



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

**HOUSE BILL 1398 – PROPERTY TAXES –
BALTIMORE CITY RESIDENTIAL RETENTION CREDIT - TERMINATION OF SUNSET
Sponsor - Delegate Attar, et al.**

March 30, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports House Bill 1398, which removes the existing sunset from the Baltimore City Residential Retention Tax Credit. In 2014, in an effort to encourage Baltimore homeowners to stay in the city when purchasing a new home, the Maryland General Assembly enacted legislation that requires Baltimore City to provide a property tax credit for homeowners who move into another dwelling in Baltimore City and who had previously received the Homestead Property Tax Credit for a home in the city for the preceding five years. An additional credit amount is allowed if the new dwelling is located in specified low-income areas. The bill took effect June 1, 2014, and terminates June 30, 2024.

According to 2020 census figures, Baltimore City’s population fell to 585,708, down from 620,961 in 2010, a loss of roughly 35,000 residents or 5.7%. This continued a decades-long trend of residents leaving the city without enough new residents moving into the city to compensate for the loss. Population loss has negative impacts for city government, residents, and businesses, as census numbers influence funding for a number of federal programs, including Medicaid, preschool programs, law enforcement, and public housing. In addition, population loss often results in vacant homes and blight, which brings about a significant loss of property tax revenues.

The GBC, in an August 26, 2021 Daily Record commentary, called this an “all hands on deck” moment for Baltimore, calling for a concrete, adequately funded, long-term sustainable approach to stem the population slide. The Baltimore City Residential Retention Tax Credit is a key component of any sustainable approach, as it targets homebuyers who have already purchased a home in Baltimore City.

Certainly, much more needs to be done. But removing the sunset on this program will ensure that future Baltimore City residents hoping to buy a new home have an additional incentive to stay in Baltimore City.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 1398.

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 67-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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