

**CITY OF BALTIMORE
COUNCIL BILL 14-0420
(First Reader)**

Introduced by: Councilmembers Welch, Henry, Scott, Kraft, Stokes, Branch, Clarke

Introduced and read first time: July 17, 2014

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Commission on Sustainability,
Department of Real Estate, Department of Housing and Community Development, Baltimore
Development Corporation, Department of Finance, Board of Estimates

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Property Tax Credits – Urban Agriculture**

3 FOR the purpose of establishing a property tax credit for urban agricultural property; providing
4 for the amount, duration, and possible early termination of the credit; imposing certain
5 limitations, conditions, and qualifications; providing for the administration of the credit;
6 requiring that the credit be repaid under certain circumstances; defining certain terms; and
7 generally relating to the a property tax credit for urban agricultural property.

8 BY adding

9 Article 28 - Taxes
10 Section(s) 10-18
11 Baltimore City Code
12 (Edition 2000)

13 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
14 Laws of Baltimore City read as follows:

15 **Baltimore City Code**

16 **Article 28. Taxes**

17 **Subtitle 10. Credits**

18 **§ 10-18. URBAN AGRICULTURAL PROPERTY.**

19 (A) *DEFINITIONS.*

20 (1) *IN GENERAL.*

21 IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 (2) *INCLUDES; INCLUDING.*

2 "INCLUDES" OR "INCLUDING" MEANS BY WAY OF ILLUSTRATION AND NOT BY WAY OF
3 LIMITATION.

4 (3) *SUSTAINABILITY OFFICE.*

5 "SUSTAINABILITY OFFICE" MEANS THE BALTIMORE CITY OFFICE OF SUSTAINABILITY,
6 ESTABLISHED BY CITY CODE ARTICLE 1, SUBTITLE 34.

7 (4) *URBAN AGRICULTURAL PROPERTY.*

8 "URBAN AGRICULTURAL PROPERTY" HAS THE MEANING STATED IN STATE
9 TAX-PROPERTY ARTICLE, § 9-253.

10 (5) *URBAN AGRICULTURAL PURPOSES.*

11 "URBAN AGRICULTURAL PURPOSES" HAS THE MEANING STATED IN STATE
12 TAX-PROPERTY ARTICLE, § 9-253.

13 (6) *VALUE.*

14 "VALUE" MEANS THE AMOUNT EQUAL TO:

15 (I) THE GROSS INCOME THAT IS ACTUALLY RECEIVED FROM SALES OF
16 AGRICULTURAL PRODUCTS PRODUCED ON SITE; OR

17 (II) FOR PRODUCTS THAT ARE DISTRIBUTED FREE OR AT LESS THAN APPLICABLE
18 MARKET PRICES, THE GROSS INCOME THAT COULD REASONABLY BE ASSUMED
19 TO BE RECEIVED FROM SALE OF THOSE PRODUCTS AT MARKET PRICES.

20 (B) *CREDIT GRANTED.*

21 IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-253, A TAX CREDIT IS
22 GRANTED AGAINST THE CITY PROPERTY TAX IMPOSED ON QUALIFIED URBAN
23 AGRICULTURAL PROPERTIES.

24 (C) *QUALIFICATIONS FOR CREDIT.*

25 (1) *IN GENERAL.*

26 (I) TO QUALIFY FOR THE CREDIT GRANTED BY THIS SECTION, A PARCEL OF LAND:

27 (A) MUST BE AN URBAN AGRICULTURAL PROPERTY THAT IS BEING USED FOR
28 URBAN AGRICULTURAL PURPOSES;

29 (B) MAY NOT BE USED FOR ANY OTHER FOR-PROFIT PURPOSE THAT WOULD
30 SUBJECT THE PARCEL TO PROPERTY TAX LIABILITY; AND.

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1 (C) UNLESS A WAIVER IS GRANTED UNDER PARAGRAPH (3) OF THIS
2 SUBSECTION, MUST PRODUCE AGRICULTURAL PRODUCTS VALUED AT
3 \$5,000 OR MORE PER TAX YEAR.

4 (2) *DOCUMENTATION OF PRODUCT VALUE.*

5 THE SUSTAINABILITY OFFICE MAY REQUIRE AN OWNER TO VERIFY PRODUCT VALUE BY
6 PROVIDING COPIES OF SALES RECEIPTS OR INVOICES AND, IF RELEVANT, EVIDENCE OF
7 CURRENT MARKET RATES.

8 (3) *WAIVER OF VALUE REQUIREMENT.*

9 (I) THE SUSTAINABILITY OFFICE MAY GRANT A WAIVER TO THE PRODUCT-VALUE
10 REQUIREMENT IF, IN THE TAX YEAR FOR WHICH THE CREDIT IS BEING SOUGHT, THE
11 AGRICULTURAL USE OF THE PROPERTY:

12 (A) IS NEWLY ESTABLISHED; OR

13 (B) HAS SUFFERED AN UNEXPECTED DISASTER, SUCH AS DROUGHT,
14 VANDALISM, OR INFESTATION

15 (II) A WAIVER MAY NOT BE GRANTED UNDER THIS PARAGRAPH FOR MORE THAN 2
16 CONSECUTIVE TAX YEARS.

17 (D) *AMOUNT OF CREDIT.*

18 THE AMOUNT OF THE CREDIT GRANTED UNDER THIS SECTION IS EQUAL TO:

19 (1) THE AMOUNT OF PROPERTY TAX THAT WOULD OTHERWISE BE IMPOSED ON THE
20 PROPERTY, LESS

21 (2) THE AMOUNT OF ANY OTHER CREDIT APPLICABLE TO THE PROPERTY IN THAT TAX
22 YEAR, MULTIPLIED BY

23 (3) 90%.

24 (E) *APPLICATION AND CERTIFICATION.*

25 (1) A PROPERTY OWNER SEEKING TO OBTAIN AND ANNUALLY MAINTAIN A CREDIT UNDER
26 THIS SECTION MUST:

27 (I) AT 90 DAYS BEFORE THE 1ST TAX YEAR FOR WHICH THE CREDIT IS SOUGHT, FILE
28 AN APPLICATION FOR THE CREDIT WITH THE SUSTAINABILITY OFFICE; AND

29 (II) AT LEAST 90 DAYS BEFORE EACH SUBSEQUENT TAX YEAR DURING THE TERM OF
30 THE CREDIT, FILE WITH THE SUSTAINABILITY OFFICE A CERTIFICATION THAT
31 THE PROPERTY CONTINUES TO BE USED FOR URBAN AGRICULTURAL PURPOSES
32 AND TO MEET ALL OTHER QUALIFICATION FOR THE CREDIT.

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1 (2) THE APPLICATION AND CERTIFICATION MUST BE IN THE FORM AND CONTAIN THE
2 INFORMATION THAT THE SUSTAINABILITY OFFICE REQUIRES.

3 (F) *TERM OF CREDIT.*

4 (1) THE TERM OF THE CREDIT IS 5 TAX YEARS, UNLESS RENEWED.

5 (2) ON APPLICATION MADE NO LATER THAN 90 DAYS BEFORE EXPIRATION OF THE 5-YEAR
6 TERM, A PROPERTY OWNER MAY APPLY TO RENEW THE CREDIT FOR ANOTHER 5 TAX
7 YEARS.

8 (G) *CONTINUOUS AGRICULTURAL USE REQUIRED.*

9 IF, AT ANY TIME DURING THE INITIAL 5-YEAR TERM OF THE CREDIT OR DURING A 5-YEAR
10 RENEWAL TERM, THE PROPERTY CEASES TO BE USED FOR URBAN AGRICULTURAL
11 PURPOSES:

12 (1) THE CREDIT GRANTED TO THE PROPERTY IS TERMINATED; AND

13 (2) THE OWNER OF THE PROPERTY IS LIABLE FOR ALL PROPERTY TAXES THAT WOULD
14 HAVE BEEN IMPOSED DURING THAT 5-YEAR TERM HAD THE CREDIT NOT BEEN
15 GRANTED.

16 (H) *ADMINISTRATION.*

17 THE SUSTAINABILITY OFFICE, AFTER CONSULTATION WITH THE DIRECTOR OF FINANCE,
18 MAY:

19 (1) ADOPT RULES AND REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING THE
20 PROCEDURES, FORMS, AND DOCUMENTATION REQUIRED TO APPLY FOR THE CREDIT
21 AND TO PERIODICALLY EVIDENCE CONTINUING ELIGIBILITY FOR THE CREDIT;

22 (2) SETTLE DISPUTED CLAIMS THAT MIGHT ARISE IN CONNECTION WITH THE CREDIT;
23 AND

24 (2) DELEGATE TO ANY OTHER CITY AGENCY OR EMPLOYEE THE POWERS, DUTIES, OR
25 FUNCTIONS IN CONNECTION WITH THE ADMINISTRATION OF THE CREDIT.

26 (I) *ANALYSES AND REPORT ON COSTS AND BENEFITS.*

27 (1) THE DIRECTOR OF FINANCE MUST ANALYZE THE PUBLIC COSTS AND BENEFITS OF THE
28 CREDITS GRANTED UNDER THIS SECTION AND ANNUALLY REPORT HIS OR HER FINDINGS
29 TO THE BOARD OF ESTIMATES AND THE CITY COUNCIL

30 (2) THE METHOD OF ANALYSIS USED BY THE DIRECTOR OF FINANCE MUST BE APPROVED
31 BY THE BOARD OF ESTIMATES.

32 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
33 are not law and may not be considered to have been enacted as a part of this or any prior
34 Ordinance.

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1 **SECTION 3. AND BE IT FURTHER ORDAINED,** That, after 3rd tax year for which a tax credit is
2 authorized under this Ordinance, the Mayor and City Council must evaluate the effectiveness of
3 the credit in promoting the use of property for urban agricultural purposes

4 **SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
5 after the date it is enacted.