



Senate Bill 496

*Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families
(RELIEF) Act*

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Ways and Means and Economic Matters
Committees

Date: February 9, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 496's strong commitment to delivering meaningful relief to residents and businesses hardest hit by the COVID-19 pandemic **WITH AMENDMENTS** to guard against the carryover fiscal effects of this bill, which would undermine county revenues and support for schools, public health, public safety, and other essential community services – including those most critical during this crisis itself.

The swift and unprecedented shock of the COVID-19 public health crisis has also wreaked havoc on the economy. County governments are not only the front lines for public health and safety during these challenging times, they also face their own revenue shortfalls from the drop in central funding sources. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally.

SB 496 provides up to \$750 in economic impact payments to eligible residents, exempts from the State income tax individual unemployment benefits and certain coronavirus relief payments, authorizes certain businesses to retain a sales and use tax vendor credit, and protects businesses from untimely tax rate hikes at a time when they can least afford to pay them. MACo does not raise policy objections with this proposal. County concerns are merely cost-driven, as local revenues would decrease by \$187.4 million in fiscal 2021, according to the bill's fiscal note.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

As the General Assembly fashions its rapid response to this crisis, a reasonable set of offsets or considerations could remedy these local concerns. For these reasons, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on SB 496, and to work toward a balanced approach that can avoid some of the abrupt fiscal effects in the original plan.