

Offered by: **COUNCILOR JOHN FITZGERALD**



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO DISCUSS WAYS TO DIVERSIFY THE CITY OF BOSTON'S REVENUE

WHEREAS: The City of Boston's current budget revenue consists of: Property Tax, State Aid, Departmental, Excise and Non-Recurring revenue. The proportion of the City's revenue coming from property tax has significantly increased over the past two decades; in the year 2002, property taxes only accounted for 52.4% of total revenue, whereas today, property taxes account for 71.1%; and

WHEREAS: The proportion of the cities revenue coming from property tax has significantly increased over the past two decades, in the year 2002 property taxes only accounted for 52.4% of the cities total revenue; and

WHEREAS: In other large Northeastern cities property taxes make up a much smaller proportion of total revenue, in New York City property taxes consisted of 30.2% of FY25 total revenue and in Philadelphia real estate taxes composed of 14.1% of its FY25 total revenue; and

WHEREAS: A large portion of Boston's property tax revenue comes from taxing commercial office space, a significant amount of which have been left empty following the COVID-19 pandemic; and

WHEREAS: A report from earlier this year found that declining commercial property values could result in a \$ 1.4 billion tax shortfall over the next five years; and

WHEREAS: The city currently collects local revenue through additional sources including but limited to parking meters, permitting fees and additional taxes; THEREFORE BE IT

ORDERED: That the appropriate committee of the Boston City Council conduct a hearing to review the revenue sources within the City of Boston identifying potential areas for expansion or to establish completely new forms of revenue to ease the burden on residential and commercial properties.

Filed in City Council: June 12, 2024