Council 3 AFSCME MARYLAND

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Patrick Moran – President

HB 1232/SB 756 – Baltimore City Economic Development Project in Downtown RISE District – Payment in Lieu of Taxes

Ways and Means Committee
Budget and Taxation Committee

March 3, 2026

Position: UNFAVORABLE

AFSCME Maryland Council 3 represents 55,000 public servants across varying levels of government, including in the City of Baltimore and Baltimore City Public Schools. As introduced, this legislation would exempt an economic development project located in the Baltimore City Downtown RISE District from paying Baltimore City real property tax under certain circumstances, authorizing instead a payment in lieu of taxes (PILOT) agreement.

We support economic development downtown, as well as across Baltimore City and want to see thriving neighborhoods from Curtis Bay to Hamilton and everywhere in between.

As written, we have several concerns with this legislation:

1. Property taxes fund city services. These economic development projects, while they may be exempt from paying the full amount city property taxes, still rely on city services. This shifts the burden of paying for those services onto other Baltimore City residents. The ten-year assessment requirement should be significantly reduced, with yearly optional renewals to ensure taxpayers get the best deal and aren't locked into extended upside-down agreements where profitable enterprises take more out-city services than they are paying for them.

2. There are no labor standards in this legislation. Public tax dollars used to incentivize economic development should come with the premise that they will support good union jobs.

For these reasons we urge an unfavorable report. Thank you.