

Stokes details plan to cut city property taxes

by Julie Scharper, *The Baltimore Sun*, March 7, 2011

City Councilman and mayoral candidate Carl Stokes unveiled a plan Monday that he says could cut property taxes in half over the next five years, while council colleagues and a spokesman for Mayor Stephanie Rawlings-Blake called the proposal unrealistic.

Stokes said he would cut tax incentives for residents and businesses and fund the cuts by privatizing the city's water and waste water operations and asking for state aid.

A key element of Stokes' plan is also one of the most contentious: An increase on the cap on the homestead tax credit.

Stokes says a 2 percent increase could generate as much as \$32 million in the first year. But council colleagues said the credit, which restricts property tax increases on primary residences, should be left alone.

"We're starting this discussion about lowering property taxes ... by raising property taxes?" Councilman William H. Cole IV asked after Stokes introduced his legislation at the council meeting Monday evening.

The tax credit "keeps a lot of us in our homes," Councilwoman Mary Pat Clarke said after the meeting.

After the first year, Stokes said, the increase in the homestead tax credit cap would be offset by the decreased property tax rates.

Nicholas D'Adamo called it a "tooth fairy plan." Councilman Robert W. Curran pointed out that the city would lose as much as \$5 million from big utility companies under the plan.

Councilman Warren Branch initially signaled that he would back Stokes' plan, but decided before the meeting that he would not co-sponsor the legislation. Branch said that he had signed up as a sponsor before reading the bill and later changed his mind.

Stokes, along with fellow mayoral challengers Otis Rolley and Joseph T. "Jody" Landers, is pushing the issue of property taxes in the campaign. The city's property tax rates are as much as twice as high as those of surrounding jurisdictions.

Stokes' legislation would cut the property rate over the next three years, then reduce it to \$1.10 for every \$100 of assessed value in 2016, half the current rate.

A spokesman for Rawlings-Blake said Stokes' plan "relies on fuzzy math, ignores the city's current fiscal problems, and would lead to irresponsible cuts in public safety and

other core services while significantly raising taxes on existing city homeowners by virtually eliminating the homestead tax credit.”

The city is grappling with an \$80 million budget gap for the coming year, the third year in a row officials have faced a significant shortfall.

Rawlings-Blake “has not and will not raise property taxes by one penny to fix the City's budget crisis,” spokesman Ryan O'Doherty said in a statement.