



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 230

January 19, 2021

TO: Members of the Senate Finance Committee

FROM: Natasha Mehu, Director of Government Relations

RE: SENATE BILL 230 – Maryland Port Administration – Land Acquisition and Payment to Counties

POSITION: OPPOSE

Chair Kelley, Vice Chair Feldman, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **opposes** Senate Bill (SB) 230.

SB 230, if enacted, would impact the current relationship between the Maryland Department of Transportation (MDOT) Maryland Port Administration (MPA) and local governments—practically speaking, Anne Arundel County, Baltimore County and the City of Baltimore—in two distinct ways. First, the bill reduces the time by when Baltimore City may formally object via action at the Board of Estimates (BOE) to MDOT MPA’s acquisition of privately held property from 90 days to 30 days. Second, the bill would limit the term of any payment in lieu of taxes (PILOT) agreements between the City and MDOT MPA on such acquired property to three (3) years.

The first provision of SB 230—the length of time alteration—presents a logistical governmental challenge to the City. Thirty days may seem like a reasonable amount of time in concept, but logistics for gathering meeting materials, coordinating between offices, and recesses between meetings raise concern from the BCA for instances where MDOT MPA would provide notice to the City and the BOE would not be able to consider the request within the 30-day window. That would effectively result in the City waiving its only opportunity to object to taking what is almost certainly going to be industrially zoned private property off the tax roll—potentially forever.

The BCA understands the economic value and prestige that the Port of Baltimore (Port) and MDOT MPA brings to the State as a whole and the region more specifically. Each year MDOT MPA provides an update to the Members of the General Assembly and MDOT MPA deserves accolades for its continual success. Yet as it relates to the specific

*Annapolis – phone: 410.269.0207 • fax: 410.269.6785
Baltimore – phone: 410.396.3497 • fax: 410.396.5136
<https://mogr.baltimorecity.gov/>*

matter of real property, the Port's success comes at a very real cost to the revenues collectible by the City. A brief survey of the State Department of Assessments and Taxation will show that there are tens to hundreds of millions of property taxes exempt from collection by local governments.

Accordingly, when MDOT MPA identifies a privately owned property that it wishes to acquire **and** the City of Baltimore does not object to the acquisition, the BCA sees no reason why its legal ability to negotiate a PILOT with MDOT MPA needs to be pre-empted by State law and limited to a three year term. Putting this limitation on the length of a PILOT agreement significantly strains the City's ability to collect revenues it needs to provide services to all residents of Baltimore City—including the Port of Baltimore.

In closing, the Port of Baltimore is a tremendous asset to the State of Maryland and the City of Baltimore, Baltimore County, and Anne Arundel County. We are fortunate that its natural location, the improvements and investments of State and local governments and private industry have put into it, and by the tremendous management in recent years of MDOT MPA, which have all impacted its continuing economic success. It is certainly one of, if not the single most valuable parcels of land in our State. However, given the reasons stated above, the BCA believes this bill, as introduced, would negatively impacts the BCA's local authority in a way that could have significant negative consequences to our land use powers and ability to balance our budget.

The BCA respectfully requests an **unfavorable** report on Senate Bill 230.