

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2012 Legislative Session

Bill No. CB-35-2012

Chapter No. _____

Proposed and Presented by Council Member Franklin

Introduced by _____

Co-Sponsors _____

Date of Introduction _____

BILL

1 AN ACT concerning

2 Grocery Store Tax Credit

3 For the purpose of establishing a tax credit for real property that is used for a grocery store
4 located in a low-income area.

5 BY adding:

6 SUBTITLE 10. FINANCE AND TAXATION.
7 Sections 10-294, 10-295, 10-296,
8 The Prince George's County Code
9 (2011 Edition).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
11 Maryland, that Sections 10-294, 10-295 and 10-296 of the Prince George's County Code be and
12 the same are hereby added:

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

14 **DIVISION 19. GROCERY STORE TAX CREDIT.**

15 **Sec. 10-294. Definitions.**

16 (a) In this Division, the following words have the meanings indicated:

17 (1) County or The County means Prince George's County, Maryland.

18 (2) County resident means a person whose legal domicile is located in Prince
19 George's County, Maryland.

20 (3) County-based business means a business whose principal place of operation
21 is located within Prince George's County, Maryland and who can verify that the business has

1 operated within the County within the preceding twelve (12) months by a tax return filed with
 2 the State of Maryland.

3 (4) **Grocery store** means an entity:

4 (a) Whose primary business is selling food at retail to the general public
 5 for off-premises consumption; and

6 (b) At least 20% of the gross receipts of which are derived from the retail
 7 sale of fresh produce, meats, and dairy products.

8 (5) **Grocery Store Tax Credit** means the tax credit authorized by Section 10-
 9 295.

10 (6) **Grocery Store Tax Credit Agreement** means a contract that an applicant for
 11 a Grocery Store Tax Credit and the County Executive or the County Executive's designee shall
 12 execute prior to the grant of a Grocery Store Tax Credit or such a grant shall be void. A Grocery
 13 Store Tax Credit Agreement shall require that an applicant for a Grocery Store Tax Credit
 14 complies with this Division.

15 (7) **Local business participation** means the percentage of the total contract
 16 dollars paid to County-based businesses.

17 (8) **Local minority business participation** means the percentage of the total
 18 contract dollars paid to County-based businesses that have a valid minority business certification
 19 accepted by the Prince George's County government.

20 (9) **Low-income area** means an economically disadvantaged area in Prince
 21 George's County. This term shall solely include areas within the Developed Tier in Prince
 22 George's County as designated in the General Plan or areas in Prince George's County within a 1
 23 mile radius of a census tract with a median family income less than the median family income of
 24 Prince George's County as determined in the most recent decennial United States Census.

25 (10) **Procure** means to buy, rent, lease, lease-purchase, or otherwise obtain any
 26 supplies, services, or construction. **Procurement** (or a **procurement**) is the noun form of this
 27 term. It includes all functions that pertain to the obtaining of any procurement, including
 28 description of requirements, selection and solicitation of sources, and preparation, award and
 29 execution of contract. The term does not include the making of any grant or donation. In this
 30 Division, the term also does not include the wholesale purchase of goods by a grocery store to be
 31 sold at retail to customers.

1 **Sec. 10-295. Grocery Store Tax Credit authorized.**

2 (a) In accordance with the provisions of Section 9-254 of the Tax-Property Article,
 3 Annotated Code of Maryland and the terms defined therein, the governing body of Prince
 4 George's County is authorized to grant a tax credit against the County real property tax imposed
 5 on grocery stores in low-income areas, including establishing requirements and procedures for
 6 eligibility and implementation.

7 (b) On a case-by-case basis, the County Council, by resolution, with the concurrence of
 8 the County Executive, may grant a credit against up to 95% of the County real property tax for
 9 property that is used for a grocery store located, in whole or in part, in a low-income area, with
 10 the precise size and duration of the credit to be determined by County Council resolution.

11 (c) A grocery store is only eligible to receive a Grocery Store Tax Credit if:

12 (1) It complies with the requirements prescribed in Section 10-296, if applicable;

13 and

14 (2) It meets the following community benefits criteria:

15 (a) The grocery store meets or exceeds a minimum requirement of 50% local
 16 business participation (during and after any construction, if applicable) in annual procurement
 17 activities for the grocery store;

18 (b) The grocery store uses its best efforts to meet or exceed a goal of 30% local
 19 minority business participation (during and after any construction, if applicable) in annual
 20 procurement activities for the grocery store; and

21 (c) The grocery store uses its best efforts to meet or exceed a goal that 80% of the
 22 annual work hours in the grocery store (during and after any construction, if applicable) are
 23 worked by County residents.

24 (d) The County Council resolution granting the Grocery Store Tax Credit shall set forth
 25 the specific compliance, verification, and reporting requirements for the recipient of the tax
 26 credit. The resolution may also include any other provision necessary to carry out the Grocery
 27 Store Tax Credit under this Section.

28 (e) The failure of a grocery store to adhere to the requirements of this Section, the
 29 resolution authorized in Subsection (b) of this Section, or the Grocery Store Tax Credit
 30 Agreement may result in the suspension or revocation of the Grocery Store Tax Credit by
 31 resolution of the County Council, with the concurrence of the County Executive.

1 **Sec. 10-296. Labor Peace Agreements.**

2 (a) Legislative findings and policy.

3 (1) In the course of managing real property that it owns or in otherwise carrying
4 out its functions in the public interest, the County may participate in real property developments
5 as a property owner, lessor, proprietor, lender, or guarantor, facing similar risks and liabilities as
6 other business entities participating in such ventures. As a result, the County has an ongoing
7 proprietary interest in these developments and a direct interest in their financial performance.
8 The County must make prudent management decisions, similar to any private business entity, to
9 ensure efficient management of its business concerns and to maximize benefits and minimize
10 risks. One risk is the possibility of labor-management conflict.

11 (2) A major potential outcome of labor-management conflict is economic action
12 by labor unions against employers. Experience of municipal and other investors demonstrates,
13 for example, that organizing drives pursuant to the formal and adversarial union certification
14 process often deteriorate into protracted and acrimonious labor-management conflict. Labor-
15 management conflict can result in construction delays, work stoppages, picketing, strikes,
16 consumer boycotts, and other forms of adverse economic pressure. Such conflict may adversely
17 affect the County's financial or other proprietary business interests by causing delay in the
18 completion of a project, reducing the revenues or increasing the costs of the project, and by
19 generating negative publicity.

20 (3) One method of reducing the risk to the County's proprietary interests is to
21 require, when reasonable and prudent, as a condition of the County's investment or other
22 economic participation in a business or development project, that employers taking part in the
23 development project seek agreements with labor organizations in which the labor organizations
24 agree to forbear from adverse economic action against the employers' operations.

25 (b) Determination of need for labor peace agreement.

26 (1) For each award of a Grocery Store Tax Credit, the County Executive and the
27 County Council shall determine whether Prince George's County has a proprietary interest in the
28 grocery store for which the tax credit is awarded. The County shall be deemed to have a
29 proprietary interest in the grocery store for which a Grocery Store Tax Credit is awarded where
30 the County Executive and the County Council determine that Prince George's County has a
31 significant ongoing economic and nonregulatory interest at risk in the financial success of the

1 grocery store which is likely to be adversely affected by labor-management conflict, except that
 2 no interest shall be considered economic and nonregulatory if it arises from the exercise of
 3 regulatory or police powers such as taxation (except as it relates to the grant of a Grocery Store
 4 Tax Credit), zoning, or the issuance of permits or licenses.

5 (2) If the County Executive and the County Council determine that the County
 6 has a proprietary interest at risk in the grocery store, the County Executive and the County
 7 Council shall require that the owner(s) and/or developer(s) of the grocery store demonstrate that
 8 they have entered into a labor peace agreement with the labor organization(s) which seek to
 9 represent, or might seek to represent, workers at the grocery store, prior to, and as a condition
 10 precedent of, the County's award of a Grocery Store Tax Credit.

11 (a) For the purposes of this Section:

12 (i) "Contract" means a written agreement, including a management
 13 agreement, service agreement, loan, bond, guarantee, or other similar agreement, to which the
 14 County is a party and in which the County has a proprietary interest;

15 (ii) "Employer" means any person, corporation, company,
 16 association, limited or general partnership, joint venture, contractor, subcontractor, or other
 17 entity that employs individuals at the site of a development project; provided, that the term
 18 "employer" shall not include the United States, Prince George's County, a wholly owned
 19 government corporation, a Federal Reserve Bank, or a state or other political subdivision;

20 (iii) "Labor organization" shall have the same meaning as under 29
 21 U.S.C. 22 §152(5).

22 (iv) "Labor peace agreement" means a written agreement between
 23 an Employer and a Labor Organization, enforceable under Section 301 of the Labor Management
 24 Relations Act, 29 U.S.C. § 185, that contains, at a minimum, (1) a provision prohibiting the
 25 Labor Organization and its members from engaging in any picketing, work stoppage, boycott, or
 26 other economic interference with the employer's operations in which the County has a
 27 proprietary interest, for the duration of the interest; and (2) provides that any services to be
 28 performed by employees of the employer's tenants, subtenants, contractors, or subcontractors
 29 will also be done under agreements containing the same labor peace assurance.

30 (c) Limitations.

31 (1) Nothing in this Section requires an employer to recognize a particular labor

1 organization.

2 (2) Nothing in this Section requires an employer to enter into a collective
3 bargaining agreement establishing the substantive terms and conditions of employment.

4 (3) This Section is not intended to, and shall not be interpreted to, enact or express
5 any generally applicable policy regarding labor-management relations or to regulate those
6 relations in any way.

7 (4) This Section is not intended to favor any particular outcome in the
8 determination of employee preference regarding union representation.

9 Nothing in this Section permits or requires the County or any employer to enter into any
10 agreement in violation of the National Labor Relations Act of 1935, approved July 5, 25 1935
11 (49 Stat. 449; 29 U.S.C.S. § 151 et seq.).

12 SECTION 2. BE IT FURTHER ENACTED that within 120 days of the effective date of
13 this Act, the County Executive or the County Executive's designee shall establish the
14 administrative procedures for the application and uniform processing of requests for the tax
15 credit authorized by this Act, including the Grocery Store Tax Credit Agreement.

16 SECTION 3. BE IT FURTHER ENACTED that the provisions of this Act are hereby
17 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
18 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
19 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
20 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
21 Act, since the same would have been enacted without the incorporation in this Act of any such
22 invalid or unconstitutional word, phrase, clause, sentence, subparagraph, subsection, or section.

23 SECTION 4. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
24 calendar days after it becomes law.

Adopted this ____ day of _____, 2012.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Andrea C. Harrison
Chair

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.