



Testimony in Support of HB310 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 HB310 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 to extend that right to Baltimore City, which is considered a county legally but should be treated more like a municipality, with the flexibility that implies. Many studies and policymakers over the years have urged this. Now, in the pandemic and continued economic dysfunction, it is the right time to be flexible in tax policy.

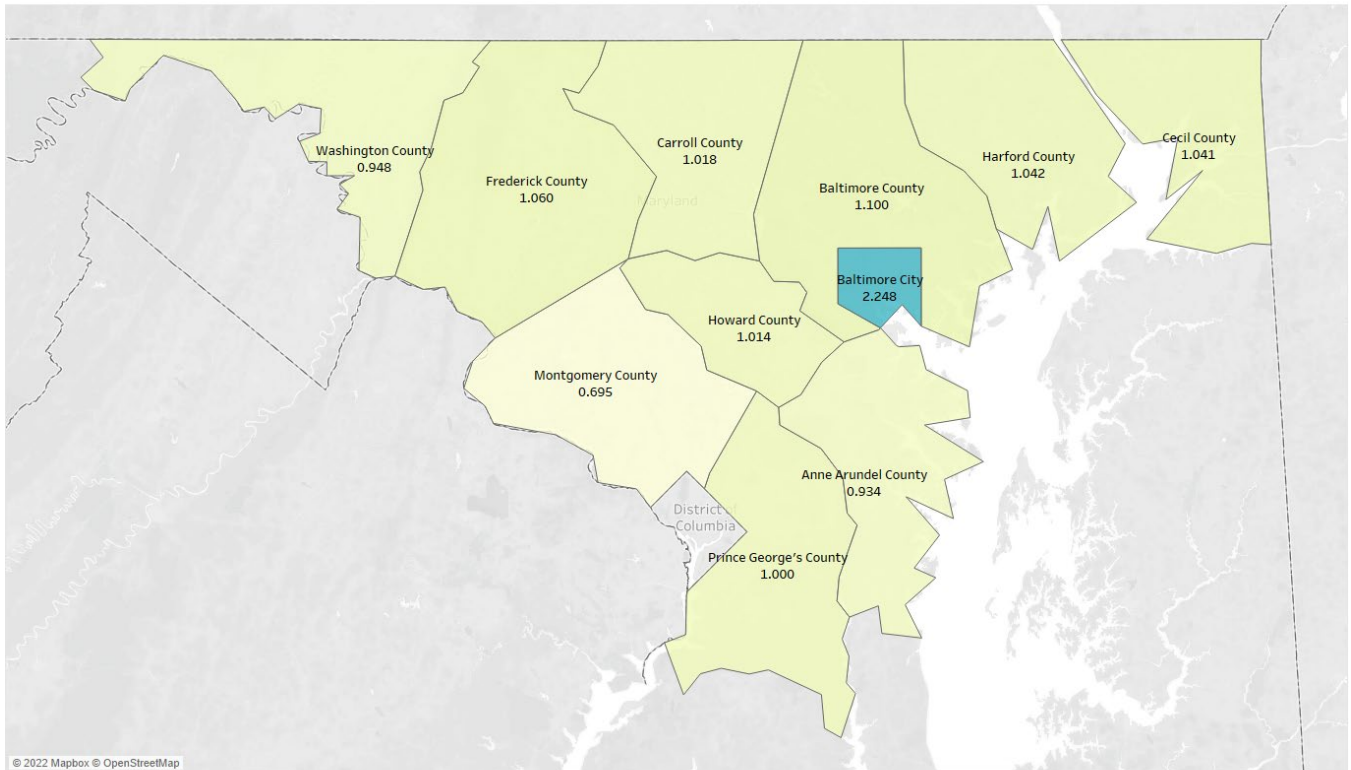
HB310 provides additional language to Section 6–302 13 Annotated Code of Maryland."

(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 SUBCLASS OF REAL PROPERTY THAT IS SUBJECT TO THE COUNTY PROPERTY TAX.

Afflicted for decades by land vacancy, disinvestment, and blight, Baltimore City can combat this situation by using tax policy to rebuild and renovate properties and neighborhoods by leveraging the power of local economies and markets. HB310 can benefit small investors and sweat equity builders on a micro-scale. But unfortunately, evidence is clear that big-ticket subsidies don't get to the heart of the matter: high inventories of vacant land and high property taxes discourage entrepreneurship, initiative, and investment in the neighborhoods that need it. Moreover, it prevents neighbors who have kept the faith for many years from giving up.

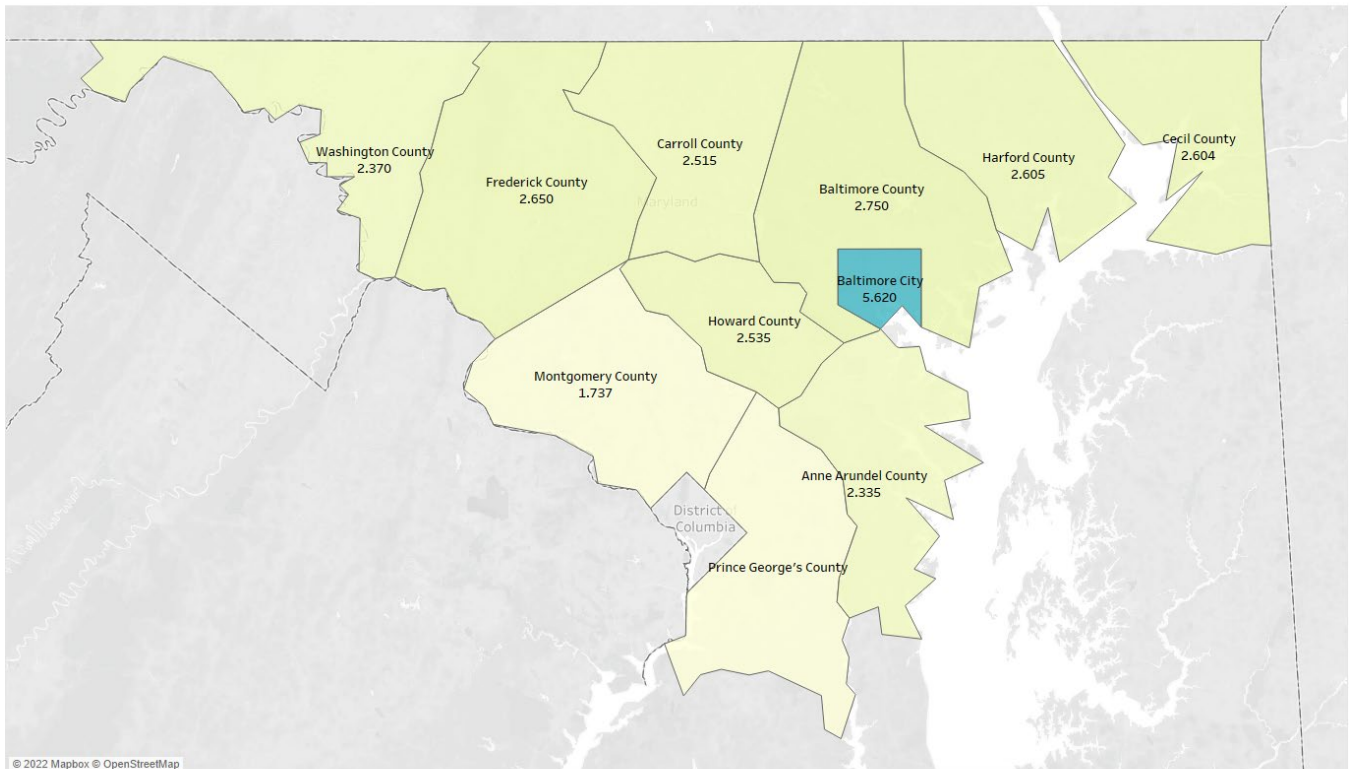
Every day, Baltimore wakes to a grim reality that the city and its citizens are not competitive with its neighbors with all the programs and Band-Aids. The attached graphics demonstrate how far Baltimore city has to go before reaching anything resembling tax parity.

Maryland Counties Real Property Tax



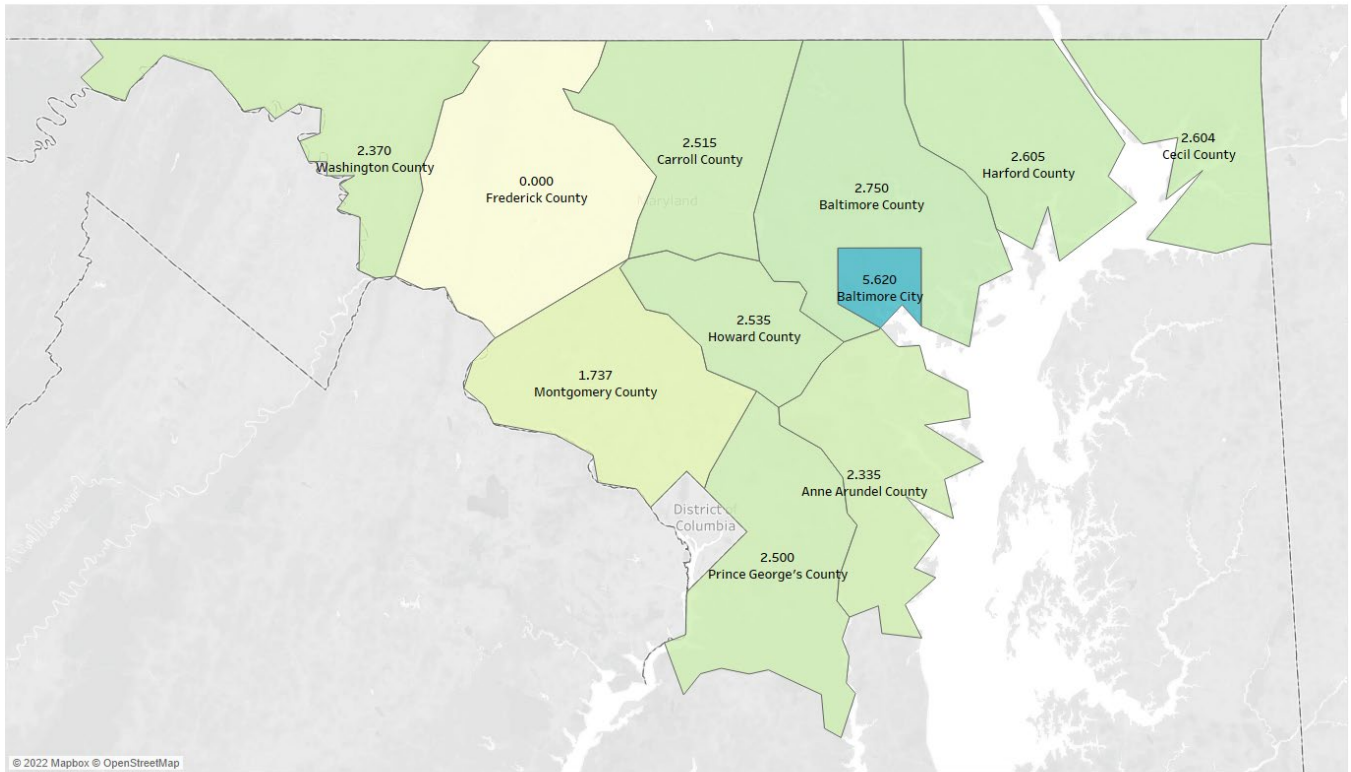
Map based on Longitude (generated) and Latitude (generated). Color shows sum of Real Property. The marks are labeled by Town and sum of Real Property. Details are shown for State. The view is filtered on Latitude (generated), Longitude (generated) and Town. The Latitude (generated) filter keeps non-Null values only. The Longitude (generated) filter keeps non-Null values only. The Town filter keeps 11 members.

Maryland Counties Utilities Tax



Map based on Longitude (generated) and Latitude (generated). Color shows sum of Utility Property. The marks are labeled by Town and sum of Utility Property. Details are shown for State. The view is filtered on Latitude (generated), Longitude (generated) and Town. The Latitude (generated) filter keeps non-Null values only. The Longitude (generated) filter keeps non-Null values only. The Town filter keeps 11 members.

Maryland Counties Personal Property



Map based on Longitude (generated) and Latitude (generated). Color shows sum of Personal Property. The marks are labeled by sum of Personal Property and Town. Details are shown for State. The view is filtered on Latitude (generated), Longitude (generated) and Town. The Latitude (generated) filter keeps non-Null values only. The Longitude (generated) filter keeps non-Null values only. The Town filter keeps 11 members.

There is no one strategy to get Baltimore back on its feet. However, the passage of HB310 removes perverse structural disincentives to invest in small businesses or homes. In addition, Baltimore City can remedy the backward incentives to hold vacant or blighted land for private profit. Thank you for supporting the passage of HB310

Thank you for your action,

Joshua Vincent

Joshua R Vincent, Executive Director