

Prince George's County Council Agenda Item Summary

Meeting Date: 11/17/2015
Reference No.: CB-074-2015
Draft No.: 4
Proposer(s): Lehman
Sponsor(s): Lehman, Turner, Franklin, Davis, Glaros, Taveras, Patterson
Item Title: An Act concerning Urban Agricultural Property Tax Credit for the purpose of establishing a tax credit for real property that is used for urban agricultural purposes.

Drafter: Colette R. Gresham, Legislative Officer
Resource Personnel: Matthew A. Dernoga, Policy Analyst District 1
DaShari Gray, Policy Intern District 1

LEGISLATIVE HISTORY:

Date Presented:	9/22/2015	Executive Action:	11/25/2015 S
Committee Referral:	9/22/2015 - PSFM	Effective Date:	1/11/2016

Committee Action: 10/7/2015 - FAV(A)

Date Introduced: 10/20/2015
Public Hearing: 11/17/2015 - 10:00 AM

Council Action (1) 11/17/2015 - ENACTED
Council Votes: DLD:A, MRF:A, DG:A, AH:A, ML:A, OP:A, DT:A, KT:A, TT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-235.22, 10-235.23, 10-235.24, 10-235.25

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 10/7/2015

Committee Vote: Favorable as Amended, 4-0 (In favor: Council Members Harrison Lehman, Taveras, and Turner)

CB-74-2015 establishes a property tax credit for real property used for urban agricultural purposes and provides for the amount, duration, and eligibility for the credit. The proposed legislation would allow a credit for ninety percent (90%) of the amount of property tax imposed on an eligible property after adjusting for other applicable tax credits, for a five year period. To qualify for the credit, property owners must complete the application provided by the Director of Finance, must own an eligible property, and must verify that their agricultural product values exceeds Five Thousand dollars (\$5,000.00) or more per tax year, unless a waiver is granted. Credits for this program shall not exceed One Hundred Thousand (\$100,000) per fiscal year.

Representatives from the Soil Conservation District and the Office of Finance both contributed to the Committee discussion on CB-74-2015.

As a result of the Committee discussions concerns were still pending concerning compliance with zoning laws and

the exact calculation of the tax credit based on the amount of property used for agricultural purposes. There was also raised the possibility of capping the amount of the tax credit given to an individual property owner. The Office of Law is to provide clarifying amendments.

The Office of Law has reviewed this legislation and finds it to be in proper legislative form with no legal impediments to its enactment.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

Chapter 721 of the Laws of Maryland (2010) and subsequently amended in Chapter 660 (2013) and Chapter 390 (2014), authorized the governing body of a county to grant a tax credit against the county property tax imposed on urban agricultural property. Pursuant to Section 9-253 of the Tax-Property Article of the Annotated Code of Maryland, the proposed legislation establishes a property tax credit for real property used for urban agricultural purposes and provides for the amount, duration and eligibility criteria for the tax credit.

10/20/2015: CB-74-2015 (DR-2) was amended on the floor s follows:

1. On page 2, in line 3, after "Maryland;" strike "and".
2. On page 2, in line 4, after "purposes", remove "." and replace with "; and" and starting in line 5, add new section "(D) zoned for agricultural uses or permitted as an urban farm pursuant to the Subtitle 27 - Zoning Ordinance of Prince George's County."
3. On page 2, in line 15, after "a parcel of land" insert "or, any portion thereof".
4. On page 2, in line 19, after "tax liability;" strike "and".
5. On page 2, in line 20, after "(c)" insert "shall be unimproved; and".
6. On page 2, starting at line 20, Add new section "(d)" shall read "unless a waiver is granted under Subsection (e), shall produce agricultural products valued at Two Thousand Five Hundred Dollars (\$2,500) or more per tax year."
7. On page 2, starting at line 20, Add new section "(e)" shall read "A waiver may be granted for start up properties for up to two (2) years or for a declared natural disaster or drought."
8. On page 2, line 27 after "C" insert ", IRS 990 series forms if the owner is a non-profit"
9. On page 3, line 16 after "\$100,000." insert "Each applicant is limited to an annual credit of Five Thousand Dollars (\$5,000)."

CB-74-2015 (DR-3) was introduced.

11/17/2015: CB-74-2015 (DR-3) was amended on the floor as follows:

1. On page 2, line 21 after ";" insert "and"
2. On page 2, line 22 after "(c)" delete "shall be unimproved; and" and renumber subsections (d) and (e)

CB-74-2015 (DR-4) was enacted

CODE INDEX TOPICS:

INCLUSION FILES:
