

**CITY OF BALTIMORE
COUNCIL BILL 15-0565
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: September 21, 2015

Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Personal Property Tax Credits – Food Desert Incentive Areas**

3 FOR the purpose of establishing a tax credit against the personal property tax imposed on
4 qualified supermarkets in Food Desert Incentive Areas; imposing certain limitations,
5 conditions, and qualifications for credit eligibility; providing for the amount, duration, and
6 administration of the credit; defining certain terms; providing for a special effective date; and
7 generally relating to a personal property tax credit for certain supermarkets.

8 BY adding

9 Article 28 - Taxes
10 Section(s) 10-30
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 **§ 10-30. FOOD DESERT INCENTIVE AREAS (PERSONAL PROPERTY TAX CREDIT)**

19 (A) *DEFINITIONS.*

20 (1) *IN GENERAL.*

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

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

Council Bill 15-0565

1 (2) *FINANCE DIRECTOR.*

2 “FINANCE DIRECTOR” MEANS THE DIRECTOR OF THE CITY DEPARTMENT OF FINANCE
3 OR THAT DIRECTOR’S DESIGNEE.

4 (3) *FOOD DESERT.*

5 “FOOD DESERT” MEANS AN AREA IN WHICH:

6 (I) THE DISTANCE TO A SUPERMARKET IS MORE THAN ¼ MILE;

7 (II) THE MEDIAN HOUSEHOLD INCOME IS AT OR BELOW 185% OF THE FEDERAL
8 POVERTY LEVEL, AS MEASURED BY THE MOST RECENT 5-YEAR ESTIMATE OF
9 THE U.S. CENSUS BUREAU’S AMERICAN COMMUNITY SURVEY;

10 (III) OVER 30% OF HOUSEHOLDS HAVE NO VEHICLE AVAILABLE, AS MEASURED BY
11 THE MOST RECENT 5-YEAR ESTIMATE OF THE U.S. CENSUS BUREAU’S
12 AMERICAN COMMUNITY SURVEY; AND

13 (IV) THE HEALTHY FOOD AVAILABILITY INDEX AVERAGE SCORE OF ALL FOOD
14 STORES IS LOW, AS MEASURED BY THE JOHNS HOPKINS CENTER FOR A
15 LIVEABLE FUTURE.

16 (4) *FOOD DESERT RETAIL INCENTIVE AREA.*

17 “FOOD DESERT INCENTIVE AREA” MEANS ANY AREA THAT IS:

18 (I) A FOOD DESERT; OR

19 (II) WITHIN ¼ MILE OF A FOOD DESERT.

20 (5) *INCLUDES; INCLUDING.*

21 “INCLUDES” OR “INCLUDING” MEANS BY WAY OF ILLUSTRATION AND NOT BY WAY OF
22 LIMITATION.

23 (6) *PERSONAL PROPERTY.*

24 “PERSONAL PROPERTY” MEANS ANY PERSONAL PROPERTY THAT IS SUBJECT TO THE
25 CITY’S TAX ON PERSONAL PROPERTY.

26 (7) *QUALIFIED SUPERMARKET.*

27 “QUALIFIED SUPERMARKET” MEANS A SUPERMARKET THAT HAS BEEN NEWLY
28 CONSTRUCTED OR NEWLY RENOVATED TO MEET THE QUALIFICATIONS IMPOSED BY
29 THIS SUBTITLE.

Council Bill 15-0565

1 (8) *SUPERMARKET.*

2 "SUPERMARKET" MEANS A GROCERY STORE THAT HAS:

- 3 (I) ALL MAJOR FOOD DEPARTMENTS, INCLUDING PRODUCE, MEAT, SEAFOOD,
4 DAIRY, AND CANNED AND PACKAGED GOODS;
- 5 (II) MORE THAN 50% OF TOTAL SALES DERIVED FROM FOOD SALES; AND
- 6 (III) MORE THAN 50% OF TOTAL FLOOR SPACE DEDICATED TO FOOD SALES.

7 (B) *CREDIT GRANTED.*

8 IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-304, A TAX CREDIT IS GRANTED
9 AGAINST THE CITY PERSONAL PROPERTY TAX IMPOSED ON QUALIFIED SUPERMARKETS.

10 (C) *QUALIFICATIONS FOR CREDIT.*

11 TO QUALIFY FOR THE CREDIT GRANTED BY THIS SECTION, A SUPERMARKET MUST:

12 (1) BE LOCATED EITHER:

- 13 (I) IN A FOOD DESERT RETAIL INCENTIVE AREA; OR
- 14 (II) IN AN AREA THAT WOULD BE A FOOD DESERT RETAIL INCENTIVE AREA BUT
15 FOR THAT SUPERMARKET'S PRESENCE;

16 (2) HAVE EXPENDED ON NEW PERSONAL PROPERTY AN AMOUNT EQUAL TO THE
17 GREATER OF:

- 18 (I) \$150,000; OR
- 19 (II) \$25 PER SQUARE FOOT OF TOTAL FLOOR SPACE;

20 (3) HAVE AT LEAST 500 SQUARE FEET OF TOTAL FLOOR SPACE DEDICATED TO THE
21 SALE OF FRUITS AND VEGETABLES; AND

22 (4) HAVE AT LEAST 500 SQUARE FEET OF TOTAL FLOOR SPACE DEDICATED TO THE
23 SALE OF OTHER PERISHABLE GOODS, INCLUDING MEAT, SEAFOOD, AND DAIRY
24 PRODUCTS; AND

25 (D) *AMOUNT OF CREDIT.*

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

- 27 (1) THE AMOUNT OF PERSONAL PROPERTY TAX THAT WOULD OTHERWISE BE DUE IN
28 THE CURRENT TAX YEAR ON THE SUPERMARKET'S PERSONAL PROPERTY, LESS

Council Bill 15-0565

1 (2) THE AMOUNT OF ANY OTHER CREDIT APPLICABLE IN THE CURRENT TAX YEAR TO
2 THE PERSONAL PROPERTY, MULTIPLIED BY

3 (3) 80%.

4 (E) *APPLICATION.*

5 THE OWNER OF THE PERSONAL PROPERTY FOR WHICH A CREDIT UNDER THIS SECTION IS
6 BEING SOUGHT MUST FILE AN APPLICATION WITH THE FINANCE DIRECTOR AT LEAST 90
7 DAYS BEFORE THE 1ST TAX YEAR FOR WHICH THE CREDIT IS SOUGHT.

8 (F) *TERM OF CREDIT.*

9 THE TERM OF THE CREDIT IS 10 TAX YEARS.

10 (G) *CONTINUING ELIGIBILITY.*

11 THE OWNER OF THE PERSONAL PROPERTY FOR WHICH A CREDIT HAS BEEN GRANTED
12 UNDER THIS SECTION SHALL ENSURE THAT, THROUGHOUT THE CREDIT PERIOD, THE
13 SUPERMARKET:

14 (1) CONTINUES TO OPERATE AS A SUPERMARKET; AND

15 (2) IS MAINTAINED IN FULL COMPLIANCE WITH:

16 (I) THE CITY HEALTH ARTICLE; AND

17 (II) THE CITY BUILDING, FIRE, AND RELATED CODES ARTICLE.

18 (H) *ADMINISTRATION.*

19 THE FINANCE DIRECTOR, AFTER CONSULTATION WITH THE BALTIMORE DEVELOPMENT
20 CORPORATION:

21 (1) SHALL ADOPT RULES AND REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING
22 PROCEDURES, FORMS, AND DOCUMENTATION REQUIRED TO APPLY FOR THE CREDIT
23 AUTHORIZED BY THIS SECTION AND TO PERIODICALLY EVIDENCE CONTINUING
24 ELIGIBILITY FOR THE CREDIT;

25 (2) IN THOSE RULES AND REGULATIONS, MAY DEFINE OR FURTHER DEFINE ANY TERMS
26 USED IN CONNECTION WITH THE QUALIFICATIONS FOR OR COMPUTATION OF THE
27 CREDIT AUTHORIZED BY THIS SECTION;

28 (3) MAY SETTLE DISPUTED CLAIMS ARISING IN CONNECTION WITH THE CREDIT
29 AUTHORIZED BY THIS SECTION; AND

30 (4) MAY DELEGATE TO ANY OTHER CITY AGENCY OR TO THE BALTIMORE
31 DEVELOPMENT CORPORATION ANY OF HER OR HIS MINISTERIAL POWERS, DUTIES,
32 OR FUNCTIONS IN CONNECTION WITH THE ADMINISTRATION OF THE CREDIT
33 AUTHORIZED BY THIS SECTION.

Council Bill 15-0565

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

4 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
5 after the date it is enacted and is applicable to all tax years beginning after December 31, 2015.