



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SPONSOR TESTIMONY IN SUPPORT OF HB0889
(RETAIL SERVICE STATIONS - ELECTRIC VEHICLE CHARGING STATIONS AND PROPERTY
TAX CREDIT FOR SERVICE STATION CONVERSIONS)

Delegate Sheila Ruth
March 7, 2023

As we make the urgent and necessary transition to a clean energy economy, it's important to consider the impact of that transition on businesses and communities. With various state and federal incentives available, we are seeing an acceleration of EV adoption that will only increase in the coming years. While it will be many years before gasoline-powered vehicles are completely replaced by electric vehicles and better transit, it's very likely that long before then - possibly within the next decade - the market for gasoline will be reduced enough that it can no longer support all the gas stations that currently exist. We need to prepare before that time comes to avoid the blight of abandoned gas stations dotting the landscape, and the corresponding economic impact through loss of jobs.

Given the anticipated market reduction, building any new gas stations would probably not be a wise business decision. But if any business decides to open a new station, HB889 would require them to install electric vehicle chargers to support the transition to EVs and insulate their business with an alternative income stream. People will not want to spend an excess amount of time at a gas station charging their vehicles, so those chargers must be fast and capable of providing enough charge in a short enough time to continue errands or travel.

The addition of EV chargers will not be enough to financially support all existing gas stations, so HB889 also authorizes counties to enact a property tax credit to incentivize the transition from gas stations to other land uses. Gas stations have the added complication of underground storage tanks that need to be addressed in order to make that transition. This adds to the cost and disincentives redeveloping the land, so a property tax credit will help reduce that cost and incentivizes the move towards other land uses that will be beneficial to the community. Because the state has an interest in ensuring the protection of the environment, economy, and communities, HB889 specifies that the state will match 50% of the tax credit. HB889 also specifies that conversion to a discount "dollar" store or self-storage facility is not eligible for the credit, as such facilities already tend to proliferate in low-income and disadvantaged communities, crowding out other businesses important to the community, such as grocery stores.

It is time to start making the necessary changes to uplift communities, preserve the local economy protect the environment and the future of our planet. I ask for a favorable report for HB889