



**MARYLAND**

Chamber of Commerce

## LEGISLATIVE POSITION

**Unfavorable**

**House Bill 525**

**Phase Out Company Giveaways Act**

**House Ways and Means Committee**

**Wednesday, February 12, 2020**

Dear Chairwoman Kaiser and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families. Part of that work includes advocating for policies that seek to promote and maintain Maryland's favorable business climate.

HB 525 seeks to establish the Interstate Compact to Phase Out Company Giveaways to prohibit Maryland and other member states from offering or providing economic development incentives to attract and retain business investment and facilities in a member state. This bill aims to remove a critical tool in the toolbox of Maryland's public and private institutions to achieve a favorable business climate leading to the state's long-term economic vitality and well-being.

By entering an interstate compact, the Phase Out Company Giveaways Act would add an additional layer of bureaucracy to state decisions, which would lead to more challenging and lengthy decision-making processes. Additionally, entering an interstate compact delegates state regulatory and decision-making authority to an interstate entity that would operate with a lack of familiarity of Maryland's specific needs and government process. Furthermore, entering this type of an interstate compact could be viewed as a potential loss of state sovereignty over Maryland's ability to impact its own economic well-being.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on HB 525.

**MDCHAMBER.ORG**

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