



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

SPONSOR TESTIMONY IN SUPPORT OF HB012  
PROPERTY TAX CREDIT - RETAIL SERVICE STATION CONVERSIONS

Delegate Sheila Ruth  
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If you've driven around you've likely seen the abandoned retail service or gas stations dotting the landscape - not only eyesores but depressants for the communities they are left in. Due to the high cost of the necessary environmental remediation and removal of the underground storage tanks and other infrastructure to transition the land to another use, owners of these mostly locally owned stations often let them sit there in that abandoned state and developers who might otherwise be interested in purchasing the property for other uses may be discouraged from doing so. These property owners need an incentive - and help - to convert these gas stations to uses that will improve their communities, which HB12 will provide.

HB12 is enabling legislation that will authorize counties, Baltimore City, and municipalities to grant a property tax credit to these gas station property owners in order to help cover costs associated with the environmental remediation process, allow the local jurisdiction flexibility to determine the details and requirements of any credit, and ensure the state will reimburse them 50% of any credit granted. The property will then be able to be converted to land uses that will benefit the surrounding community. The bill also ensures that such properties cannot be converted to businesses like dollar stores and self-service storage centers, which don't provide either good paying jobs or resources desired by residents and are already proliferating in lower income and historically disadvantaged communities.

These stations depress the property values of the surrounding community, and garner significantly less in tax revenue than other, more community-friendly, productive, and desirable developments right nearby - sometimes on the very same block. This summer, during a committee tour of community redevelopment work by the organization Rebuild Metro in Baltimore City, I noticed an abandoned gas station on Gay Street right in the middle of a recently revitalized community. I learned that - due to the cost of remediation - there are absolutely no *new* plans associated with its development. Another station nearby, however, is planned to be rebuilt into a mixed-income apartment complex with a public library branch on the ground floor, which will provide amenities to the community and aid with affordable housing, after the environmental remediation is complete. All owners should be able to make

these kinds of alterations, but sadly the economics of the conversions often are a major barrier. Such revitalized property will benefit the surrounding community and provide a greater tax base.

This will truly be a net positive for all. We want to protect our small business owners, and our nation's and state's economy is shifting away from the use of gasoline-powered vehicles. Eight states - including Maryland - will ban the sale of combustion engines by 2035, and many large automobile manufacturers also see the writing on the wall and are quickly transferring to electric vehicle sales - General Motors and Honda plan for 100% of their sales to be electric by 2035 and 2040 respectively. The market demand for the gasoline these stations sell will simply continue to lessen. Local gas station owners need to be prepared for the more eco-friendly nature our economy is appropriately rapidly heading towards, and it is our responsibility to step in and help.

I hope I can count on your favorable vote for HB12 to uplift our small businesses and the communities they serve, and to preserve our local economies. Thank you.