



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS & MEANS COMMITTEE

**HOUSE BILL 1042 - BALTIMORE CITY – PROPERTY TAX CREDIT – NEWLY
CONSTRUCTED AND SUBSTANTIALLY REHABILITATED DWELLINGS**

Sponsor – Delegate Rosenberg

February 23, 2021

**DONALD C. FRY
PRESIDENT & CEO**

GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports House Bill 1042 which would enable Baltimore City to grant a property tax credit on the property tax for a newly constructed or substantially renovated dwelling that is owned by a homeowner and has been reassessed at a higher value than its previous assessments. The tax credit would be in effect for a period of 10 years following that higher reassessed value.

House Bill 1042 would serve as an incentive for new or existing homeowners to construct or renovate, while phasing in the corresponding tax increase that results from increased assessable value.

A recent citywide analysis conducted by Live Baltimore found that up to 7,100 new or renovated homes could be occupied annually in Baltimore. Filling this number of additional housing units would be a positive step to grow the population, generate new economic activity, and expand Baltimore's tax base.

A second study prepared by Econsult Solution Inc. for the Baltimore Development Corporation found that adding 26,500 households to Baltimore over five years would generate an annual economic impact of \$1.97 billion in the City, supporting 10,900 jobs and generating \$128 million in new city tax revenue. The authors recommended that the city create incentives to stimulate residential growth and provide resources to help existing homeowners as a way to stabilize neighborhoods and foster more residential growth.

The GBC contends that House Bill 1042 is an effective way to stimulate residential growth across Baltimore, ensuring that all residents benefit. Tools such as this are vital to the expansion of the tax base in Baltimore.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 1042.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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