

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2015 Legislative Session

Bill No. CB-74-2015

Chapter No. 71

Proposed and Presented by Council Member Lehman

Introduced by Council Members Lehman, Turner, Franklin, Davis, Glaros, Taveras and
Patterson

Date of Introduction October 20, 2015

BILL

1 AN ACT concerning

2 Urban Agricultural Property Tax Credit

3 For the purpose of establishing a tax credit for real property that is used for urban agricultural
4 purposes.

5 BY adding:

6 SUBTITLE 10. FINANCE AND TAXATION.

7 Section 10-235.22, 10-235.23, 10-235.24, 10-235.25,

8 The Prince George's County Code

9 (2011 Edition; 2014 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
11 Maryland, that Sections 10-235.22, 10-235.23, 10-235.24, and 10-235.25 of the Prince George's
12 County Code be and the same are hereby added:

13 **SUBTITLE 10. FINANCE AND TAXATION.**

14 **DIVISION 8. TAX ASSESSMENT, LEVY, AND COLLECTION.**

15 **SUBDIVISION 5L. URBAN AGRICULTURAL PROPERTY TAX CREDIT.**

16 **Sec. 10-235.22. Urban agricultural property tax credit.**

17 (a) In accordance with the provisions of Section 9-253 of the Tax-Property Article of the
18 Annotated Code of Maryland, the owner of real property may receive a property tax credit
19 against the County portion of property tax on urban agricultural properties.

20 (b) For the purpose of this Section, the following terms have the meanings indicated:

21 (1) **“Urban agricultural property”** means real property that is:

1 (A) at least one-eighth of an acre and not more than five (5) acres;

2 (B) located in a priority funding area, as defined in Section 5-7B-02 of the State
3 Finance and Procurement Article of the Annotated Code of Maryland;

4 (C) used for urban agricultural purposes; and

5 (D) zoned for agricultural uses or permitted as an urban farm pursuant to the
6 Subtitle 27 – Zoning Ordinance of Prince George’s County.

7 (2) **“Urban agricultural purposes”** means crop production activities, including the
8 use of mulch or cover crops to ensure maximum productivity and minimize runoff and weed
9 production.

10 (3) **“Value”** means the amount equal to:

11 (A) the gross income that is actually received from sales of agricultural products
12 produced on site; or

13 (B) for products that are distributed free or at less than applicable market prices,
14 the gross income that could reasonably be assumed to be received from sale of those products at
15 market prices.

16 **Sec. 10-235.23. Credit qualification.**

17 In order to qualify for a property tax credit, a parcel of land or, any portion thereof:

18 (a) shall be an urban agricultural property that is being used for urban agricultural
19 purposes;

20 (b) may not be used for any other for-profit purpose that would subject the parcel to
21 property tax liability; and

22 (c) unless a waiver is granted under Subsection (d), shall produce agricultural
23 products valued at Two Thousand Five Hundred Dollars (\$2,500) or more per tax year.

24 (d) A waiver may be granted for start up properties for up to two (2) years or for a
25 declared natural disaster or drought.

26 **Sec. 10-235.24. Credit application and verification.**

27 (a) The Director of Finance shall require an owner to verify product value by providing
28 information to include but not limited to copies of sales receipts or invoices, provide an IRS
29 Schedule F or C, IRS 990 series form if the owner is a non-profit and, if relevant, evidence of
30 current market rates.

31 (b) Application for the tax credit established herein shall be made under oath on an

1 application provided by the Director of Finance. The application shall provide a legal
 2 description of the property and such other information or documentation as the Director may
 3 require to determine whether the applicant can qualify for the tax credit. The applicant for the
 4 tax credit shall submit the application on or before April 1st of each year.

5 (c) The Director of Finance in coordination with the Prince George's Soil Conservation
 6 District shall determine the eligibility of the taxpayer for the tax credit and notify the State
 7 Department of Assessments and Taxation that a taxpayer has been approved for the property tax
 8 credit and the assessed value of the premises.

9 (d) The amount of credit granted under this Subdivision is equal to the amount of property
 10 tax that would otherwise be imposed on the property, less the amount of any other credit
 11 applicable to the property in that tax year.

12 (e) The term of a tax credit shall be granted for one (1) year.

13 (f) The property owner may reapply each year.

14 (g) At any time during the period for which a property tax credit under this Subdivision is
 15 granted for urban agricultural property, if the property ceases to be used for urban agricultural
 16 purposes, the owner of the property shall be liable for all property taxes that would have been
 17 imposed if a property tax credit for urban agricultural property had not been granted.

18 (h) During any fiscal year, the total of all tax credits granted under this Subdivision shall
 19 not exceed One Hundred Thousand Dollars (\$100,000). Each applicant is limited to an annual
 20 credit of Five Thousand Dollars (\$5,000). Tax credits shall be granted in the order in which the
 21 Office of Finance receives the complete application under Subsection (b) of this Section. If a
 22 complete application granted would cause the limit set forth in this Subsection to be exceeded,
 23 the tax credit shall be granted in the next fiscal year or years and in the order received.

24 **Sec. 10-235.25. Reporting requirements.**

25 The Director of Finance shall provide an annual report to the County Council on the
 26 property tax credit for urban agricultural property on or before December 31st of each year for
 27 the previous fiscal year, to include:

28 (a) the number of applications received;

29 (b) the number of applications denied;

30 (c) the number of tax credits approved; and

31 (d) the location by Councilmanic district of the number of applications received,

1 denied and the amount of tax credit approved.

2 SECTION 2. BE IT FURTHER ENACTED that if a tax credit is granted, the Director of
3 Finance shall evaluate the effectiveness of the credit after three (3) years in promoting the use of
4 property for urban agricultural purposes.

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

Adopted this 17th day of November, 2015.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Mel Franklin
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
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.