



FREQUENTLY ASKED QUESTIONS

How do Baltimore City's high property taxes negatively affect our city and its residents?

Baltimore City's property tax system isn't fair for all. For decades, Baltimore City has been burdened by a property tax rate that far exceeds those of surrounding counties. Currently, our property tax rate is 2.248%, more than double Baltimore County's rate of 1.100%. This exorbitant property tax rate makes it difficult for people to live in our city and for businesses to do business in our city. It also discourages much-needed real estate investment—everything from ordinary home improvements to large-scale redevelopment of vacant and abandoned property. Among other consequences, this has resulted in significant revenue and job losses that diminish the ability of schools and local communities to provide essential services for our residents.

Baltimore City's high property tax rates are a driving factor in decades-long population loss. Baltimore City lost 35,000 residents between 2010 and 2020, bringing us to the lowest population point in a century. With such significant population loss comes a vicious cycle of societal breakdowns including increases in vacant and abandoned properties and crime, a loss of service providers, retailers and investment in declining neighborhoods and decreasing student populations, resulting in lower per pupil funding in our schools. While many of the issues driving the city's population decline are complex and intertwined – and require systemic shifts to address – there is one thing we can do today to help reverse this troubling trend: reduce our property tax rate to be competitive with each of the surrounding counties in our region.

Baltimore City's property tax system amplifies racial and income inequality across the city. Our tax policies should work to narrow racial wealth gaps, not widen them. Residents with the lowest incomes often pay a larger share of their incomes in property taxes than developers and higher-income homeowners. Less-wealthy individuals and those who live in majority-minority communities tend to have more of their wealth invested in homes that are burdened by Baltimore City's high property tax rate, while wealthier households have more of their savings invested in financial and business assets that are not subject to similarly heavy annual taxation. No other rate disparity like this exists in the U.S. It consumes whatever appreciation in home values these communities have and destroys generational wealth-building for families of color.

Homeownership has been one of the fastest ways to build wealth in the U.S., but property taxes can eat away at the appreciation of these assets, which slows wealth creation, or worse, subtracts from it, leaving these families further behind or forcing them out of the city.

What is the Renew Baltimore Plan?

To make our investment climate truly competitive and equitable for all current and future residents, Baltimore City must roughly halve its property tax rate. As it stands today, Baltimore City's tax rate is 2.248% of assessed value, compared to Baltimore County's 1.100%, which incentivizes homebuyers and businesses to build their futures outside of the city. Through small, manageable increments over six years, the Renew Baltimore plan will cut property tax rates nearly in half – to a final 1.250% - for every homeowner and business.



How will a property tax rate cut plan benefit Baltimore City?

A competitive property tax rate will attract more capital, people and jobs – and opportunity will grow for all – making Baltimore wealthier, healthier and more equitable. Property taxes are a major driver of local housing markets, influencing the overall costs of buying, renting or investing in homes and apartment buildings and spurring investment – or disinvestment – in local communities. With a lower property tax rate in Baltimore City, we can unlock the economic and growth potential for homeowners and businesses now and for future generations. Specifically, a lower property tax rate will:

- Attract new employers and residents
- Grow the city's tax base
- Increase employment opportunities
- Increase local investment
- Increase home values
- Increase investments in our schools and local services
- Provide greater equity in homeownership, neighborhood investment and wealth generation

Will a lower property tax rate result in lost revenues for the city and thus a decline in city services?

Lowering our property tax rate will increase city revenues and access to high-quality public services. Budget experts, analysts and case studies in cities across the U.S. agree that a lower property tax rate in Baltimore City will result in a more diversified tax base, higher property values, population gains and new investment, increasing revenues and economic strength across the board and improving the quality of life for every resident, business and community in Baltimore City. Any potential short-term decreases in revenues are expected to be small, can be overcome with various funding mechanisms and revenue sources already available to the city and will be followed by both immediate and long-term revenue increases.

How will a lower property tax rate affect Baltimore's budget and economy?

A property tax rate that is competitive with surrounding counties will allow us to bring residents and investment back to the city, resulting in:

- Increased income tax revenues from increases in population and jobs
- Increased recordation and transfer tax revenues from a higher number and value of real estate transactions
- More money in the pockets of city residents



How will homeowners benefit from a lower property tax rate?

Every homeowner in Baltimore City will pay a lower property tax rate. For every \$100,000 of a home's assessed value, there will be a tax savings of \$3,738 over the first six years with additional annual savings of \$998 every year after that. For every \$250,000 of a home's assessed value, there will be a tax savings of \$9,345 over the first six years with an additional savings of \$2,495 every year after that. Throughout Baltimore, homes and properties will become more valuable, growing equity for homeowners in every community. Baltimore City homeowners who currently receive the Targeted Homeowners Tax Credit will see slightly lower savings.

How will renters benefit from a lower property tax rate?

Property taxes are also levied on renters indirectly as landlords pass along some of that cost in the form of higher rents. With lower property tax rates, property owners will have less pressure to raise the rent and more money to maintain their properties.

How will local businesses benefit from a lower property tax rate?

Businesses pay a personal property tax, which is 5.62% of the value of non-real estate property such as furniture, fixtures, equipment, commercial inventory and supplies. This percentage is calculated by law as 2.5 times Baltimore City's real property tax rate. As such, reducing our property tax rate will also reduce the personal property tax rate, lessening the tax burden on all businesses in Baltimore and creating increased after-tax cash flow which can be used to hire new employees, increase wages and make other investments in their businesses.

How will a lower property tax rate affect jobs in Baltimore?

A reduced property tax rate will bring new investment and physical capital - and with it significant job creation immediately in the form of contracting jobs, construction jobs, interior design jobs, plumbing jobs, and electrical jobs, for example. This new employment will also spur investment and job growth in city restaurants, shops, grocers and other local retailers.



Why is a Charter amendment necessary?

Significantly lowering and then capping Baltimore City's property tax rate in the City Charter through a referendum (or ballot initiative) this November will ensure that our property tax rates will not change with the political winds. Baltimore City's Charter requires that any changes to the taxation of property can be accomplished either through an act of the Baltimore City Council or by a referendum of Baltimore City

voters. The complicated and politically charged nature of local tax and budget policy often leaves our elected leaders with little incentive to make long-needed reforms to our city's property tax rate. For this reason, Renew Baltimore is proposing two amendments to our city's charter that would: A) lower & cap Baltimore City's property tax rate and B) reduce the chances of the lower property tax rate being reversed by arbitrary political decisions in the future.

How can Baltimore City residents sign the Renew Baltimore petitions?

While the process of signing the petition is very simple, state and local laws for referendum petitions require that very specific measures are taken to ensure the validity of every signature. As such, petitions can't be signed virtually. Instead, they must be signed on paper and collected by a member of the Renew Baltimore Team or a volunteer circulator who is familiar with the requirements.

Visit renewbaltimore.org/sign-the-petition or email info@renewbaltimore.org to request petition copies for signature.

Who are the individuals working on the Renew Baltimore campaign?

Renew Baltimore is a coalition of Baltimore leaders, residents, business owners, economists and investors. Together, we've developed a plan to bring people, jobs and investment back to Baltimore City and build a more prosperous and equitable future with property tax relief for every city property owner. A full list of Coalition Members can be found at RenewBaltimore.org.