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Government, Labor, and
Elections Committee
Chair, Labor Subcommittee



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THE MARYLAND HOUSE OF DELEGATES
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SPONSOR TESTIMONY IN SUPPORT OF HB161
(PROPERTY TAX CREDIT - RETAIL SERVICE STATION CONVERSIONS)

Delegate Sheila Ruth
March 31, 2026

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.



Due to the high cost of the environmental remediation to transition the land to other uses, 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, creating blight in the community and a potential public safety hazard. Since additional

environmental remediation may be needed to use the land for anything besides another service station, property owners would benefit from financial help to convert these abandoned gas stations into land uses that will benefit their communities.

HB161 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 remaining 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. The property would then be able to be converted to land uses that provide social and economic benefits to the surrounding community.

This bill is the crossfile of SB58, which was passed unanimously by this committee and the full Senate. The Ways and Means committee added the following two amendments:

- The bill as introduced stipulates that conversions to dollar stores and self-storage facilities would be ineligible for the tax credit. The Ways and Means amendment adds smoke shops and liquor stores to the uses ineligible for the tax credit.
- The Ways and Means committee was also concerned about businesses using the tax credit to pay for work they are already legally obligated to do to close or remove underground storage tanks. Under current regulations, businesses must remove and remediate, or in some limited circumstances, close in place. The Maryland Department of the Environment (MDE) must then inspect the closure and issue a letter of compliance. MDE advises that although the site may be in compliance, additional remediation may be needed for some land uses. It's this situation where the tax credit would be most useful. The Ways and Means amendment specifies that the tax credit may not be granted unless the underground storage tanks on the site were permanently closed according to MDE regulations.

I hope that the Budget and Taxation committee will consider these friendly amendments, and that the House and Senate versions can be kept synchronized.

This bill would benefit and protect small business owners, local communities, and our economy as we shift away from gas-powered vehicles. Aside from the new popularity of electric vehicles, many people are driving more fuel efficient cars, and the sales of gasoline are already trending downwards while prices rise. As the market demand for gasoline continues to decrease over the years, local gas station owners need to be prepared. The state and the local jurisdictions 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 they inhabit. Thus I respectfully ask for a favorable report on HB161 with the Ways and Means amendments.