax rate, on top of the of the City’s property tax rate, for additional services. There is no direct cost or revenue impact to the City.

In light of recent events and the economic downturn caused by COVID-19, it is important to note that these additional surcharges add to an already high tax burden on property owners and have the potential to discourage investments. This increased tax burden has the potential to limit the City’s flexibility to increase General Fund revenues in the future.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 20-0484.

cc: Henry Raymond
Matthew Stegman
Nina Themelis