

# HOUSE BILL 156

L6, M4, Q4

2lr0918

(PRE-FILED)

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By: ~~Delegate Queen~~ Delegates Queen, Boyce, Foley, Fraser-Hidalgo, Healey, Lehman, Prettyman, and Ruth

Requested: October 24, 2021

Introduced and read first time: January 12, 2022

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 22, 2022

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## CHAPTER \_\_\_\_\_

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 1-1601 through 1-1604 to be under the new subtitle "Subtitle 16. Urban  
 2 Agricultural Incentive Zones"  
 3 Annotated Code of Maryland  
 4 (2013 Volume and 2021 Supplement)

5 ~~BY repealing and reenacting, with amendments,~~  
 6 ~~Article Tax General~~  
 7 ~~Section 2-1302.1~~  
 8 ~~Annotated Code of Maryland~~  
 9 ~~(2016 Replacement Volume and 2021 Supplement)~~

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

### 12 Article – Agriculture

13 2-2001.

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

15 (b) "Farm product" means:

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

18 (2) Livestock, meats, marine food products, poultry, eggs, or dairy  
 19 products;

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

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

### 22 Article – Local Government

#### 23 SUBTITLE 16. URBAN AGRICULTURAL INCENTIVE ZONES.

24 1-1601.

25 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 26 INDICATED.

27 (B) "DESIGNATED AREA" MEANS AN AREA DESIGNATED BY A LOCAL  
 28 GOVERNMENT AS AN URBAN AGRICULTURAL INCENTIVE ZONE IN ACCORDANCE  
 29 WITH THIS SUBTITLE.

1 (C) "FARM PRODUCT" HAS THE MEANING STATED IN § 2-2001 OF THE  
2 AGRICULTURE ARTICLE.

3 (D) "LOCAL GOVERNMENT" MEANS A COUNTY OR MUNICIPALITY.

4 (E) "PARTNER ORGANIZATION" MEANS A NONPROFIT ORGANIZATION THAT  
5 MEETS STANDARDS SET FORTH BY § 501(C)(3) OF THE INTERNAL REVENUE CODE  
6 AND WHOSE MISSION INCLUDES SUPPORTING URBAN AGRICULTURAL ACTIVITIES.

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

10 1-1602.

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

15 (B) A LOCAL LAW ADOPTED UNDER THIS SECTION SHALL ESTABLISH  
16 QUALIFICATIONS AND APPLICATION PROCEDURES, INCLUDING REQUIRING THAT AN  
17 APPLICANT:

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

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

22 (2) DEMONSTRATE OR IDENTIFY:

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

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

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

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

29 1-1603.

1           **(A) ON APPLICATION TO DESIGNATE AN AREA AS AN URBAN AGRICULTURAL**  
2 **INCENTIVE ZONE UNDER § 1-1602 OF THIS SUBTITLE, THE LOCAL GOVERNMENT**  
3 **SHALL ESTABLISH AN URBAN AGRICULTURAL INCENTIVE ZONE ADVISORY**  
4 **COMMITTEE.**

5           **(B) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION SHALL**  
6 **CONSIST OF:**

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

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

14           **(C) (1) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION**  
15 **SHALL:**

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

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

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

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

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

27 **1-1604.**

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

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

3                   **(I) CONSERVATION INNOVATION GRANT MONEY FROM THE**  
4 **U.S. DEPARTMENT OF AGRICULTURE; AND**

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

7                   **~~(III)~~ ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
8 **FOR THE BENEFIT OF THE FUND.**

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

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

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

15                   **(III) IMPROVING COMMUNITY ACCESS TO HEALTHY FOOD**  
16 **CHOICES.**

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

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

19                   **(II) USED BY A QUALIFYING FARMER OR PARTNER**  
20 **ORGANIZATION TO PROCESS, GROW, RAISE, OR OTHERWISE PRODUCE FARM**  
21 **PRODUCTS.**

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

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

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

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

