A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmembers Grosso and Cheh introduced the following bill, which was referred to the Committee on ________________.

An Bill To amend the Food Production and Urban Gardens Program Act of 1986 to establish an urban farming land leasing initiative; to establish a nonrefundable tax credit for food commodity donations made to a District of Columbia food bank or shelter; and to establish a real property tax abatement for unimproved real property leased for the purpose of small-scale urban farming.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “D.C. Urban Farming and Food Security Act of 2014”.

Sec. 2. Section 48-401 of the D.C. Official Code is amended to add the following:

“(4) “Farm cooperative” means is a cooperative where production resources for farming such as land and machinery are pooled and jointly held by members.

“(5) “Independent farm” means a District farm that produces fruits, vegetables, seeds, and flora for sale in such quantities so as to be recognized in the community as a farm; is managed by the operator; and has a substantial amount of labor provided by the operator.

“(6) “Urban agriculture” or “Urban farming” means the practice of growing, cultivating,
processing, and distributing vegetables, fruits, grains, mushrooms, honey, herbs, nuts, seeds, and rootstock within the District of Columbia.”

Sec. 3. Chapter 4 of Title 48 of the District of Columbia Official Code is amended by adding the new section 48-404 to read as follows:


“(a) By February 1, 2015, the Mayor shall identify at least twenty-five District-owned vacant lots that can potentially be used for successful urban farming ventures. At minimum, identified lots should meet the following criteria:

“(1) A minimum 2500 square feet; and

“(2) Have no pending agreements for development or sale for the following three years.

“(b) By February 1, 2015, the Mayor shall establish a land leasing initiative whereby qualified District applicants will be selected to develop certain District-owned vacant lots identified in subsection (a) for the purpose of urban agriculture. All lease agreements entered into under this initiative shall be for a term of at least three years. Applicants must meet the following criteria to be considered:

“(1) The applicant must be a resident of the District of Columbia for at least one (1) year prior to application;

“(2) The applicant shall have at least one (1) year of successful experience in agricultural production either as the sole farmer, an employee, a volunteer, or a significant partner of a farmer;

“(3) The applicant shall not owe the District more than $100 in outstanding fines, penalties, or interest assessed pursuant to the outlined acts of § 47-2862(a)(1) and § 47-2862(b).
“(4) The applicant shall have no outstanding code violations on property or
properties currently owned by the applicant.

“(b) Any lease entered into pursuant to subsection (b) with an independent farm or farm
cooperative may permit the sale of fresh fruits and vegetables on the leased land, off the leased
land, or both.

“(c) Property leased pursuant to subsection (b) of this section shall be exempt from
real property taxation or possessory interest taxation.

“(d) The Mayor shall report to the Council annually on the status of the land leasing
initiative to include, but be limited to:

“(1) The number of active urban gardens in the District of Columbia;
“(2) The names of the participants of the initiative;
“(3) Any educational or community programming or events hosted on the leased
lots during that calendar year; and
“(4) The amount of produce harvested by the participants during the calendar
year.”

Sec. 4. From Farm to Food Donation Tax Credit.

(a) Title 47 of the District of Columbia Official Code is amended as follows:

(1) The table of contents for Chapter 18 is amended by inserting the section
designation “47-1806.12. Tax on residents and nonresidents – Credits – Tax Credit for Farm to
Food Donation.”.

(2) Chapter 18 is amended by adding the new section 47-1806.12 to read as
follows:
§ 47-1806.12. Tax Credit for Farm to Food Donations.

(a) For the purposes of this section, the term "food commodity" means any vegetables, fruits, grains, mushrooms, honey, herbs, nuts, seeds, and rootstock that are intended to be used as food in its perishable state and are approved by regulatory authorities.

(b) After January 1, 2015, a taxpayer may claim a nonrefundable credit against taxes imposed by this subchapter for food commodity donations made during the tax year to a District of Columbia food bank or shelter recognized as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3).

(c) The credit claimed in subsection (a) shall equal 50% of the value of the contribution and shall not to exceed $2,500 per taxpayer per tax year. If the taxpayer elects to claim the credit for a contribution, no deduction under § 47-1803.03(b) shall be allowable on account of the contribution.

(d) The donated food commodity cannot be damaged or out-of-condition and declared to be unfit for human consumption by a federal or local health official. A food commodity that meets the requirements for donated foods pursuant to the Federal Emergency Food Assistance Program (7 U.S.C § 7508) satisfies this requirement.

(e) If the amount of a tax credit under this section exceeds a taxpayer’s tax liability under this chapter for a tax year, the amount of the tax credit that exceeds the taxpayer’s income liability may be carried forward for a period that does not exceed the next five tax years.

(f) A taxpayer claiming the tax credit shall provide documentation supporting the tax credit claim in a form and manner prescribed by the Chief Financial Officer.

(3) The table of contents for Chapter 18 is amended by inserting the section designation “47-1807.10. Tax on Corporations and Financial Institutions – Credits – Tax Credit
for Farm to Food Donation.”.

(4) Chapter 18 is amended by adding the new section 47-1807.10 to read as follows:

“§ 47-1807.10. Tax Credit for corporations that provide Farm to Food Donations.

“(a) For the purposes of this section, the term “food commodity” means any vegetables, fruits, grains, mushrooms, honey, herbs, nuts, seeds, and rootstock that are intended to be used as food in its perishable state and are approved by regulatory authorities.

“(b) After January 1, 2015, any qualified incorporated business under § 6-1504 may claim a nonrefundable credit against taxes imposed by this subchapter equal to 50% of the value of food commodity donations made during the tax year to a District of Columbia food bank or shelter recognized as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3).

“(c) The credit shall not exceed $5,000 per corporation per tax year and shall not reduce the minimum tax liability under § 42-1807.02(b).

“(d) If the corporation elects to claim the credit for a contribution, no deduction under § 47-1803.03(a)(8) shall be allowable on account of the contribution.

“(e) A corporation claiming the tax credit shall provide documentation supporting the tax credit claim in a form and manner prescribed by the Chief Financial Officer.”

(5) The table of contents for Chapter 18 is amended by inserting the section designation “47-1808.10. Tax on Unincorporated Businesses – Credits – Tax Credit for Farm to Food Donation.”.

(6) Chapter 18 is amended by adding the new section 47-1808.10 to read as follows:

“§ 47-1808.10. Tax Credit for unincorporated businesses that provide Farm to
1 Food Donations.

“(a) For the purposes of this section, the term “food commodity” means any vegetables, fruits, grains, mushrooms, honey, herbs, nuts, seeds, and rootstock that are intended to be used as food in its perishable state and are approved by regulatory authorities.

“(b) After January 1, 2015, any qualified unincorporated business under § 6-1504 may claim a nonrefundable credit against taxes imposed by this subchapter equal to 50% of the value of food commodity donations made during the tax year to a District of Columbia food bank or shelter recognized as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3).

“(c) The credit shall not exceed $5,000 per unincorporated business per tax year and shall not reduce the minimum tax liability under § 42-1808.03(b).

“(d) If the unincorporated business elects to claim the credit for a contribution, no deduction under § 47-1803.03(a)(8) shall be allowable on account of the contribution.

“(e) An unincorporated business claiming the tax credit shall provide documentation supporting the tax credit claim in a form and manner prescribed by the Chief Financial Officer.”

Sec. 5. Real Property Tax Abatement Initiative.

(a) Chapter 8 of Title 47 of the District of Columbia Official Code is amended by adding the new section 47-868 to read as follows:

“§ 47-868. Tax deduction for leasing property for agriculture use.

“(a) If an owner of unimproved real property enters into a lease with an unrelated party for the use of its real property for the purpose of producing food commodity (as defined under § 47-1806.12) through small-scale urban farming, there shall be allowed a 50%
1 deduction from the real property tax imposed by § 47-811 on the portion of leased real property
2 actually used for small-scale farming; provided, that no tax deduction shall be allowed for the
3 real property that abuts other real property with common or related ownership.

“(b) In order to be eligible for the tax abatement under this section, any lease
agreement shall include, but is not limited to, all the following provisions, and the parties thereto
shall be in compliance therewith:

“(1) An initial term of not less than three years;
“(2) Active use and cultivation of at least 5,000 square feet of the real
property;
“(3) A requirement that the entire property subject to the lease shall be
dedicated toward agriculture use; and
“(4) A prohibition against any dwelling units (as defined in § 47-
813(d)(3)) on the real property.

“(c) For purposes of this section, unimproved real property shall mean land and
only structures thereon that directly support agricultural activity such as toolsheds, greenhouses,
and produce stands.
“(d) A real property owner claiming the tax abatement shall apply for and provide
documentation supporting the tax abatement claim in the form and manner as prescribed by the
Chief Financial Officer, and shall be subject to the provisions of §§ 47-1007 and 47-1009.”.

Sec. 6. Applicability.
(a) Section 3 of this bill shall apply to tax periods beginning after December 31, 2014.
(b) Section 4 of this bill shall apply to tax years beginning after September 30, 2014.