

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**

**2023 Legislative Session**

Bill No. CB-082-2023

Chapter No. 59

Proposed and Presented by The Chair (by request – County Executive)

Introduced by Council Members Watson, Ivey, Dernoga, Blegay, Burroughs, Hawkins,  
Franklin, Olson, Fisher and Oriadha

Co-Sponsors \_\_\_\_\_

Date of Introduction October 10, 2023

**BILL**

1 AN ACT concerning

2 Grocery Store Tax Credits

3 For the purpose of increasing both real and personal tax credits for eligible grocery stores within  
4 the designated healthy food priority areas.

5 BY repealing and reenacting with amendments:

6 SUBTITLE 10. FINANCE AND TAXATION

7 Sections 10-235.26 and 10-311

8 The Prince George's County Code

9 (2019 Edition; 2021 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,  
11 Maryland, that Sections 10-235.26 and 10-311 of the Prince George's County Code be and the  
12 same are hereby repealed and reenacted with the following amendments:

13 SUBTITLE 10. FINANCE AND TAXATION

14 DIVISION 8. TAX ASSESSMENT, LEVY AND COLLECTION

15 Subdivision 5M. HEALTHY FOOD PRIORITY AREA TAX CREDIT

16 Sec. 10-235.26. – Healthy Food Priority Area Tax Credit Program.

17 (a) In this Section, the following words shall have the following meanings:

- 18 (1) **Eligible construction** means new construction of a grocery store or substantial  
19 renovation of an existing grocery store. "New construction of a grocery store"  
20 means either (i) the construction of any new building for a grocery store, whether

1 as a stand-alone building or an addition to an existing building, or (ii) the adaptive  
 2 reuse of an existing non-grocery store building (a building not previously used for  
 3 a grocery store) into a grocery store. "Substantial renovation of an  
 4 existing grocery store" means a complete rehabilitation of at least fifty percent  
 5 (50%) of the building gross square footage of an existing grocery store (or a  
 6 vacant space previously occupied by a grocery store). Eligible construction shall  
 7 comply with Subsection (b)(1)(C) of this Section for the subject grocery store to  
 8 be eligible to receive a tax credit authorized by this Section.

9 (2) **Grocery store** means a store that

10 (A) has all major food departments, including produce (fruits and  
 11 vegetables), meat, seafood, dairy, and canned and packaged goods,

12 (B) has more than 50% of total sales derived from food sales,

13 (C) has more than 50% of total floor space dedicated to food sales, and  
 14 both has

15 (i) at least 500 square feet dedicated to the sale of produce (fruits and  
 16 vegetables), and

17 (ii) at least 500 square feet dedicated to the sale of produce (fruits and  
 18 vegetables), and

19 The grocery store shall also comply with Subsection (b) of this Section to be  
 20 eligible to receive a tax credit authorized by this Section.

21 (3) **Healthy Food Priority Area** means either of the following:

22 (A) An area designated by Council resolution with concurrence of the  
 23 County Executive as a healthy food priority area due to a combination  
 24 of the following factors:

25 (i) Limited availability of fresh fruit, vegetables, and other healthy  
 26 food options in the designated area;

27 (ii) A presence of a significant number or share of low-income  
 28 residents in the designated area;

29 (iii) Limited transportation options or access for local residents,  
 30 including limited access to public transit, in the designated area;

31 (iv) Comments from municipal governments, if applicable; and

(v) Any other factors that the County Council and the County Executive determine are relevant; or

(B) An area designated by Council resolution with concurrence of the County Executive as a healthy food priority area due to a vacancy created by a departed grocery store.

(4) **Healthy Food Priority Area Tax Credit** means the tax credit prescribed and awarded in accordance with this Section. The Healthy Food Priority Area Tax Credit is authorized by Section 9-318 of the Tax-Property Article, Annotated Code of Maryland.

(b) **Healthy Food Priority Area Tax Credit.** The County shall award an [eighty percent (80%)] one hundred percent (100%) annual tax credit against the county personal property taxes for a newly constructed or substantially renovated grocery store located, at the time of tax credit award, in a healthy food priority area for the first ten (10) taxable years after both (i) completion of eligible construction of the newly constructed or substantially renovated grocery store and (ii) expenditure on new personal property for the newly constructed or substantially renovated grocery store, provided that the grocery store complies with the following:

(1) The grocery store meets or exceeds the following eligibility requirements:

(A) For a newly constructed store, the owner or developer of the grocery store shall have expended on new personal property an amount equal to or greater than \$150,000 or \$25 per square foot;

(B) For a substantially renovated store, the owner or developer of the grocery store shall have expended on new personal property an amount based on total floor space of the grocery store as follows:

(i) For a grocery store that is 20,000 square feet or less, have expended at least \$5 per square foot;

(ii) For a grocery store that is more than 20,000 square feet up to an including 45,000 square feet, have expended at least \$8 per square foot; and

(iii) For a grocery store that is more than 45,000 square feet, have expended at least \$10 per square foot; and

(C) At least 35% of the total costs of the actual construction of the newly constructed or substantially renovated grocery store shall be spent with County-based small businesses or County-based minority business enterprises, or combination thereof, as verified in writing by the County MBE Compliance Manager and the Supplier Development and Diversity Division, with notice within seven (7) days of verification to the Director of Finance, prior to the remittance of any tax credit proceeds authorized by this Section; and

(2) For each of the 10 years that the grocery store receives the Healthy Food Priority Area Tax Credit, the grocery store meets or exceeds the following annual requirements:

(A) At least 50% of the annual work hours at the grocery store shall be worked by residents domiciled in Prince George's County, Maryland; and

(B) The grocery store shall have a minimum wage for its workers of the greater of

- (i) \$15.00 per hour or
- (ii) the Maryland Minimum Wage as set forth in the Annotated Code of Maryland.

\* \* \* \* \*

**SUBTITLE 10. FINANCE AND TAXATION**  
**DIVISION 23. GROCERY STORE TAX CREDIT**

**Sec. 10-311. – Grocery Store Tax Credit authorized.**

(a) In accordance with the provisions of Section 9-254 of the Tax Property Article of the 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 Section 10-310 of this Division.

(b) A Grocery Store Tax Credit shall be in an amount equal to [75%] 100% 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

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(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.

\* \* \* \* \*

SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this Act, since the same would have been enacted without the incorporation in this Act of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection, or section.

SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 7<sup>th</sup> day of November, 2023.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Thomas E. Dernoga  
Chair

ATTEST:

\_\_\_\_\_  
Donna J. Brown  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Angela D. Alsobrooks  
County Executive

KEY:  
Underscoring indicates language added to existing law.  
[Brackets] indicate language deleted from existing law.  
Asterisks \*\*\* indicate intervening existing Code provisions that remain unchanged.