

HOUSE BILL 156

L6, M4, Q4

2lr0918

(PRE-FILED)

By: ~~Delegate Queen~~ Delegates Queen, Boyce, Foley, Fraser-Hidalgo, Healey, Lehman, Prettyman, and Ruth

Requested: October 24, 2021

Introduced and read first time: January 12, 2022

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 22, 2022

CHAPTER _____

1 AN ACT concerning

2 **Local Governments – Urban Agricultural Incentive Zones – Authorization**

3 FOR the purpose of authorizing a local government to establish, by local law, procedures
4 for a qualifying farmer or partner organization to apply to the local government to
5 designate an area as an urban agricultural incentive zone; requiring a local
6 government to establish an urban agricultural incentive zone advisory committee to
7 advise the local government on the designation of an area as an urban agricultural
8 incentive zone under certain circumstances; authorizing a local government to
9 designate, by law, an area as an urban agricultural incentive zone under certain
10 circumstances; ~~requiring the Comptroller to distribute the sales and use tax revenue~~
11 ~~on the sale of farm products in an urban agricultural incentive zone to the local~~
12 ~~government in which the urban agricultural incentive zone is located;~~ and generally
13 relating to urban agricultural incentive zones.

14 BY repealing and reenacting, without amendments,
15 Article – Agriculture
16 Section 2–2001(a) and (b)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2021 Supplement)

19 BY adding to
20 Article – Local Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 1–1601 through 1–1604 to be under the new subtitle “Subtitle 16. Urban
 2 Agricultural Incentive Zones”
 3 Annotated Code of Maryland
 4 (2013 Volume and 2021 Supplement)

5 ~~BY repealing and reenacting, with amendments,~~
 6 ~~Article – Tax – General~~
 7 ~~Section 2–1302.1~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2016 Replacement Volume and 2021 Supplement)~~

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 11 That the Laws of Maryland read as follows:

12 Article – Agriculture

13 2–2001.

14 (a) In this subtitle the following words have the meanings indicated.

15 (b) “Farm product” means:

16 (1) Any agricultural, horticultural, vegetable, or fruit product of the soil,
 17 whether raw, canned, frozen, dried, pickled, or otherwise processed;

18 (2) Livestock, meats, marine food products, poultry, eggs, or dairy
 19 products;

20 (3) Wool, hides, feathers, nuts, or honey; and

21 (4) Every product of farm, forest, orchard, garden, or water.

22 Article – Local Government

23 SUBTITLE 16. URBAN AGRICULTURAL INCENTIVE ZONES.

24 1–1601.

25 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 26 INDICATED.

27 (B) “DESIGNATED AREA” MEANS AN AREA DESIGNATED BY A LOCAL
 28 GOVERNMENT AS AN URBAN AGRICULTURAL INCENTIVE ZONE IN ACCORDANCE
 29 WITH THIS SUBTITLE.

1 (C) "FARM PRODUCT" HAS THE MEANING STATED IN § 2-2001 OF THE
2 AGRICULTURE ARTICLE.

3 (D) "LOCAL GOVERNMENT" MEANS A COUNTY OR MUNICIPALITY.

4 (E) "PARTNER ORGANIZATION" MEANS A NONPROFIT ORGANIZATION THAT
5 MEETS STANDARDS SET FORTH BY § 501(C)(3) OF THE INTERNAL REVENUE CODE
6 AND WHOSE MISSION INCLUDES SUPPORTING URBAN AGRICULTURAL ACTIVITIES.

7 (F) "QUALIFYING FARMER" MEANS AN INDIVIDUAL WHO MEETS
8 QUALIFICATIONS ESTABLISHED BY A LOCAL GOVERNMENT UNDER § 1-1602 OF THIS
9 SUBTITLE.

10 1-1602.

11 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A LOCAL GOVERNMENT
12 MAY ESTABLISH, BY LOCAL LAW, PROCEDURES FOR A QUALIFYING FARMER OR A
13 PARTNER ORGANIZATION TO APPLY TO THE LOCAL GOVERNMENT TO DESIGNATE AN
14 AREA AS AN URBAN AGRICULTURAL INCENTIVE ZONE.

15 (B) A LOCAL LAW ADOPTED UNDER THIS SECTION SHALL ESTABLISH
16 QUALIFICATIONS AND APPLICATION PROCEDURES, INCLUDING REQUIRING THAT AN
17 APPLICANT:

18 (1) (I) PROCESS, GROW, RAISE, OR OTHERWISE PRODUCE FARM
19 PRODUCTS IN THE PROPOSED AREA; OR

20 (II) SELL FARM PRODUCTS, OF WHICH 75% IS LOCALLY GROWN
21 FOOD, IN THE PROPOSED AREA; AND

22 (2) DEMONSTRATE OR IDENTIFY:

23 (I) THE NUMBER OF JOBS TO BE CREATED, MAINTAINED, OR
24 SUPPORTED IN THE PROPOSED AREA;

25 (II) THE TYPES OF PRODUCTS TO BE PRODUCED;

26 (III) IF SELLING PRODUCTS TO CONSUMERS, THE ABILITY TO
27 ACCEPT FEDERAL NUTRITION BENEFITS; AND

28 (IV) THE GEOGRAPHIC DESCRIPTION OF THE PROPOSED AREA.

29 1-1603.

1 **(A) ON APPLICATION TO DESIGNATE AN AREA AS AN URBAN AGRICULTURAL**
2 **INCENTIVE ZONE UNDER § 1-1602 OF THIS SUBTITLE, THE LOCAL GOVERNMENT**
3 **SHALL ESTABLISH AN URBAN AGRICULTURAL INCENTIVE ZONE ADVISORY**
4 **COMMITTEE.**

5 **(B) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION SHALL**
6 **CONSIST OF:**

7 **(1) AN ELECTED EXECUTIVE OF THE LOCAL GOVERNMENT IN WHICH**
8 **THE URBAN AGRICULTURAL INCENTIVE ZONE IS PROPOSED TO BE LOCATED; AND**

9 **(2) FOUR RESIDENTS OF THE LOCAL JURISDICTION IN WHICH THE**
10 **URBAN AGRICULTURAL AREA IS PROPOSED TO BE LOCATED, INCLUDING AT LEAST**
11 **ONE RESIDENT WITH EXPERIENCE IN, OR WHO REPRESENTS AN ORGANIZATION**
12 **ASSOCIATED WITH, SUSTAINABLE AGRICULTURE, URBAN FARMING, OR COMMUNITY**
13 **GARDENING.**

14 **(C) (1) AN ADVISORY COMMITTEE ESTABLISHED UNDER THIS SECTION**
15 **SHALL:**

16 **(I) ADVISE THE LOCAL GOVERNMENT ON THE DESIGNATION OF**
17 **AN AREA AS AN URBAN AGRICULTURAL INCENTIVE ZONE; AND**

18 **(II) HOLD A PUBLIC HEARING AND PROVIDE AN OPPORTUNITY**
19 **TO COMMENT ON AN APPLICATION TO DESIGNATE AN AREA AS AN URBAN**
20 **AGRICULTURAL INCENTIVE ZONE.**

21 **(2) IF A LOCAL LAW TO DESIGNATE AN AREA AS AN URBAN**
22 **AGRICULTURAL INCENTIVE ZONE IS ADOPTED UNDER § 1-1604 OF THIS SUBTITLE,**
23 **THE ADVISORY COMMITTEE SHALL:**

24 **(I) REVIEW THE DESIGNATION EVERY 5 YEARS; AND**

25 **(II) ADVISE THE LOCAL GOVERNMENT ON WHETHER THE**
26 **DESIGNATED AREA SHOULD BE MODIFIED OR TERMINATED.**

27 **1-1604.**

28 **(A) AFTER AN ADVISORY COMMITTEE PROVIDES A PUBLIC HEARING AND**
29 **OPPORTUNITY TO COMMENT ON AN APPLICATION IN ACCORDANCE WITH § 1-1603**
30 **OF THIS SUBTITLE, A LOCAL GOVERNMENT MAY DESIGNATE, BY LAW, AN AREA AS AN**
31 **URBAN AGRICULTURAL INCENTIVE ZONE.**

1 (B) (1) A LOCAL LAW ADOPTED UNDER THIS SECTION SHALL ESTABLISH
2 A LOCAL URBAN AGRICULTURAL INCENTIVE ZONE FUND TO RECEIVE:

3 (I) CONSERVATION INNOVATION GRANT MONEY FROM THE
4 U.S. DEPARTMENT OF AGRICULTURE; AND

5 (II) ~~SALES AND USE TAX REVENUE DISTRIBUTED TO THE LOCAL~~
6 ~~GOVERNMENT UNDER § 2-1302.1 OF THE TAX GENERAL ARTICLE; AND~~

7 ~~(III)~~ ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
8 FOR THE BENEFIT OF THE FUND.

9 (2) MONEY IN THE FUND MAY BE USED IN A MANNER DETERMINED BY
10 THE LOCAL GOVERNMENT, INCLUDING FOR:

11 (I) SUPPORTING OPPORTUNITIES FOR LOCAL ECONOMIC
12 DEVELOPMENT ASSOCIATED WITH URBAN AGRICULTURAL ACTIVITIES;

13 (II) PROVIDING FUNDING FOR EDUCATIONAL PROGRAMS
14 FOCUSED ON NUTRITION AND LOCAL URBAN FARMS; AND

15 (III) IMPROVING COMMUNITY ACCESS TO HEALTHY FOOD
16 CHOICES.

17 (C) (1) THIS SUBSECTION APPLIES TO REAL PROPERTY THAT IS:

18 (I) LOCATED IN A DESIGNATED AREA; AND

19 (II) USED BY A QUALIFYING FARMER OR PARTNER
20 ORGANIZATION TO PROCESS, GROW, RAISE, OR OTHERWISE PRODUCE FARM
21 PRODUCTS.

22 (2) A LOCAL LAW ADOPTED UNDER THIS SUBSECTION MAY:

23 (I) GRANT A PROPERTY TAX CREDIT AGAINST THE LOCAL
24 PROPERTY TAX IMPOSED ON REAL PROPERTY;

25 (II) PROVIDE THAT THE LOCAL PROPERTY TAX IMPOSED ON
26 REAL PROPERTY WILL NOT INCREASE FOR A PERIOD OF UP TO 25 YEARS; AND

27 (III) AUTHORIZE AN ENTITY PROVIDING WATER, ELECTRICITY,
28 OR OTHER UTILITIES TO REAL PROPERTY TO ALLOW A QUALIFYING FARMER OR
29 PARTNER ORGANIZATION TO:

