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THE MARYLAND HOUSE OF DELEGATES
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SPONSOR TESTIMONY IN SUPPORT OF HB0341
(PROPERTY TAX CREDIT - RETAIL SERVICE STATION CONVERSIONS)

Delegate Sheila Ruth
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It is more than likely that you have seen the many abandoned retail service or gas stations that dot the landscape - buildings that are not only visually unappealing but providing no benefits for the communities they are left in, while also decreasing property values. Pictured here is an abandoned gas station here in Annapolis that illustrates this.



Due to the high cost of the legally required environmental remediation to transition the land to other uses, including the removal of underground fuel storage tanks, owners of smaller stations or potential purchasers who might otherwise be interested in converting the property to a better use can be discouraged from doing so. In this case, these properties are often allowed to sit

abandoned. Since environmental remediation is necessary - these underground storage tanks can potentially contaminate soil and ground water resources - property owners would benefit from financial help to convert these abandoned gas stations into uses that will benefit their communities.

HB341 would authorize counties, Baltimore City, and municipalities to grant a property tax credit to these gas station property owners in order to help cover costs associated with the removal of underground storage tanks and remediation of any contamination associated with the tanks. It is enabling legislation that would allow the local jurisdiction flexibility to determine the details and requirements of any credit program, and ensure they would be reimbursed by the state for 50% of any credit granted. The property would then be able to be converted to land uses that benefit the surrounding community rather than burden it by allowing it to remain an abandoned structure, or be repurposed into another gas station, or discount stores and self-service storage centers, which all proliferate in lower-income and historically disadvantaged communities, and which many residents consider undesirable.

This bill would benefit and protect small business owners, local communities, and our economy as it shifts away from gas-powered vehicles. Maryland has adopted the Advanced Clean Cars II standard to phase out sales of gasoline-powered cars by 2035. Whether or not the program is allowed to continue or is preempted by the new federal administration, the transition to electric vehicles is underway and many large manufacturers are transitioning to electric vehicles. Besides electric vehicles, many people are driving more fuel efficient cars, and the sales of gasoline are already trending downwards. As the market demand for gasoline continues to decrease over the years, local gas station owners need to be prepared for the more eco-friendly nature our economy is heading toward. The state and the counties have an interest in ensuring that properties which are no longer economically viable as gas stations are redeveloped in ways that will benefit the communities. I ask for a favorable report on HB341