

Chapter 769

(House Bill 359)

AN ACT concerning

Property Tax Credit – Urban Agricultural Property – Alterations

FOR the purpose of altering eligibility for a tax credit against the county or municipal corporation property tax imposed on certain urban agricultural property; requiring a county or municipal corporation that grants the tax credit to provide certain notice and opportunity to be heard to the public before the county or municipal corporation may exercise its authority to terminate the credit; and generally relating to a property tax credit for urban agricultural property.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–253

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

9–253.

(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] **NOT ASSESSED AS AGRICULTURAL LAND UNDER § 8–209 OF THIS ARTICLE**; and

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

(3) “Urban agricultural purposes” means:

(i) **INDOOR AND OUTDOOR** crop production activities, including the use of mulch or cover crops to ensure maximum productivity and minimize runoff and weed production, **PRODUCTION OF VALUE–ADDED AGRICULTURAL PRODUCTS**,

BEEKEEPING, RAISING LIVESTOCK, ~~AND~~ COMPOSTING, AND HYDROPONICS AND OTHER SOILLESS OR CONTROLLED-ENVIRONMENT CROP PRODUCTION METHODS;

(ii) environmental mitigation activities, including stormwater abatement, **POLLINATOR HABITAT CREATION AND MAINTENANCE**, 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; **AND**

(VI) AGRICULTURAL EDUCATION AND AGRITOURISM ACTIVITIES.

(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 **IF THE JURISDICTION PROVIDES THE PUBLIC:**

1. NOTICE OF THE TERMINATION OF THE CREDIT AT LEAST 1 YEAR IN ADVANCE; AND

2. THE OPPORTUNITY FOR COMMENT AND APPEAL.

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

(IV) JURISDICTIONS MAY PRIORITIZE RENEWALS OF THE CREDIT BASED ON THE SPECIFIC PRIORITIES OF THE INDIVIDUAL JURISDICTION.

(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.

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.