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**HB 1320**

March 9, 2021

**TO:** Members of the House Ways and Means Committee

**FROM:** Natasha Mehu, Director of Government Relations

**RE:** House Bill 1320 – Baltimore City - Property Taxes - Authority to Set Special Rates

**POSITION: SUPPORT**

Chair Kaiser, Vice Chair Washington, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1320.

HB 1320 provides the City of Baltimore with the authority to set special property tax rates. Generally, there is one real property tax rate across a jurisdiction with certain exceptions. This bill would allow for the City to set separate tax rates for any class or subclass of real property that is subject to the City's property tax.

Baltimore City has the highest property rate in the state at \$2.248 per \$100 of assessed value. The high tax rate can create some challenges for the residents and businesses in the City or those exploring a move to the City. This bill provides the City with a tool in the toolbox which can be used to more equitably spread the load of property taxes, overcome barriers to homeownership, and entice new residents and business to come to the City.

Importantly, by just setting the general framework the bill allows the City to determine whether to institute the new categorical property tax rates and the specifics of how such tax rates would be applied if the City chooses to do so. Under this framework the City can work to target and balance any new property tax rates to ensure such changes are advantageous to the City and our residents, businesses, and other entities and to safeguard against any detrimental impacts or inequities.

For these reasons, the BCA respectfully request a **favorable** report on House Bill 1320.