

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 14-0420

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

Committee Report: Favorable with amendments
Council action: Adopted
Read second time: April 27, 2015

AN ORDINANCE CONCERNING

Property Tax Credits – Urban Agriculture

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

BY adding
Article 28 - Taxes
Section(s) 10-18
Baltimore City Code
(Edition 2000)

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

Baltimore City Code

Article 28. Taxes

Subtitle 10. Credits

§ 10-18. URBAN AGRICULTURAL PROPERTY.

(A) *DEFINITIONS.*

(1) *IN GENERAL.*

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.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

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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 PLANTS, PLANT PRODUCTS, ANIMALS, OR ANIMAL
17 PRODUCTS PRODUCED ON SITE; OR

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

22 (B) *CREDIT GRANTED.*

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

26 (C) *QUALIFICATIONS FOR CREDIT.*

27 (1) *IN GENERAL.*

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

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

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

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1 (C) MUST BE MAINTAINED IN FULL COMPLIANCE WITH THE BUILDING, FIRE,
2 AND RELATED CODES ARTICLE OF BALTIMORE CITY; AND

3 (D) ~~(C)~~ UNLESS A WAIVER IS GRANTED UNDER PARAGRAPH (3) OF THIS
4 SUBSECTION, MUST PRODUCE AGRICULTURAL PRODUCTS VALUED AT AND
5 EITHER SELL OR OTHERWISE DISTRIBUTE EACH TAX YEAR PLANTS, PLANT
6 PRODUCTS, ANIMALS, OR ANIMAL PRODUCTS WITH AN AGGREGATE VALUE
7 OF \$5,000 OR MORE PER TAX YEAR.

8 (2) *DOCUMENTATION OF PRODUCT VALUE.*

9 THE SUSTAINABILITY OFFICE MAY REQUIRE AN OWNER TO VERIFY ~~PRODUCT VALUE~~
10 VALUES BY PROVIDING COPIES OF SALES RECEIPTS OR INVOICES AND, IF RELEVANT,
11 EVIDENCE OF CURRENT MARKET RATES.

12 (3) *WAIVER OF VALUE REQUIREMENT.*

13 (I) THE SUSTAINABILITY OFFICE MAY GRANT A WAIVER TO THE ~~PRODUCT VALUE~~
14 VALUE REQUIREMENT IF, IN THE TAX YEAR FOR WHICH THE CREDIT IS BEING
15 SOUGHT, THE AGRICULTURAL USE OF THE PROPERTY:

16 (A) IS NEWLY ESTABLISHED; OR

17 (B) HAS SUFFERED AN UNEXPECTED DISASTER, SUCH AS DROUGHT,
18 VANDALISM, OR INFESTATION

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

21 (D) *AMOUNT OF CREDIT.*

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

23 (1) THE AMOUNT OF PROPERTY TAX THAT WOULD OTHERWISE BE ~~IMPOSED~~ DUE ON THE
24 PROPERTY, LESS

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

27 (3) 90%.

28 (E) *APPLICATION AND CERTIFICATION.*

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

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

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

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

7 (F) *TERM OF CREDIT.*

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

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

12 (G) *CONTINUOUS AGRICULTURAL USE REQUIRED.*

13 (1) IN GENERAL.

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

17 (I) ~~(1)~~ THE CREDIT GRANTED TO THE PROPERTY IS TERMINATED; AND

18 (II) ~~(2)~~ THE OWNER OF THE PROPERTY IS LIABLE FOR:

19 (A) ALL PROPERTY TAXES THAT WOULD HAVE BEEN ~~IMPOSED~~ DUE DURING
20 THAT 5-YEAR TERM HAD IF THE CREDIT HAD NOT BEEN GRANTED, PLUS

21 (B) A SURCHARGE AT THE RATE OF 1% FOR EACH MONTH OR FRACTION OF
22 A MONTH ACCOUNTING FROM THE DATES THAT THOSE TAXES WOULD
23 HAVE BECOME DUE HAD THE CREDIT NEVER BEEN GRANTED THROUGH
24 THE DATE ON WHICH THE TAXES FIRST BECAME DUE BY APPLICATION OF
25 THIS SUBSECTION.

26 (2) GOOD-CAUSE WAIVER OF INTEREST AND PENALTIES.

27 (I) A PROPERTY OWNER MAY APPLY TO THE DIRECTOR OF FINANCE FOR A WAIVER OF
28 ALL OR PART OF THE SURCHARGE IMPOSED UNDER PARAGRAPH (1) OF THIS
29 SUBSECTION.

30 (II) THE PROPERTY OWNER HAS THE BURDEN TO DEMONSTRATE THAT:

31 (A) THE CESSATION OF THE PROPERTY'S USE FOR URBAN AGRICULTURAL
32 PURPOSES WAS THE RESULT OF CIRCUMSTANCES BEYOND THE OWNER'S
33 CONTROL; AND

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1 (B) THE OWNER OTHERWISE MEETS THE REQUISITE CRITERIA FOR A WAIVER, AS
2 ESTABLISHED IN THE RULES AND REGULATIONS ADOPTED UNDER
3 SUBSECTION (H)(1)(I) OF THIS SECTION.

4 (III) THE DIRECTOR OF FINANCE SHALL CONSULT WITH THE SUSTAINABILITY OFFICE
5 BEFORE DENYING OR GRANTING THE APPLICATION FOR A WAIVER, IN WHOLE OR IN
6 PART.

7 (H) *ADMINISTRATION.*

8 THE ~~SUSTAINABILITY OFFICE~~ DIRECTOR OF FINANCE, AFTER CONSULTATION WITH THE
9 ~~DIRECTOR OF FINANCE~~, MAY SUSTAINABILITY OFFICE:

10 (1) SHALL ADOPT RULES AND REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING:

11 (I) THE PROCEDURES, FORMS, AND DOCUMENTATION REQUIRED TO APPLY FOR
12 THE CREDIT AND TO PERIODICALLY EVIDENCE CONTINUING ELIGIBILITY FOR
13 THE CREDIT; AND

14 (II) THE PROCEDURES AND GOVERNING CRITERIA FOR OBTAINING A SURCHARGE
15 WAIVER UNDER SUBSECTION (G)(2) OF THIS SECTION;

16 (2) MAY SETTLE DISPUTED CLAIMS THAT MIGHT ARISE IN CONNECTION WITH THE
17 CREDIT; AND

18 (3) (2) MAY DELEGATE TO ANY OTHER CITY AGENCY OR EMPLOYEE THE POWERS,
19 DUTIES, OR FUNCTIONS IN CONNECTION WITH THE ADMINISTRATION OF THE
20 CREDIT.

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

22 ~~(4)~~ THE SUSTAINABILITY OFFICE, AFTER CONSULTATION WITH THE DIRECTOR OF
23 FINANCE, MUST ANALYZE THE PUBLIC COSTS AND BENEFITS OF THE CREDITS GRANTED
24 UNDER THIS SECTION AND ANNUALLY REPORT ~~HIS OR HER~~ ITS FINDINGS TO THE BOARD
25 OF ESTIMATES AND THE CITY COUNCIL

26 ~~(2) THE METHOD OF ANALYSIS USED BY THE DIRECTOR OF FINANCE MUST BE APPROVED~~
27 ~~BY THE BOARD OF ESTIMATES.~~

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

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

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

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Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City