

HOUSE BILL 156

L6, M4, Q4

2lr0918

(PRE-FILED)

By: **Delegate Queen**

Requested: October 24, 2021

Introduced and read first time: January 12, 2022

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Local Governments – Urban Agricultural Incentive Zones – Authorization**

3 FOR the purpose of authorizing a local government to establish, by local law, procedures
4 for a qualifying farmer or partner organization to apply to the local government to
5 designate an area as an urban agricultural incentive zone; requiring a local
6 government to establish an urban agricultural incentive zone advisory committee to
7 advise the local government on the designation of an area as an urban agricultural
8 incentive zone under certain circumstances; authorizing a local government to
9 designate, by law, an area as an urban agricultural incentive zone under certain
10 circumstances; requiring the Comptroller to distribute the sales and use tax revenue
11 on the sale of farm products in an urban agricultural incentive zone to the local
12 government in which the urban agricultural incentive zone is located; and generally
13 relating to urban agricultural incentive zones.

14 BY repealing and reenacting, without amendments,
15 Article – Agriculture
16 Section 2–2001(a) and (b)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2021 Supplement)

19 BY adding to
20 Article – Local Government
21 Section 1–1601 through 1–1604 to be under the new subtitle “Subtitle 16. Urban
22 Agricultural Incentive Zones”
23 Annotated Code of Maryland
24 (2013 Volume and 2021 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article – Tax – General
27 Section 2–1302.1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2016 Replacement Volume and 2021 Supplement)

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

5 **Article – Agriculture**

6 2–2001.

7 (a) In this subtitle the following words have the meanings indicated.

8 (b) “Farm product” means:

9 (1) Any agricultural, horticultural, vegetable, or fruit product of the soil,
10 whether raw, canned, frozen, dried, pickled, or otherwise processed;

11 (2) Livestock, meats, marine food products, poultry, eggs, or dairy
12 products;

13 (3) Wool, hides, feathers, nuts, or honey; and

14 (4) Every product of farm, forest, orchard, garden, or water.

15 **Article – Local Government**

16 **SUBTITLE 16. URBAN AGRICULTURAL INCENTIVE ZONES.**

17 **1–1601.**

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (B) “DESIGNATED AREA” MEANS AN AREA DESIGNATED BY A LOCAL
21 GOVERNMENT AS AN URBAN AGRICULTURAL INCENTIVE ZONE IN ACCORDANCE
22 WITH THIS SUBTITLE.

23 (C) “FARM PRODUCT” HAS THE MEANING STATED IN § 2–2001 OF THE
24 AGRICULTURE ARTICLE.

25 (D) “LOCAL GOVERNMENT” MEANS A COUNTY OR MUNICIPALITY.

26 (E) “PARTNER ORGANIZATION” MEANS A NONPROFIT ORGANIZATION THAT
27 MEETS STANDARDS SET FORTH BY § 501(C)(3) OF THE INTERNAL REVENUE CODE
28 AND WHOSE MISSION INCLUDES SUPPORTING URBAN AGRICULTURAL ACTIVITIES.

1 (F) "QUALIFYING FARMER" MEANS AN INDIVIDUAL WHO MEETS
2 QUALIFICATIONS ESTABLISHED BY A LOCAL GOVERNMENT UNDER § 1-1602 OF THIS
3 SUBTITLE.

4 1-1602.

5 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A LOCAL GOVERNMENT
6 MAY ESTABLISH, BY LOCAL LAW, PROCEDURES FOR A QUALIFYING FARMER OR A
7 PARTNER ORGANIZATION TO APPLY TO THE LOCAL GOVERNMENT TO DESIGNATE AN
8 AREA AS AN URBAN AGRICULTURAL INCENTIVE ZONE.

9 (B) A LOCAL LAW ADOPTED UNDER THIS SECTION SHALL ESTABLISH
10 QUALIFICATIONS AND APPLICATION PROCEDURES, INCLUDING REQUIRING THAT AN
11 APPLICANT:

12 (1) (I) PROCESS, GROW, RAISE, OR OTHERWISE PRODUCE FARM
13 PRODUCTS IN THE PROPOSED AREA; OR

14 (II) SELL FARM PRODUCTS, OF WHICH 75% IS LOCALLY GROWN
15 FOOD, IN THE PROPOSED AREA; AND

16 (2) DEMONSTRATE OR IDENTIFY:

17 (I) THE NUMBER OF JOBS TO BE CREATED, MAINTAINED, OR
18 SUPPORTED IN THE PROPOSED AREA;

19 (II) THE TYPES OF PRODUCTS TO BE PRODUCED;

20 (III) IF SELLING PRODUCTS TO CONSUMERS, THE ABILITY TO
21 ACCEPT FEDERAL NUTRITION BENEFITS; AND

22 (IV) THE GEOGRAPHIC DESCRIPTION OF THE PROPOSED AREA.

23 1-1603.

24 (A) ON APPLICATION TO DESIGNATE AN AREA AS AN URBAN AGRICULTURAL
25 INCENTIVE ZONE UNDER § 1-1602 OF THIS SUBTITLE, THE LOCAL GOVERNMENT
26 SHALL ESTABLISH AN URBAN AGRICULTURAL INCENTIVE ZONE ADVISORY
27 COMMITTEE.

28 (B) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION SHALL
29 CONSIST OF:

1 **(1) AN ELECTED EXECUTIVE OF THE LOCAL GOVERNMENT IN WHICH**
2 **THE URBAN AGRICULTURAL INCENTIVE ZONE IS PROPOSED TO BE LOCATED; AND**

3 **(2) FOUR RESIDENTS OF THE LOCAL JURISDICTION IN WHICH THE**
4 **URBAN AGRICULTURAL AREA IS PROPOSED TO BE LOCATED, INCLUDING AT LEAST**
5 **ONE RESIDENT WITH EXPERIENCE IN, OR WHO REPRESENTS AN ORGANIZATION**
6 **ASSOCIATED WITH, SUSTAINABLE AGRICULTURE, URBAN FARMING, OR COMMUNITY**
7 **GARDENING.**

8 **(C) (1) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION**
9 **SHALL:**

10 **(I) ADVISE THE LOCAL GOVERNMENT ON THE DESIGNATION OF**
11 **AN AREA AS AN URBAN AGRICULTURAL INCENTIVE ZONE; AND**

12 **(II) HOLD A PUBLIC HEARING AND PROVIDE AN OPPORTUNITY**
13 **TO COMMENT ON AN APPLICATION TO DESIGNATE AN AREA AS AN URBAN**
14 **AGRICULTURAL INCENTIVE ZONE.**

15 **(2) IF A LOCAL LAW TO DESIGNATE AN AREA AS AN URBAN**
16 **AGRICULTURAL INCENTIVE ZONE IS ADOPTED UNDER § 1-1604 OF THIS SUBTITLE,**
17 **THE ADVISORY COMMITTEE SHALL:**

18 **(I) REVIEW THE DESIGNATION EVERY 5 YEARS; AND**

19 **(II) ADVISE THE LOCAL GOVERNMENT ON WHETHER THE**
20 **DESIGNATED AREA SHOULD BE MODIFIED OR TERMINATED.**

21 **1-1604.**

22 **(A) AFTER AN ADVISORY COMMITTEE PROVIDES A PUBLIC HEARING AND**
23 **OPPORTUNITY TO COMMENT ON AN APPLICATION IN ACCORDANCE WITH § 1-1603**
24 **OF THIS SUBTITLE, A LOCAL GOVERNMENT MAY DESIGNATE, BY LAW, AN AREA AS AN**
25 **URBAN AGRICULTURAL INCENTIVE ZONE.**

26 **(B) (1) A LOCAL LAW ADOPTED UNDER THIS SECTION SHALL ESTABLISH**
27 **A LOCAL URBAN AGRICULTURAL INCENTIVE ZONE FUND TO RECEIVE:**

28 **(I) CONSERVATION INNOVATION GRANT MONEY FROM THE**
29 **U.S. DEPARTMENT OF AGRICULTURE;**

1 **(II) SALES AND USE TAX REVENUE DISTRIBUTED TO THE LOCAL**
2 **GOVERNMENT UNDER § 2-1302.1 OF THE TAX – GENERAL ARTICLE; AND**

3 **(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
4 **FOR THE BENEFIT OF THE FUND.**

5 **(2) MONEY IN THE FUND MAY BE USED IN A MANNER DETERMINED BY**
6 **THE LOCAL GOVERNMENT, INCLUDING FOR:**

7 **(I) SUPPORTING OPPORTUNITIES FOR LOCAL ECONOMIC**
8 **DEVELOPMENT ASSOCIATED WITH URBAN AGRICULTURAL ACTIVITIES;**

9 **(II) PROVIDING FUNDING FOR EDUCATIONAL PROGRAMS**
10 **FOCUSED ON NUTRITION AND LOCAL URBAN FARMS; AND**

11 **(III) IMPROVING COMMUNITY ACCESS TO HEALTHY FOOD**
12 **CHOICES.**

13 **(C) (1) THIS SUBSECTION APPLIES TO REAL PROPERTY THAT IS:**

14 **(I) LOCATED IN A DESIGNATED AREA; AND**

15 **(II) USED BY A QUALIFYING FARMER OR PARTNER**
16 **ORGANIZATION TO PROCESS, GROW, RAISE, OR OTHERWISE PRODUCE FARM**
17 **PRODUCTS.**

18 **(2) A LOCAL LAW ADOPTED UNDER THIS SUBSECTION MAY:**

19 **(I) GRANT A PROPERTY TAX CREDIT AGAINST THE LOCAL**
20 **PROPERTY TAX IMPOSED ON REAL PROPERTY;**

21 **(II) PROVIDE THAT THE LOCAL PROPERTY TAX IMPOSED ON**
22 **REAL PROPERTY WILL NOT INCREASE FOR A PERIOD OF UP TO 25 YEARS; AND**

23 **(III) AUTHORIZE AN ENTITY PROVIDING WATER, ELECTRICITY,**
24 **OR OTHER UTILITIES TO REAL PROPERTY TO ALLOW A QUALIFYING FARMER OR**
25 **PARTNER ORGANIZATION TO:**

26 **1. PAY A REDUCED RATE FOR SERVICE; OR**

27 **2. PAY A REDUCED CONNECTION CHARGE FOR SERVICE.**

