

Introduced by: Councilmember Henry, *Jestr, Bullock, Burnett, SABB, Dorsey, Smitter*

Prepared by: Department of Legislative Reference

Date: October 23, 2019

Referred to: RESOLUTION Committee

*Finkett,
~~Arlette~~
Middleton
Clarke
Reisinger
Costello
Stokes*

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL *19-0175R*

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

Request for State Action - Real Property Tax Credit for Grocery Stores in Food Desert Retail Incentive Areas

FOR the purpose of calling on the Maryland General Assembly to enact, and the Governor to sign, legislation amending State law to authorize a real property tax credit for existing and potential grocery stores inside food desert retail incentive areas.

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Edward [unclear]

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****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

_____	Baltimore City Public School System	_____	Department of Public Works
_____	Baltimore Development Corporation	_____	Department of Real Estate
_____	City Solicitor	_____	Department of Recreation and Parks
_____	Comptroller's Office	_____	Department of Transportation
_____	Department of Audits	_____	Fire Department
_____	Department of Finance	_____	Health Department
_____	Department of General Services	_____	Mayor's Office of Employment Development
_____	Department of Housing and Community Development	_____	Mayor's Office of Human Services
_____	Department of Human Resources	_____	Mayor's Office of Information Technology
_____	Department of Planning	_____	Office of the Mayor
_____	Other: _____	_____	Police Department
_____	Other: _____	_____	Other: _____
_____	Other: _____	_____	Other: _____

Boards and Commissions

_____	Board of Estimates	_____	Environmental Control Board
_____	Board of Ethics	_____	Fire & Police Employees' Retirement System
_____	Board of Municipal and Zoning Appeals	_____	Labor Commissioner
_____	Comm. for Historical and Architectural Preservation	_____	Parking Authority Board
_____	Commission on Sustainability	_____	Planning Commission
_____	Employees' Retirement System	_____	Wage Commission
_____	Other: _____	_____	Other: _____
_____	Other: _____	_____	Other: _____
_____	Other: _____	_____	Other: _____

**CITY OF BALTIMORE
COUNCIL BILL 19-0175R
(Resolution)**

Introduced by: Councilmember Henry, President Scott, Councilmembers Bullock, Burnett,
Sneed, Dorsey, Costello, Pinkett, Henry, Middleton, Clarke, Reisinger, Stokes, McCray,
Cohen

Introduced and adopted: October 28, 2019

A COUNCIL RESOLUTION CONCERNING

**Request for State Action - Real Property Tax Credit for Grocery Stores in
Food Desert Retail Incentive Areas**

FOR the purpose of calling on the Maryland General Assembly to enact, and the Governor to sign, legislation amending State law to authorize a real property tax credit for existing and potential grocery stores inside food desert retail incentive areas.

Recitals

About 25% of Baltimoreans and 30% of school-aged children live in City-designated “food deserts,” also known as “grocery store incentive areas,” which are defined as those areas where (1) a grocery store is at least a quarter of a mile away; (2) the median household income is at or below 185% of the Federal Poverty Level; and (3) at least 30% of the residents lack access to a vehicle.

Currently, the State authorizes the City to provide a tax credit against the personal property tax of a supermarket that establishes itself within one of these incentive areas. This policy comes out the Baltimore City Food Desert Retail Strategy, created by the Baltimore Food Policy Initiative (BFPI). The BFPI works to provide incentives for and grow healthy food options inside the city. This has included increasing urban agriculture, improving corner stores, and working to retain and attract supermarkets. Despite being established in 2015 and expanded in 2018, only 2 grocery stores have utilized this credit. We can and must do better.

The best way to ensure that more Baltimoreans have access to healthy food options is by retaining and attracting grocery stores to our grocery store incentive areas. Although we are already authorized to grant a credit against personal property tax on supermarkets that locate in food deserts, the City Council now is requesting the ability to further lower the cost of doing business in Baltimore City by expanding that tax credit to not just personal property taxes, but real property taxes as well.

The existing law is well-meaning, but it can be improved. By only making several simple changes, the incentives to bring grocery stores to Baltimore’s under-served areas will be stronger and more effective. Specifically, § 9-304(g) of the State Property Tax Article should be amended as follows (CAPITALS indicate matter added to existing law. [Brackets] indicate matter deleted from existing law.):

(1) (i) In this subsection the following words have the meanings indicated.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike-out~~ indicates matter deleted by amendment.

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1 (ii) "Eligible construction" means construction of a new supermarket or any substantial
2 renovation of an existing supermarket.

3 (iii) "Supermarket" means a grocery store that has:

- 4 1. all major food departments, including produce, meat, seafood, dairy, and canned
5 and packaged goods;
- 6 2. more than 50% of total sales derived from food sales; and
- 7 3. more than 50% of total floor space dedicated to food sales.

8 (2) The Mayor and City Council of Baltimore City may grant, by law, a property tax credit
9 under this subsection against BOTH the county personal property tax imposed on personal
10 property AND THE COUNTY REAL PROPERTY TAX IMPOSED ON THE REAL PROPERTY that is
11 owned by a supermarket that:

12 (i) completes eligible construction IN A FOOD DESERT RETAIL INCENTIVE AREA; [and]
13 OR

14 (ii) is located in a food desert retail incentive area.

15 (3) The Mayor and City Council of Baltimore City shall, by law, designate what constitutes a
16 food desert retail incentive area for purposes of the tax credit under this subsection.

17 (4) [A] ANY property tax credit granted under this subsection for a taxable year may not
18 exceed the amount of property tax imposed on the personal property OR THE REAL
19 PROPERTY of a supermarket in that year.

20 (5) The Mayor and City Council of Baltimore City may establish, by law:

21 (i) limits on the cumulative amount of property tax credits granted under this
22 subsection;

23 (ii) additional limitations on the amount of the credit;

24 (iii) additional eligibility requirements for supermarkets to qualify for the tax credit
25 under this subsection;

26 (iv) additional criteria for what constitutes eligible construction that may qualify a
27 supermarket for the tax credit under this subsection; and

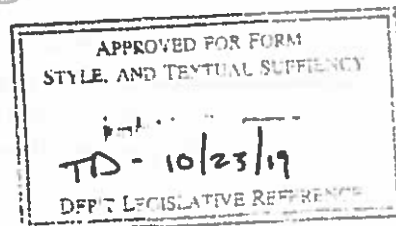
28 (v) any other provisions necessary to carry out this subsection.

29 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
30 Baltimore City Council calls on the Maryland General Assembly to enact, and the Governor to
31 sign, legislation amending State law to authorize a real property tax credit for existing and
32 potential grocery stores inside food desert retail incentive areas.

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1 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor, the
2 Baltimore City Delegation to the Maryland General Assembly, the Director of the Mayor's Office
3 of Intergovernmental Relations, and the Mayor's Legislative Liaison to the City Council.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____ R
(Resolution)



Introduced by: Councilmember Henry

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Request for State Action - Real Property Tax Credit for Grocery Stores in
Food Desert Retail Incentive Areas**

FOR the purpose of calling on the Maryland General Assembly to enact, and the Governor to sign, legislation amending State law to authorize a real property tax credit for existing and potential grocery stores inside food desert retail incentive areas.

Recitals

About 25% of Baltimoreans and 30% of school-aged children live in City-designated “food deserts,” also known as “grocery store incentive areas,” which are defined as those areas where (1) a grocery store is at least a quarter of a mile away; (2) the median household income is at or below 185% of the Federal Poverty Level; and (3) at least 30% of the residents lack access to a vehicle.

Currently, the State authorizes the City to provide a tax credit against the personal property tax of a supermarket that establishes itself within one of these incentive areas. This policy comes out the Baltimore City Food Desert Retail Strategy, created by the Baltimore Food Policy Initiative (BFPI). The BFPI works to provide incentives for and grow healthy food options inside the city. This has included increasing urban agriculture, improving corner stores, and working to retain and attract supermarkets. Despite being established in 2015 and expanded in 2018, only 2 grocery stores have utilized this credit. We can and must do better.

The best way to ensure that more Baltimoreans have access to healthy food options is by retaining and attracting grocery stores to our grocery store incentive areas. Although we are already authorized to grant a credit against personal property tax on supermarkets that locate in food deserts, the City Council now is requesting the ability to further lower the cost of doing business in Baltimore City by expanding that tax credit to not just personal property taxes, but real property taxes as well.

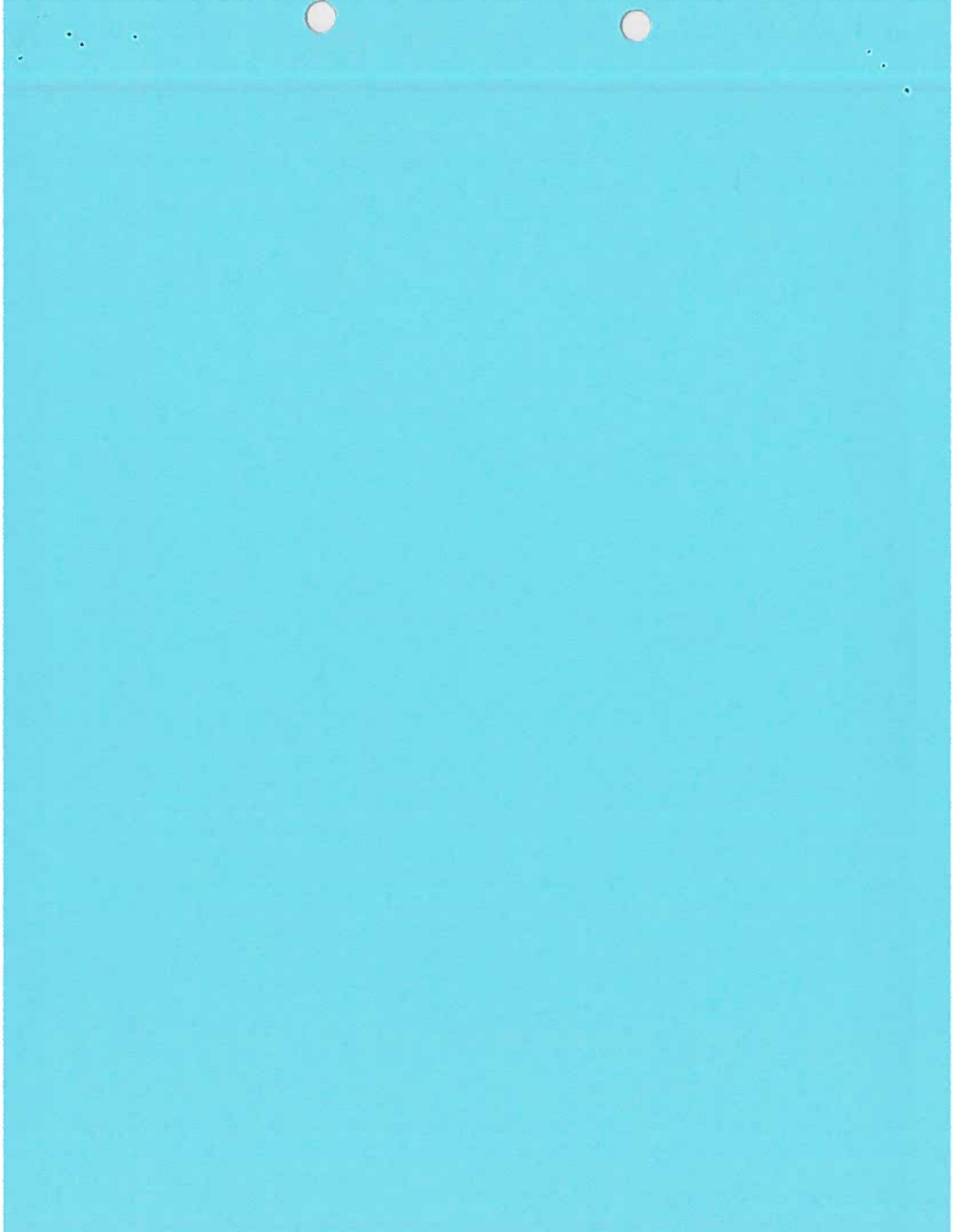
The existing law is well-meaning, but it can be improved. By only making several simple changes, the incentives to bring grocery stores to Baltimore’s under-served areas will be stronger and more effective. Specifically, § 9-304(g) of the State Property Tax Article should be amended as follows (CAPITALS indicate matter added to existing law. [Brackets] indicate matter deleted from existing law.):

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

- (1) (i) In this subsection the following words have the meanings indicated.
- (ii) "Eligible construction" means construction of a new supermarket or any substantial renovation of an existing supermarket.
- (iii) "Supermarket" means a grocery store that has:
1. all major food departments, including produce, meat, seafood, dairy, and canned and packaged goods;
 2. more than 50% of total sales derived from food sales; and
 3. more than 50% of total floor space dedicated to food sales.
- (2) The Mayor and City Council of Baltimore City may grant, by law, a property tax credit under this subsection against BOTH the county personal property tax imposed on personal property AND THE COUNTY REAL PROPERTY TAX IMPOSED ON THE REAL PROPERTY that is owned by a supermarket that:
- (i) completes eligible construction IN A FOOD DESERT RETAIL INCENTIVE AREA; [and]
OR
 - (ii) is located in a food desert retail incentive area.
- (3) The Mayor and City Council of Baltimore City shall, by law, designate what constitutes a food desert retail incentive area for purposes of the tax credit under this subsection.
- (4) [A] ANY property tax credit granted under this subsection for a taxable year may not exceed the amount of property tax imposed on the personal property OR THE REAL PROPERTY of a supermarket in that year.
- (5) The Mayor and City Council of Baltimore City may establish, by law:
- (i) limits on the cumulative amount of property tax credits granted under this subsection;
 - (ii) additional limitations on the amount of the credit;
 - (iii) additional eligibility requirements for supermarkets to qualify for the tax credit under this subsection;
 - (iv) additional criteria for what constitutes eligible construction that may qualify a supermarket for the tax credit under this subsection; and
 - (v) any other provisions necessary to carry out this subsection.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Baltimore City Council calls on the Maryland General Assembly to enact, and the Governor to sign, legislation amending State law to authorize a real property tax credit for existing and potential grocery stores inside food desert retail incentive areas.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Baltimore City Delegation to the Maryland General Assembly, the Director of the Mayor's Office of Intergovernmental Relations, and the Mayor's Legislative Liaison to the City Council.



ACTION BY THE CITY COUNCIL

OCT 28 2019

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON _____ 20 _____

COMMITTEE REPORT AS OF _____ 20 _____

_____ FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

_____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

President

Chief Clerk