

Present at the funeral

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Baltimore City lawmakers are putting a Band-Aid on a gaping wound by opting to keep property taxes and spending at current levels in the 2009 budget.

The move may squeeze \$5.4 million more out of taxpayers next year. It certainly sacrifices millions and millions in long-term revenue growth that new residents and businesses would feed into the treasury if lower taxes made Baltimore a viable alternative to surrounding counties.

As Councilman William Cole IV (D-11) said, “If we’re sitting back waiting for slots, we are going to find ourselves with a city with a population that continues to decrease and a lot of empty houses as people flee this burdensome tax rate.”

Could the choice be any clearer? Do City Council members aside from Cole and James Kraft (D-1) — who proposed a 12-cent reduction in the tax rate — need another 50 years of losing people and jobs to prove something isn’t working? Do we need more growth in reckless city spending, slated to be more than 10 percent higher next year in a slowing economy?

Maintaining the tax rate is anything but prudent — especially in light of the economy and housing market. With excess housing inventory burdening every jurisdiction, Baltimore has a prime opportunity to compete by lowering its tax rate. Average housing prices are lower in Baltimore than in surrounding counties, but no bargain for the homes sought by young, upwardly mobile people the city must attract. Why? Tax bills here are at least twice surrounding counties’. Add a huge private school bill, because while public schools are available, many are horrible. This all makes tax rates, not housing prices and mortgage rates, the key issue.

Unless City Council members reverse their decision before approving a final budget, they are behaving like kamikaze pilots on an urban suicide mission.

Chopping the rate while excising fat, including \$30.1 million in raises for city employees, would cement the transformation throughout the city started in Inner Harbor and celebrated in Maryland Public Television’s documentary, “Global Harbors: A Waterfront Renaissance.” It would also spread the tax burden among a greater number of people and reduce the city’s dependency on state aid.

If council members lower taxes and pare spending, they will no doubt be hailed as visionaries in a sequel to “Global Harbors” and rewarded with a thriving city. Merely patching the 2009 budget will earn them marks for being present at a decades-long urban funeral.