HOUSE BILL 223

Q1 4lr1333

By: **Delegate Rosenberg**
Introduced and read first time: January 17, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Property Tax Credit – Urban Agricultural Property – Applicability

FOR the purpose of altering the eligibility criteria for a certain property tax credit for certain agricultural property; authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to provide for a refund of certain property taxes paid for certain taxable years under certain circumstances; altering a certain definition; providing for the application of this Act; and generally relating to a property tax credit for agricultural property.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–253
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – Property

9–253.

(a) (1) In this section the following words have the meanings indicated.

(2) "Urban agricultural property" means real property that is:

(i) at least one–eighth of an acre and not more than 5 acres;

(ii) located in a priority funding area, as defined in § 5–7B–02 of the State Finance and Procurement Article; and

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(iii) used **[**exclusively**]** for urban agricultural purposes.

(3) "Urban agricultural purposes" means:

(i) crop production activities, including the use of mulch or cover crops to ensure maximum productivity and minimize runoff and weed production;

(ii) environmental mitigation activities, including stormwater abatement and groundwater protection;

(iii) community development activities, including recreational activities, food donations, and food preparation and canning classes;

(iv) economic development activities, including employment and training opportunities, and direct sales to restaurants and institutions; and

(v) temporary produce stands used for the sale of produce raised on the premises.

(b) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a tax credit against the county or municipal corporation property tax imposed on urban agricultural property.

(c) (1) Except as provided in paragraph (2) of this subsection, a tax credit under this section shall be granted for 5 years.

(2) (i) If the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation grants a tax credit under this section, the jurisdiction granting a tax credit shall evaluate the effectiveness of the credit after 3 years.

(ii) If the jurisdiction granting the tax credit determines that the tax credit is ineffective in promoting urban agricultural purposes, the jurisdiction granting a tax credit may terminate the tax credit.

(iii) The jurisdiction granting a tax credit under this section may extend the tax credit for an additional 5 years.

(d) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may provide, by law, for:

(1) the amount of the tax credit under this section;

(2) additional eligibility criteria for the tax credit under this section;

(3) regulations and procedures for the application and uniform processing of requests for the tax credit; and

(4) any other provision necessary to carry out the credit under this section.

(e) At any time during the period for which a property tax credit under this section is granted for urban agricultural property, if the property ceases to be used for urban agricultural purposes, the owner of the property shall be liable for all property taxes that would have been imposed if a property tax credit for urban agricultural property had not been granted.

(F) IF A PROPERTY TAX CREDIT IS GRANTED UNDER THIS SECTION ON OR AFTER JUNE 1, 2014, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE A REFUND OF PROPERTY TAX PAID FOR TAXABLE YEARS BEGINNING ON OR AFTER JULY 1, 2010, ON PROPERTY USED FOR URBAN AGRICULTURAL PURPOSES THAT DID NOT QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SECTION BEFORE JUNE 1, 2014.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all taxable years beginning after June 30, 2014.