



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 223 -- END INEFFECTIVE BUSINESS SUBSIDIES ACT OF 2020

February 12, 2020

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Oppose

House Bill 223 terminates or ceases the growth or expansion of many of the State of Maryland's economic development programs, including the Enterprise Zones program and One Maryland Economic Development Tax Credit.

The Greater Baltimore Committee (GBC) contends that preserving effective tax credits and incentives is a vital part of Maryland's ability to compete for the attraction and retention of jobs and to maintain inclusive economic development efforts around the State. The economic development programs identified in House Bill 223 are important incentives for attracting and retaining businesses and jobs, particularly in Baltimore City or rural areas of the State. As an example, the Enterprise Zone program, which provides benefits to communities that have challenges related to job creation and economic growth, is often the only viable incentive in some regions of the State outside of Maryland's two major metropolitan areas.

During the 2020 session of the Maryland General Assembly, there have been a significant number of bills introduced that seek to end or hamper economic development incentives and tax credits. These proposals have a chilling affect and send the wrong message regarding Maryland's competitiveness. Instead of a piecemeal effort to eliminate business incentives that some perceive to be ineffective, the GBC recommends engaging in a comprehensive examination to study the issue. A well thought out study group with stakeholders involved would demonstrate Maryland's commitment to creating good policy and developing the best set of tools that benefit Maryland's inherent strengths and ultimately enables the State to compete in a global 21st century economy.

This bill is inconsistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective state investments in business growth. The state must commit to substantive strategic investments, leverage with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on House Bill 223.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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