

Plan for Revitalizing Baltimore City: Testimony in Support of HB 1320 and in Support of a Land Value Tax Shift for Baltimore City

Dear Delegates:

I know how much you care about Baltimore's becoming a self-reliant, prosperous city, so I'm here to speak with you about this very purpose. This is why I'm here to ask your support of House Bill 1320. This bill is intended to give the Baltimore City Council the authority to set property taxes in the city. Having this authority would enable the City Council to shift from taxing buildings and other owner-created improvements to a land value tax (LVT).

The needs for revenue for infrastructure in Baltimore don't go away. Most of the tax plans that come forward are not readily welcomed because they literally mean taking money out of people's pockets—money that is earned through jobs, professions, etc. When the City taxes only the value of the land, property owners will no longer have the sense that keeping up their property will result in a punishment in the form of building taxation. The reduction/elimination of taxes such as bottle taxes and other taxes on commerce will encourage commerce so that the economically less privileged sector of the city can have local entrepreneurs with fewer expenses for the establishment of their businesses, helping to make their communities viable and thriving from the inside out.

This approach has been used in many municipalities in the United States with success. There is a period of adjustment in most cases as the goal is to transition taxation only to land value. Buildings would not be taxed anymore; other taxes can be reduced and eventually eliminated, leaving only a tax on the value of the land.

LVT is easy to monitor, as it relies on land assessments. It can have the combined effect of a reliable source of income the city government needs to maintain its services and infrastructure and there is also predictability for those who would be paying such a tax. A place like Baltimore needs to unleash the dynamic ability of its citizens. The LVT can be a catalyst in this dynamic.

The first step in this process is to enact legislation (HB 1320) giving the City of Baltimore taxing authority. For this, we need your help. The City Council of Baltimore in the past tried to do this very thing when it passed a resolution in 1992 requesting the ability to set tax policy and shift to the LVT. This has been a long time coming. The needs have not changed; in fact, they have become greater.

Thank you for this opportunity.

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Attached: Copy of HB 1320  
Copy of the 1992 Resolution of the Baltimore City Council