

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.

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