



Senate Bill 58

Property Tax Credit - Retail Service Station Conversions

MACo Position: **SUPPORT**

To: Budget & Taxation Committee

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From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 58. This bill authorizes local governments to enact a property tax credit for specified converted retail service stations. The bill also authorizes 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 local authority to enact tax incentives for revitalization and tax relief and welcomes the opportunity to work with state policymakers to develop flexible, optional tools that allow counties to address local needs. Counties favor the approach offered by SB 58 because it preserves local discretion to determine whether and how to offer tax incentives, rather than mandating reductions in local revenue sources.

Former retail service stations often face significant redevelopment barriers due to environmental remediation requirements, including the removal of underground storage tanks and cleanup of associated contamination. These added costs discourage reinvestment and limit reuse opportunities. SB 58 addresses these challenges by giving counties a flexible option to incentivize redevelopment for retail, residential, or mixed-use purposes.

The bill authorizes local governments to grant a property tax credit against the county or municipal property tax when a property converts 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 properly provides local governments with flexibility in determining the duration of the credit, the maximum assessed value of a dwelling eligible for the credit, and, if necessary, any additional eligibility criteria. This authority allows each jurisdiction that enacts the credit to tailor its provisions to community needs while offering broad discretion to determine the extent of revenue foregone to achieve the bill's intended benefits.

SB 58 preserves local authority and provides counties with a practical tool to support redevelopment where market barriers remain high. For these reasons, MACo urges the Committee to issue a **FAVORABLE** report for SB 58.