Legislation Details (With Text)

File #:	19-0175R	**Version:**	0	**Name:**	Request for State Action - Real Property Tax Credit for Grocery Stores in Food Desert Retail Incentive Areas
Type:	City Council Resolution			**Status:**	Adopted
File created:	10/28/2019			**In control:**	City Council
On agenda:				**Final action:**	10/28/2019
Enactment date:				**Enactment #:**	

Title: 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.

Sponsors: Bill Henry, Mayor Brandon M. Scott, John T. Bullock, Kristerfer Burnett, Shannon Sneed, Ryan Dorsey, Isaac "Yitzy" Schleifer, Leon F. Pinkett, III, Sharon Green Middleton, Mary Pat Clarke, Edward Reisinger, Zeke Cohen, Eric T. Costello, Robert Stokes, Sr.

Indexes: Food Desert, Real Property, Request for State Action, Tax Credits

Code sections:

Attachments: 1. 19-0175R~1st Reader, 2. Complete Bill File 19-0175R

Date	Ver.	Action By	Action	Result
10/28/2019	0	City Council	Adopted	
10/28/2019	0	City Council	Introduced	

*** Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

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.):

(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;

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(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.

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