

**PRINCE GEORGE'S COUNTY COUNCIL**  
**COMMITTEE REPORT**  
**2023 Legislative Session**

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<b>Reference No.:</b>	CB-082-2023
<b>Draft No.:</b>	1
<b>Committee:</b>	GOFP
<b>Date:</b>	09/28/2023
<b>Action:</b>	FAV

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**REPORT:** Committee Vote: Favorable 4-0. In favor: Council Members Burroughs, Fisher, Harrison, and Ivey

Absent: Council Member Oriadha

The Government Operations and Fiscal Policy Committee convened on September 28, 2023 to consider CB-82-2023. The Government Operations and Fiscal Policy Committee Director summarized the purpose of the legislation. As presented on September 6, 2023 this legislation aims to amend the existing Healthy Food Priority Areas Tax Credit by increasing it from 80% to 100% for newly constructed or extensively renovated grocery stores located in a Healthy Food priority area during their initial ten taxable years. The bill establishes definitions for eligible construction, grocery store, Healthy Food Priority Area, and the Healthy Food Priority Area Tax Credit. CB-82-2023 proposes raising the Grocery Store Tax Credit from 75% to 100%.

The Policy Analysis and Fiscal Impact Statement indicates that the enactment of CB-82-2023 will likely have an adverse direct fiscal impact. The County may experience lower receipts from property tax revenues. The amount of this impact will be dependent on the amount of the incremental increase in the credit given to existing participants. All expenditures for the administration and execution of this bill will experience little to no change.

The enactment of CB-82-2023 may have both adverse and favorable indirect fiscal impacts. To the extent that new applicants apply for and receive the credits, there may be a further adverse indirect fiscal impact. However, if the incentives are effective, the County will experience greater food access and healthy food supplier diversity. This may drive increased consumer spending and reduce County public health costs.

The Administration representative indicated that CB-82-2023 is similar to the Bill enacted in 2020 for the Healthy Food Priorities Area and asked for the committee's support.

Chris Ahn, Consultant, Office of the County Executive, clarified the intent of the legislation. He indicated that the tax credit primarily targets the small independent market within food desert areas. This initiative coordinates with the ESI Fund, allowing local decision-making within smaller-scale operations. CB-82-2023 increased the Grocery Store tax credit from 75% to 100%, indicating a more substantial commitment to supporting these businesses.

A Council Member inquired about how Prince George's County's tax credits align with neighboring jurisdictions; Mr. Ahn pointed out that comparing tax credits can be challenging due to the variation in real estate and economic conditions in each jurisdiction. You can't compare tax credits because real estate value varies for each jurisdiction.

A Council Member inquired about how many participants benefitted from the previous legislation. The Administration representative read Mr. Iannucci's statement in his absence. In the statement, Mr. Iannucci indicated that they have marketed the County's real and personal property tax credits (75% over ten years) to all, but there have been no takers.

The Government Operations and Fiscal Policy Committee voted 4-0 favorably on CB-82-2023.