

Chapter 643

(House Bill 161)

AN ACT concerning

Property Tax Credit – Retail Service Station Conversions

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a credit against the county or municipal corporation property tax imposed on real property if use of the real property has been converted from a retail service station to other certain uses; ~~authorizing the State to pay to each county or municipal corporation that grants the property tax credit under this Act an amount equal to a certain percentage of certain forgone revenue of the county or municipal corporation;~~ and generally relating to a property tax credit for retail service station conversions.

BY adding to

Article – Tax – Property

Section 9–276

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

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

Article – Tax – Property**9–276.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DISCOUNT STORE” MEANS A RETAIL STORE THAT OFFERS FOR SALE:

(I) A COMBINATION AND VARIETY OF CONVENIENCE AND CONSUMER SHOPPING GOODS; AND

(II) THE MAJORITY OF THE ITEMS IN THE INVENTORY AT A PRICE NOT TO EXCEED \$5.

(3) “RETAIL USE” DOES NOT INCLUDE USE ~~AS A DISCOUNT STORE OR A SELF-SERVICE STORAGE FACILITY~~ BY:

(I) A DISCOUNT STORE;

(II) A SELF-SERVICE STORAGE FACILITY;

(III) A LICENSED RETAILER OF CIGARETTES UNDER TITLE 16 OF THE BUSINESS REGULATION ARTICLE;

(IV) A LICENSED OTHER TOBACCO PRODUCTS RETAILER OR TOBACCONIST, AS DEFINED IN § 16.5-101 OF THE BUSINESS REGULATION ARTICLE;

(V) AN ELECTRONIC SMOKING DEVICES RETAILER OR A VAPE SHOP VENDOR, AS DEFINED IN § 16.7-101 OF THE BUSINESS REGULATION ARTICLE;
OR

(VI) A HOLDER OF A CLASS A RETAIL ALCOHOLIC BEVERAGES LICENSE UNDER DIVISION II OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A PROPERTY TAX CREDIT AUTHORIZED UNDER THIS SECTION BE GRANTED PRIMARILY TO DEFRAY COSTS ASSOCIATED WITH THE REMOVAL OF UNDERGROUND STORAGE TANKS AND THE REMEDIATION OF ANY CONTAMINATION ASSOCIATED WITH UNDERGROUND STORAGE TANKS.

(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON REAL PROPERTY IF THE USE OF THE REAL PROPERTY HAS BEEN CONVERTED FROM A RETAIL SERVICE STATION TO ANOTHER RETAIL USE, A RESIDENTIAL USE, OR A MIXED RETAIL AND RESIDENTIAL USE.

(D) THE TAX CREDIT UNDER THIS SECTION MAY NOT BE GRANTED FOR REAL PROPERTY UNLESS UNDERGROUND STORAGE TANKS LOCATED ON OR FORMERLY LOCATED ON THE REAL PROPERTY HAVE BEEN PERMANENTLY CLOSED IN ACCORDANCE WITH REGULATIONS OF THE DEPARTMENT OF THE ENVIRONMENT.

~~(D)~~ (E) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:

(1) THE AMOUNT AND DURATION OF THE TAX CREDIT UNDER THIS SECTION;

(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;

(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 TAX CREDIT UNDER THIS SECTION.

~~(E) THE STATE MAY PAY TO EACH COUNTY OR MUNICIPAL CORPORATION THAT GRANTS THE TAX CREDIT UNDER THIS SECTION AN AMOUNT EQUAL TO 50% OF THE PROPERTY TAX REVENUE THAT WOULD HAVE BEEN COLLECTED IF THE TAX CREDIT UNDER THIS SECTION HAD NOT BEEN GRANTED.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.

Approved by the Governor, May 26, 2026.