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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
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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.



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, creating blight on the community and a potential public safety hazard. 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.

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 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 benefit the surrounding community.

This bill passed the Senate last session with one amendment, which removed the requirement for the state to reimburse 50% of the credit to the local jurisdiction and instead authorizes but does not require the state to reimburse. This year we introduced the bill in the form that passed the Senate, with the Senate amendment.

This bill would also benefit and protect small business owners, local communities, and our economy as we shift away from gas-powered 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. 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. I ask for a favorable report on HB161.