

SB67_Brooks.pdf

Uploaded by: Benjamin Brooks

Position: FAV

BENJAMIN BROOKS
Legislative District 10
Baltimore County

Education, Energy, and the
Environment Committee
Energy Subcommittee

Chair, Joint Electric Universal
Service Program Workgroup



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TESTIMONY IN SUPPORT OF SB67
Property Tax Credit- Retail Service Station Conversions

Budget & Taxation Committee
January 18, 2024

Chair Guzzone, Vice-Chair Rosapepe and Members of the Committee,

Thank you for the opportunity to testify before you on SB 67, Property Tax Credit – Retail Service Station Conversions. The purpose of this bill is to allow the Counties and Baltimore City to grant property tax credits for property owners who convert former retail service stations into new residential and retail uses.

In the past few years, major automobile manufacturers such as Ford, Honda, General Motors, and many more have pledged to dedicate 50% to 100% of their sales to electric vehicles by 2030 or sooner. The writing is on the wall for retail service stations— gas-powered cars are being phased out and we need to plan for a future where consumers are simply not buying gas at the level they used to. Instead of letting hundreds of perfectly good properties go abandoned and lie to waste, we should seize the moment and use this transition to empower communities with new opportunities.

SB 67 will grant the Counties and Baltimore City the ability to grant property tax credits if use of the real property has been converted from a retail service station to other uses. These could include mixed commercial and residential areas but exclude nuisance businesses such as self-storage facilities and discount retail stores. It will help to offset the high cost of converting these sites, such as the need to address or remove underground storage tanks.

This tax credit for retail service station conversions will have the potential of transforming our neighborhoods, thus, paving the way for new homes and job opportunities for Marylanders. It is time to start making the necessary changes to uplift communities, preserve the local economy, protect the environment, and preserve the future of our planet.

For these reasons, I am requesting a favorable report of SB67.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks

SB 67 HB 12

RETAIL SERVICE STATION CONVERSIONS PROPERTY TAX CREDIT

Why we need SB 67

With the rise of electric vehicles, the future of retail service stations is uncertain as the demand for gasoline goes down. If the State remains silent about this issue, Maryland is at risk at having dozens if not hundreds of abandoned retail service stations which are a nuisance and hazard to the environment.



50%

Of Ford vehicle sales will be electric by 2030



100%

Of General Motors vehicle sales will be electric by 2035



HONDA

100%

Of Honda vehicle sales will be electric by 2040



BAN ON COMBUSTION ENGINES

Maryland, California, and 8 other states will ban the sale by 2035



The Cost of Upgrading Retail Service Stations

\$154,000

Average cost for contamination cleanup for USTs according to the U.S. Environmental Protection Agency



Demolition and Utility:

These upgrades are a significant cost since converting a property often requires upgrading utilities like water, sewage, electricity, and gas to meet the demands of the new use. These upgrades can be costly, especially if the existing infrastructure is old or inadequate.



Zoning and Land:

A developer may need to apply for a change in land use or zoning, which can incur fees and require legal assistance. The cost for these services can range widely.

UST Cleaning:

These USTs (underground storage tanks) must be properly removed and any contaminated soil remediated. Costs vary greatly depending on the size of the tanks, the level of contamination, and local regulations.

How SB 67 Helps

SB 67 will authorize Counties and Baltimore City to issue a property tax credit if the property has been converted from a retail service station.



Supporting Counties

The State will reimburse the Counties 50% of the foregone revenue if the property had not been converted.



Spurring Growth

This bill will incentivize investment in converting these retail service stations.



Safeguarding Communities

Tax credits will not go to property conversions that build retail discount stores or self-storage centers.



Keeping Our Communities Beautiful

SB 67 gives communities the opportunity to support new businesses and housing while keeping their streets beautiful and vibrant. Gas stations, discount stores, and self-storage facilities prey on underused land in underserved communities.

This bill encourages more productive uses of land by incentivizing new development while also preparing for a future without gasoline automobiles.

BENJAMIN BROOKS

Shetta RUTH

Contact

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SB0067_Tax_Credit_Retail_Service_Stations_MLC_FAV.

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR SB0067
PROPERTY TAX CREDIT – RETAIL SERVICE STATION
CONVERSIONS**

Bill Sponsor: Senator Brooks

Committee: Budget and Tax

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0067 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Over the next seven to twelve years, we will have to ensure that many more retail service stations close as we make our transition to clean energy and stop using fossil fuels to power our vehicles. Because it is so hard to convert a service station from its original use, due to the required remediation of the storage tanks below-ground, many service stations just remain abandoned service as an eyesore for the communities they are located in, and preventing them from being converted to other uses.

This bill would allow local jurisdictions to enact a property tax credit that would be used to remediate the hazards below-ground at service stations so they could be converted to other uses. It provides a 50% match by the state to offset the property tax, so the impact to the local jurisdiction is reduced.

This will help make the transition away from using gas to power our vehicles easier and will help reduce the number of abandoned gas stations across the state, and allow those properties to be utilized more productively.

We support this bill and recommend a **FAVORABLE** report in committee.

SB067 - IndivisibleHoCoMd_FAV_ElizabethFixsen.pdf

Uploaded by: Elizabeth Fixsen

Position: FAV



SB067

Property Tax Credit – Retail Service Station Conversions

Testimony before Senate Budget and Taxation Committee

Hearing January 18, 2024 – 12:00 pm

Position: FAVORABLE

Senator Brooks and members of the committee, my name is Elizabeth Fixsen, and I represent the 700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today in **support of SB067** providing a property tax credit for conversion of retail service stations to other uses. We thank Senator Brooks for sponsoring this bill.

This bill is aimed at retail service stations that are no longer in use and are abandoned, presenting environmental hazards and a nuisance to the neighborhoods. As the underground tanks age, they are more susceptible to leaking gasoline, polluting the soil and threatening underground water supplies.

As electric vehicles take over, gasoline fueling stations are closing in ever greater numbers. However, the cost of converting these stations to other uses is high. For example, the average cost just for the removal of the gasoline storage tank and the mitigation of soil contamination is \$154,000. Other significant costs include demolition, upgrade of utilities, and fees for rezoning.

This bill will authorize cities and counties to provide a property tax credit that will help owners defray these costs if they convert the property to other retail, residential, or mixed residential and retail use (excluding discount stores and self-storage centers). The State will reimburse the counties 50% of the revenue lost from giving this credit. The conversion of these abandoned properties to more productive, revenue-generating uses will provide an economic benefit to Maryland's communities and help expand the state's housing stock.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Elizabeth Fixsen
Savage, MD

Sources:

<https://grist.org/accountability/gas-stations-underground-storage-tank-leaks-environmental-disaster/>

file:///C:/Users/efixs/Downloads/SB67_OnePager.pdf

<https://www.patrickjohnstone.ca/2013/04/whats-with-abandoned-gas-stations-part-1.html>

Letter of Support For SB0067 - Property Tax Credit

Uploaded by: Isaac Leal

Position: FAV

SB0067 - Property Tax Credit – Retail Service Station Conversions

Isaac Leal

January 17th, 2024

Letter of Support

To the Esteemed Senators of the Maryland Senate Budget and Taxation Committee,

I am writing to express my strong support for SB0067, "Property Tax Credit – Retail Service Station Conversions." This legislation is not only timely but also crucial in addressing two significant concerns associated with the presence of gas stations in our communities: their environmental impact and their criminogenic nature. By incentivizing the conversion of gas stations into more community-friendly and environmentally sustainable entities, SB0067 offers a proactive solution to reshape our urban landscapes for the better.

The support for SB0067, "Property Tax Credit – Retail Service Station Conversions," is significantly bolstered by the insights gleaned from recent scholarly research on the criminogenic nature of gas stations. Studies such as "[Crime Risk Stations: Examining Spatiotemporal Influence of Urban Features through Distance-Aware Risk Signal Functions](#)" and [related works](#) offer compelling evidence that gas stations act as focal points for criminal activities. These establishments, according to the findings, exhibit elevated risk intensity and strength for crimes during late-night hours and weekends. [This phenomenon is largely attributed to the convergence of motivated offenders and suitable targets in the absence of effective guardianship](#), a concept deeply rooted in routine activity and crime pattern theories. In light of these findings, it becomes clear that the presence of gas stations in urban areas, especially those grappling with socioeconomic challenges, contributes to an elevated crime risk, underscoring the need for strategic urban planning and law enforcement interventions.

Supporting SB0067 aligns with these research insights, presenting an opportunity to reduce the number of gas stations in our communities, thereby potentially lowering the associated criminogenic risks. This bill not only offers a pathway for transforming urban spaces by converting gas stations into more community-beneficial properties but also aligns with broader objectives of environmental sustainability and public safety

enhancement. The incentivization of converting gas stations into alternative, more beneficial uses through property tax credits is a proactive measure that addresses both the environmental concerns associated with fossil fuel dependency and the public safety issues underscored in the cited studies.

Additionally, gas stations, by their very nature and operation, pose substantial health risks due to the release of toxic chemicals into the environment. [Chronic exposure to benzene, a well-known component of gasoline, has been linked to numerous blood cancers, including acute myeloid leukemia and acute non-lymphocytic leukemia.](#) This risk is not just confined to gas station employees but extends to the wider community, [including residents and businesses in proximity to these stations.](#) The cumulative release of unburned fuel into the environment, though seemingly small on an individual level, is significant when considered in totality, particularly in densely populated metropolitan areas. Furthermore, the environmental impact of gas stations extends beyond air pollution. Liquid fuel spills and vapor emissions lead to soil and groundwater contamination, contributing to a broader spectrum of health risks. Runoff water contaminated with hydrocarbons from gas stations can carry these pollutants to natural water bodies, affecting both aquatic ecosystems and human health. The widespread distribution of gas stations, coupled with the intensive usage of vehicle fuel in industrialized nations, amplifies these risks.

In conclusion, SB0067 is a much-needed catalyst for positive change. By providing a property tax credit for the conversion of retail service stations, we can significantly reduce the environmental and safety concerns they present. This bill paves the way for Baltimore and other communities in Maryland to incentivize the transformation of these sites into beneficial, sustainable, and safe spaces. The passage of SB0067 will mark a significant stride towards our collective goal of fostering healthier, safer, and more environmentally responsible communities across Maryland.

I urge the Budget and Taxation Committee to recognize the multifaceted benefits of this bill and to lend it your full support.

Respectfully,

Isaac Leal

SB0067-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



Senate Bill 67

Property Tax Credit – Retail Service Station Conversions

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 18, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 67. This bill enables local governments to enact a property tax credit for specified converted retail stations. In addition, to the extent provided in the state budget, it requires the State to reimburse local governments for half of the foregone property tax revenue resulting from enacting the credit.

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by SB 67, as it provides local autonomy to determine the best way to provide these incentives rather than those that mandate reductions in local revenue sources.

The bill authorizes local governments to grant a property tax credit against the county or municipal 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, as specified.

In addition, the bill authorizes local governments to provide, by law, for the duration of the credit, the maximum assessed value of a dwelling that is eligible for the credit and, if necessary, any additional eligibility criteria. This will allow each jurisdiction that enacts the credit to tailor it to their community needs. Additionally, it gives each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

SB 67 ensures local governments have flexibility in enacting policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for SB 67.

SB 67.pdf

Uploaded by: Kirk McCauley

Position: FAV



WMDA/CAR Service Station
and Automotive Repair Association

January 18, 2024

Chair: Guy Guzzone
Members of the Budget and Taxation Committee

RE:SB 0067
Position: Favorable

A property tax credit to a business that no longer sells motor fuel would help small businesses in a transition period and hopefully keep a property from becoming an eyesore to surrounding community.

Please give SB0067 a favorable report

WMDA/CAR is a trade association that has represented service stations, convenience stores and independent repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

Pat_Young_Favorable_Testimony.pdf

Uploaded by: Pat Young

Position: FAV



COUNTY COUNCIL OF BALTIMORE COUNTY
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Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Senate Finance Committee,

I am writing to express my strong support for SB0067 (Property Tax Credit) – Retail Service Station Conversions), which seeks to amend the Article – Tax – Property, Section 9–268 of the Annotated Code of Maryland. Sponsored by Senator Ben Brooks, this legislation is crucial for fostering positive economic development and adaptive reuse of properties in our communities.

The conversion of retail service stations to alternative uses, such as retail or residential, is often a complex process that requires significant investment. The legislation acknowledges the challenges faced by property owners in repurposing these properties, contributing to the revitalization of our communities.

SB0067 allows local jurisdictions flexibility in implementing the tax credit, tailoring it to each community's needs. The provision for state reimbursement of 50% to counties and municipalities demonstrates a commitment to supporting local jurisdictions in their efforts to promote smart redevelopment.

I'm happy to support SB 067 in hopes of promoting economic growth and community improvement in Maryland. For these reasons, I urge a favorable report.

Sincerely,

A handwritten signature in blue ink that reads "Pat Young". The signature is fluid and cursive, with a long horizontal stroke at the end.

Councilman Pat Young

Baltimore County Councilman

District 1