

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2014 Legislative Session

Reference No.: CB-18-2014
Draft No.: 2
Committee: PUBLIC SAFETY AND FISCAL MANAGEMENT
Date: 10/09/2014
Action: FAV (A)

Committee Vote: Favorable as amended 4-0 (In Favor: Council Members Toles, Harrison, Lehman and Turner)

This bill would establish a tax credit in the County for real property that is used for a grocery store located in an economically disadvantaged or underserved area. The Committee discussed possible amendments that included changing the term “low-income area” to a “grocery store focus area” and changing the tax credit granted to an amount equal to 75% of the amount of the property tax imposed on the increased assessment attributable to an expansion or renovation of a grocery store; new construction of a grocery store; or re-use of vacant commercial space for a grocery store. There was also discussion on the duration of the tax credit and whether the tax credit continues if the grocery store ceases to operate.

During the work session, the bill was amended as follows:

- 1) On page 2, delete lines 4-12 and insert “(3) Grocery Store Focus area means an economically disadvantaged or underserved area in Prince George’s County. This term shall solely include (A) an area designated as a food desert by: (i) the Secretary of the Maryland Department of Housing and Economic Development in accordance with Section 6-308(c) of the Housing and Community Development Article of the Annotated Code of Maryland; or (ii) the United States Department of Agriculture; or”
- 2) On page 2, delete lines 19-31 and on page 3, delete lines 1-4 and insert “Annotated Code of Maryland, subject to subsection (c), below, there is a tax credit against the county real property tax on grocery stores, a Grocery Store Tax Credit, in grocery store focus areas as defined in §10-308 of this Division.

(b) A Grocery Store Tax Credit shall be in an amount equal to 75% of the amount of the property tax imposed on the increased assessment attributable to

- (1) an expansion or renovation of a grocery store;
- (2) new construction of a grocery store; or
- (3) re-use of vacant commercial space for a grocery store.

(c) A Grocery Store Tax Credit shall be granted if approved by resolution of the County Council and concurrence of the County Executive. The Council resolution shall establish the duration of the Grocery Store Tax Credit, subject to subsection (d), below.

(d) A Grocery Store Tax Credit may not continue for more than 10 years. Notwithstanding any other provision in this Section, a Grocery Store Tax Credit granted under this Section shall immediately expire upon the ceasing of operations of the grocery store for which the Grocery Store Tax Credit was granted, as verified by the Director of Finance.”

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

The enactment of CB-18-2014 may result in a negative fiscal impact on the County related to any tax credits granted. The Grocery Store Tax Credit does have the potential to attract new businesses to the County thereby increasing the commercial tax base and providing new revenues that could potentially offset any negative fiscal impact from the extension of the tax credit.