

Delia

SB 778

FAVORABLE



*One University. A World of Experiences.*

To: Chairman Guy Guzzone, Budget and Taxation committee  
From: Al Delia, FSU VP for Regional Development and Engagement  
Date: Wednesday February 24, 2021  
Re: SB 778 – Regional Institution Strategic Enterprise Zone Program - Alterations

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I am pleased to offer support on behalf of Frostburg State University for SB 778, RISE Zone Alterations.

RISE Zones were created in xxxx as an enhancement to Enterprise Zones where the geographic region benefits from a nonprofit anchor institution which could support business and job creation. For the past several sessions, advocates have been working to solve the problem of how to make subsidies based on capital investment relevant to small start-ups that don't own property but rent their critical space. This bill, and the work done over the past year by Senator Elfreth and Delegate Luedtke has solved that conundrum: the bill establishes within Commerce a RISE Zone rental assistance fund, whereby, assuming all other RISE Zone criteria are met, the business could qualify for rental subsidy assistance rather than tax credits.

A number of protections are in this bill to manage demand: first, a zone cannot be larger than 500 acres; secondly, the requirement remains that the county of jurisdiction must designate the zone and be prepared to offer the tax credits required of it; and the secretary may not approve more than three zones in any county. The sets up, if you will, a competition for the best zones, which means that those most likely to be impactful on business development will receive the benefits.

At Frostburg, we would look forward to the opportunity to work with Allegany County to designate a suitable location, perhaps at or near the Innovation Park, for a RISE Zone designation and use this creative incentive to its best extent.

I urge the committee to return a favorable report.

Cc: Senator Elfreth, sponsor

Cc: Senator George Edwards and Senator Paul Corderman, sponsors