

HB0497 - Balt Sustain Commn.pdf

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Position: FAV

BALTIMORE COMMISSION ON SUSTAINABILITY
People ♦ Planet ♦ Prosperity

March 23, 2021

Senator and Committee Chair Guy Guzzone
Members of the Senate Budget and Taxation Committee

RE: **Support** for HB0497, Property Tax Credit - Urban Agricultural Property - Repeal of Repayment Requirement

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee

We are writing in support of HB0497, the Property Tax Credit - Urban Agricultural Property - Repeal of Repayment Requirement.

The Baltimore Commission on Sustainability is a body appointed by the Mayor to oversee the creation and implementation of the Baltimore Sustainability Plan. The 2019 Baltimore Sustainability Plan addresses a wide range of social, economic and environmental goals for the City, and it does so through an equity lens.

The Baltimore Commission on Sustainability has a strong interest in the success of HB0497. Its passage will help strengthen the local food economy, one of the strategies in the 2019 Sustainability Plan. It is important for racial equity because it will reduce the barrier to entry into urban agriculture for those with limited capital.

We urge the Committee to support HB0497.

Sincerely,

Miriam Avins
Mia Blom
Co-chairs, Commission on Sustainability

Cc: Delegate Regina Boyce

Senate Hearing HB497 - Delegate Boyce.pdf

Uploaded by: Boyce, Regina T.

Position: FAV

REGINA T. BOYCE
Legislative District 43
Baltimore City

Environment and
Transportation Committee

Subcommittees
Environment
Motor Vehicle and Transportation



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 23, 2021

RE: HB 497 - Property Tax Credit - Urban Agricultural Property - Repeal of Repayment Requirement

Chairman Guzzone, Vice Chair Rosapepe, and Budget & Taxation Committee members,

For the record, I am Regina T Boyce, Delegate of the 43rd district Baltimore City here to present HB497, Property Tax Credit – Urban Agriculture Property – Repeal of Repayment Requirement.

The bill repeals the requirement that the owner of property, receiving the urban agriculture property tax, repay all property taxes that would have been imposed if the property tax credits had not been granted should the property ceases to be used for urban agricultural purposes; and applying the Act to taxable years.

During the interim, I worked with the MidAtlantic Farm Credit, along with members of the Baltimore City Sustainability Commission to discuss how we could increase farming access and opportunity in the city, as well as other urban jurisdictions in the state. What are the barriers to access and agricultural success? The review of legislation, city and state, found many costly barriers and red tape that unnecessarily increase the cost to farm, but also keep interested farmers from applying for the credit. One of those barriers was the repayment of taxes provision in state law that the city adopted in their legislation. A noted reason mentioned for ceased operations of a farm - rural, suburban or urban - was lack of funding. To request back taxes in full after ceasing farm operations due to lack of funding, business failure, can create financial instability and debt-induced poverty.

To date, there has been no discovery of a claw-back provision with any tax credit. Providing farming access with less barriers is crucial for the social, economic, and environmental impact on urban communities as well as communities that need, and want, the opportunity to farm.

Thank you for your time and consideration of HB497. I urge a favorable report.

Regina T. Boyce

Support of HB 497 - Property Tax Credit - Urban Ag

Uploaded by: Ferguson, Colby

Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 23, 2021

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of HB 497 - Property Tax Credit - Urban Agricultural Property - Repeal of Repayment Requirement**

On behalf of our member families, I submit this written testimony in support of HB 497, legislation that repeals a requirement that the owner of an urban agriculture property repay all property taxes that would have been imposed if the property tax credits had not been granted if the property ceases to be used for urban agricultural purposes. It applies to taxable years beginning after June 30, 2021.

Because of this claw-back clause, this tax credit program has very seldom been used as willing and qualified projects have been scared off due to the repayment mandate if they don't succeed. These projects are already risky and are tied to keeping expenses low as profit margins are low in food sales. If the farm is not successful and has to close, they would not only lose their investment, but would be required to pay back any back taxes to boot.

This repayment clause was put into the bill initially to deter land developers for using the tax credit while they worked to get the necessary permits to develop the property. There are other ways to prevent this from happening. This repayment requirement should not be one of them.

MDFB Policy: We support and encourage urban farming/agriculture.

MARYLAND FARM BUREAU SUPPORTS HB 497 AND ENCOURAGE A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read "Colby Ferguson", with a long horizontal flourish extending to the right.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

HB497 - Urban Ag Property Tax Credit - Senate Hrg

Uploaded by: Fuchs, Kurt

Position: FAV



March 25, 2021

To: Senate Budget & Taxation Committee

From: MidAtlantic Farm Credit

Bill: HB 497 – Property Tax Credit – Urban Agricultural Property – Repeal of Repayment Requirement

Position: SUPPORT

MidAtlantic Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services in good times and bad. Headquartered in Westminster, MD, we are one of the largest agricultural lenders on the East Coast with nearly \$2.9 billion dollars in loans outstanding to over 11,500 member-owners representing the full range of agriculture throughout our five-state territory.

This bill involves existing enabling language allowing adoption of urban ag property tax credit programs by local governments across the state. Although many programmatic details are left to the discretion of implementing counties and municipalities, the revision being proposed in **HB 497** would eliminate the “claw back” provision wherein, if the property ceases to be farmed, the farmer is required to repay all property taxes that would have been imposed if a property tax credit had not been granted.

We support removing this provision and improving the urban ag property tax credit enabling language for the following reasons:

- Designed as a way to encourage/support new and existing urban farm operations, such a provision in a property tax credit program would and likely has given many pause before applying. Removal could lead to more urban farms seeking such a credit and ultimately allow for expanding/enhancing their farming businesses.
- If an urban farm fails and ceases operation, having to repay the support provided by the credit would be adding insult to injury.
- The pandemic has proven that communities – urban and rural alike – benefit from local food production, making them more resilient to supply chain disruptions.
- Incentivizing and supporting urban food production helps chip away at food deserts and the lack of access to fresh, nutritious foods facing too many vulnerable communities.
- Any lost property tax revenue is more than likely offset by the benefits a thriving market garden or urban farm can have on a neighborhood – aesthetics, access to fresh food, employment opportunities, increasing resiliency, etc.

MidAtlantic Farm Credit SUPPORTS HB 497.

For more information, please contact Kurt Fuchs at 443-786-0855 or kfuchs@mafc.com.