



Legislation Text

File #: 23-0414, Version: 0

Explanation: Capitals indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* **Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*

City of Baltimore Council Bill

Introduced by: Councilmembers Bullock

A Resolution Entitled

A Resolution of the Mayor and City Council concerning **Property Tax Credit Reform - Work Group**

For the purpose of forming an inter-departmental work group, including broad representation from stakeholders outside Baltimore City government, to study and make recommendations for reforms to the City's property tax credit system.

Recitals

Baltimore City currently offers a myriad of property tax credits to encourage real estate development of all kinds within the City's geographic boundaries. Over time, it is unclear that the available property tax credits are the most efficient way to use City resources to encourage equitable, quality development. The Department of Finance, Bureau of the Budget and Management Research ("BBMR") conducted its own study of the City's tax credits which it published in August 2022. BBMR found that from Fiscal Year 2010 to Fiscal Year 2021, the cost of the City's development tax credit programs grew rapidly from \$13.6 million to \$62.6 million. On a percentage basis, the tax credits grew from only 1.7% of gross property tax revenue to 6.8%. The key driver was the growing cost of the Brownfield, High Performance, and Enterprise Zone Tax Credits. That report concluded that even modest reforms to the City's tax credits would yield savings for the City's budget which could be leveraged for residential property owners and generally for City residents.

Section 1. Be it resolved by the Mayor and City Council of Baltimore, That there will be formed an inter-departmental workgroup staffed by the City Council President's Office. The Chair of the Finance and Performance Committee shall serve as the chair of this workgroup and the vice-chair shall be the Chair of the Ways and Means Committee. The workgroup shall solicit input from stakeholders outside of Baltimore City government as well. The workgroup will produce its own recommended policy changes for each of the existing tax credits available for property development in Baltimore City.

Section 2. And be it further ordained, That the inter-departmental representation shall include but not be limited to representatives from the Office of Equity and Civil Rights, the Department of Finance, the Department of Planning, the Baltimore Development Corporation, and the City Administrator's Office.

Section 3. And be it further ordained, That the chair of the workgroup shall present regular updates to

the City Council as to their progress.

Section 4. And be it further ordained, That this resolution takes effect on the 30th day after the date it is enacted.