



Testimony in Support of HB 1320 March 9, 2021

Dear Members of the House Ways And Means Committee:

My name is Joshua Vincent, Executive Director of The Center for the Study of Economics, and I am asking you to approve HB 1320 sponsored by Delegate Boyce. We are a 501 c (3) educational research foundation. We've been working with Baltimore City and the Baltimore delegation for some years to provide one more instrument to the toolbox that supports Baltimore City's needs.

Since 1992, members of the Baltimore delegation and resolutions sent by the Baltimore City Council have requested that the state permit the implementation of different tax rates for different types of real property. This local option has been available to towns and municipalities since 1916. We ask that this right be extended to Baltimore City. Many studies and policymakers over the years have urged this. Now, in the time of pandemic and continued economic dysfunction, it is the right time to be flexible in tax policy.

HB 1320 provides additional language to Section 6–302 13 Annotated Code of Maryland.”

(C) IF NOT OTHERWISE PROHIBITED UNDER THIS ARTICLE, THE MAYOR AND 24 CITY COUNCIL OF BALTIMORE CITY MAY SET SPECIAL RATES FOR ANY CLASS OR 25 SUBCLASS OF REAL PROPERTY THAT IS SUBJECT TO THE COUNTY PROPERTY TAX.

Afflicted for decades by land vacancy and property blight Baltimore City should combat this situation by using tax policy to rebuild and renovate properties. That can benefit small investors and sweat equity builders on a micro-scale. Evidence is clear that big-ticket subsidies don't get to the heart of the matter: high inventories of vacant land and high rates of real property taxes discourage entrepreneurship, initiative, and investment in the neighborhoods that need it. It prevents neighbors who have kept the faith for many years from giving up.

There is no one silver bullet to help Baltimore back on its feet. But with HB 1320, the perverse disincentive to invest in a small business or home and the backward incentive to hold vacant or blighted land becomes possible without added tax burdens or tax subsidies.

Thank you for your action,

Joshua Vincent

Joshua R Vincent, Executive Director