



PRESS RELEASE

For Immediate Release: June 9, 2022

Contact: Greg Tucker, greg@tuckercomms.com

Coalition to Reduce Property Taxes and Enhance Equity in Baltimore Launches Petition Drive to Amend City Charter Through Ballot Initiative

Initiative aims to unlock Baltimore's potential by stemming population loss, incentivizing investment and increasing city revenues

(Baltimore, MD) - In what is the first broad-based, organized effort to bring about greater economic equity and make it easier to live and do business in Baltimore, the coalition [Renew Baltimore](#) has launched a grassroots petition effort to amend the Baltimore City Charter this November, requiring a gradual reduction of the real property tax rate over a six-year period, beginning in 2023, and an eventual cap at 1.250 percent. Currently, Baltimore City's tax rate of 2.248 percent of assessed property value is more than double that of any of Maryland's other 23 counties (Baltimore County's property tax rate is 1.100 percent).

"Amending Baltimore's Charter to correct decades of tax inequities is unquestionably not only the right thing to do, but the most effective approach to reversing annual population losses, incentivizing growth and bringing about a new era of investment in the city we love, but which is simply not competitive because of its exorbitant property tax rate," said **Anirban Basu**, Chairman and CEO of the Sage Policy Group and *Renew Baltimore* Treasurer.

Amendments to Baltimore City's Charter may be proposed either by a resolution of the Mayor of Baltimore and the City Council or through a petition signed by at least 10,000 Baltimore City voters. Once a proposed amendment receives the required number of valid supporting petition signatures, a referendum - referred to as a "Question" - will be included on the ballot for voters to consider in the November General Election.

While the Maryland State Constitution clearly grants the City's registered voters the power to amend the Baltimore City Charter through collective action, defined as a petitioning process, an ambiguity in Article II, Sec. 49 of the Charter could be misconstrued to deny voters the power to fix the inequity in tax rates. It's for this reason that [a companion petition](#) is being put forth in order to remove any question about voters' power to mandate an equitable tax structure and prevent future arbitrary increases.

Former Baltimore City Solicitor **Andre Davis**, who also served as a judge for the U.S. Court of Appeals for the Fourth Circuit stated: "It may surprise some to learn that Baltimore voters, acting in unison, have the legal authority to enhance equity in the manner that these petitions mandate. But the law is clear; 'we the people' have the power to amend the City Charter. There should be no doubt in anyone's mind that these petitions fully comply with legal requirements. The Board of Elections has approved our petitions and we are now calling on all Baltimore City voters to help bring about the transformation we believe these petitions will make possible by approving them on the ballot this November."

(Continued)



A central goal of *Renew Baltimore*'s grassroots campaign is to narrow racial wealth gaps which Baltimore's current property tax policy only widens. 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 typically have more of their wealth invested in homes, 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. and results in consuming whatever appreciation in home values these communities have while destroying the potential of generational wealth-building for families of color.

"Homeownership has, and continues to be, the most effective way to build wealth in the United States, and yet property taxes like Baltimore's eat away at the appreciation of property assets, which slows wealth creation, or worse, subtracts from it, leaving families in underserved neighborhoods further behind or forcing them out of the city altogether," said former City Councilmember **Carl Stokes**, a member of the *Renew Baltimore* Coalition's leadership team.

Upon approval of the Charter amendments, homeowners in Baltimore City will begin paying lower property tax rates, beginning in 2023. 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 thereafter. 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 thereafter. Throughout Baltimore, homes and properties will become more valuable, fueling growth in home equity in every neighborhood and community of the city.

Businesses operating in Baltimore City pay a personal property tax which is 5.62 percent of the value of non-real estate property such as furniture, fixtures, equipment, commercial inventory and supplies. This percentage is currently calculated by law as 2.5 times Baltimore City's real property tax rate. Consequently, reducing the real property tax rate will also reduce the personal property tax rate for business owners, 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.

Renew Baltimore is a coalition of civic-minded Baltimore citizens who are committed to improving the prospects of Baltimore and reducing systemic inequities, while optimizing its unparalleled assets. In April 2022, *Renew Baltimore* received approval from the Maryland State Board of Elections to function as a "ballot issue committee" as a designated campaign finance entity.

For details about *Renew Baltimore* and to review the full plan, as well as obtain information about signing the petitions to amend Baltimore City's Charter go to: RENEWBALTIMORE.ORG

###