



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Holton

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Informational Hearing - Revenue Enhancement Measures

FOR the purpose of requesting the Director of Finance and the Chief, Bureau of Budget and Management Research to develop a mechanism for periodic review of revenue enhancement measures adopted to address Fiscal Year 2011 budgetary shortfalls to determine the rate of return and performance when compared to traditional revenue streams.

Recitals

The overview of the Fiscal 2011 Preliminary Budget Plan states that “the number that defines Baltimore’s budget challenge for Fiscal 2011 is \$121 million. That is the gap between the cost of maintaining the current level of City services and the amount of revenue the City expects to take in. The \$121 million gap is equivalent to the cost of half of the City’s police force, the entire firefighter force, or the combined Health, Housing, Recreation and Parks, and Library budgets.”

The Mayor’s Press release of March 24, 2010 warned that “without additional revenue, the City faces the prospect of closing seven fire companies, laying off sworn police officers, grounding police helicopters, shuttering dozens of recreation centers and swimming pools, slashing street repair and resurfacing, and abolishing 941 positions, 606 of them currently filled according to the Preliminary Budget Plan.”

Challenged with an unprecedented \$121 million deficit, the prospect of laying off a demoralizing number of City employees, and a cutback, or canceling, of many services to the citizens of Baltimore, the City Council and Administration labored collaboratively to adopt a number of revenue enhancement measures projected by budget analysts to generate approximately \$48.08 million in addition revenues:

Ordinance/Bill Number (In Millions)	Description	Additional Revenue	
Ord. 10-0294 (CC 468)	Income Tax Increased from 3.05% to 3.20%.	\$5.91	Ord. 10-0299 (CC 467)
Hotel Tax Rate Increased	from 7.5% to 9.5%.	\$3.14	Ord. 10-0300 (CC 470)
for all except non-profits. Non-profits are charged 8% of bill, up from 6%.		\$6.98	Ord. 10-0301 (CC 471)

Parking Tax Increased from 16% to 20% of parking charge. \$5.08 Ord. 10-0302 (CC 472) Increased parking fines by various amounts. \$3.17 Ord. 10-0303 (CC 473) Telecommunications Tax increased per line charge from \$3.50 to \$4.00 per month. \$3.74

Ord 10-0337 (CC 290) Simulated Slot Machines Tax eliminated admissions and amusement tax and levied a sliding scale excise tax. \$1.91 Ord. 10-0339 (CC 469) Property Tax Discount Savings period reduced to 0.5% in July only. \$2.50 Ord 10-0340 (CC 489) Civil Citation Fines Increased by various amounts. \$0.17 Ord. 10-0342 (CC 516) Residential Vacant Property structure fee increased by \$100 and Commercial vacant structures by \$250. \$1.28 Ord. 10-0343 (CC 474) Beverage Container Tax of \$.02 on all beverage containers under 2 liters, excluding milk and juice. \$5.70 Board of Estimates Payment in Lieu of Property tax made by universities and hospitals. \$5.40 Board of Estimates Parking Meters Increased \$1.00 to \$2.00 in high usage areas. \$3.10 Total \$48.08

Periodic review of these revenue enhancement measures is essential to determine if they are meeting, exceeding, or falling short of revenue generating expectations. The reviews will provide guidance as to effective budgetary intervention practices for future years when the City faces extraordinary fiscal shortfalls.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Director of Finance and the Chief, Bureau of Budget and Management Research are requested to develop a mechanism for periodic review of revenue enhancement measures adopted to address Fiscal Year 2011 budgetary shortfalls to determine the rate of return and performance when compared to traditional revenue streams..

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Director of Finance, the Chief, Bureau of Budget and Management Research, and the Mayor's Legislative Liaison to the City Council.

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