May 9. 2018

Honorable President and Members
of the City Council of Baltimore
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Attn: Natawna Austin, Executive Secretary

> Re: City Council Bill No. 18-0193 – Food Desert Incentive Areas-
> Expenditure Requirements for Tax Credits

Dear President and City Council Members:

You have requested the advice of the Law Department regarding City Council Bill 18-0193. City Council Bill 193 establishes a new minimum expenditure requirement for substantially renovated supermarkets that is lower than the expenditure requirement for newly constructed supermarkets. Newly constructed supermarkets have to expend on new personal property the greater of $150,000 or $25 per square foot. A substantially renovated supermarket must expend $5/sq, ft. for 20,000 sq. ft. or less; $8/sq.ft. for 20,000 sq.ft. to 45,000 sq. ft. and $10/sq. ft. for greater than 45,000 sq.ft.

The Md. Ann. Code Tax Property Art. §9-304(h) gives Mayor and City Council the authority to enact a personal property tax credit for certain supermarkets that qualify under the law. In addition to authorizing the credit, this section gives the Mayor and City Council the authority to establish by law additional eligibility requirements for supermarkets to qualify for the tax credit and additional criteria for what constitutes eligible construction that may qualify a supermarket for the tax credit.

City Council Bill 18-0193 is an appropriate exercise of the authority granted to the Mayor and City Council by §9-304(h). The Law Department therefore approves City Council Bill 18-0193 for form and legal sufficiency.

Sincerely yours,

Elena R. DiPietro

Elena R. DiPietro
Chief Solicitor

cc: Andre M. Davis Solicitor
     Kyron Banks, City Council Liaison, Mayor's Office
     Kara Kunst, City Council President's Legislative Liaison
     Hilary Ruley
     Victor Tervala
     Ashlea Brown
     Avery Aisenstark