

HB1109_PGCEX_FAV.pdf

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THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: House Bill 1109 – Prince George's County - Economic Development - Business Improvement Districts PG 407-23

SPONSOR: Prince George's County Delegation

HEARING DATE: March 29, 2023

COMMITTEE: Finance

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS House Bill 1109 – Prince George's County - Economic Development - Business Improvement Districts PG 407-23**, which allows Prince George's County to establish business improvement districts (BIDs) with the support of at least 51 percent of property owners within the proposed BID, versus the current state standard of at least 80 percent.

BIDs are a private/public organization that supplements public services within geographically defined boundaries by generating multiyear revenue through a compulsory assessment on local property and/or businesses. This allows communities to offer supplemental services covering cleaning and beautification, marketing, business recruitment, and public safety.

Current Maryland law requires the support of at least 80 percent of owners within the proposed geographic area for the BID. Since this standard went into effect in 2010, no BID has been established in Maryland using this threshold. This led to the passage of HB 386 in 2017. A local bill from Montgomery County, HB 386 lowered the required support to establish a BID to at least 51 percent only for Montgomery County. This has allowed for the development of the Silver Spring BID.

Prince George's County supports **HB 1109** because it makes it viable for the establishment of a BID for the Blue Line Corridor, an economic development project that is important not only to Prince George's but also Maryland. The Board of Public Works recently approved \$400 million in bonding authority for infrastructure work for the project. Establishing a BID in the Blue Line Corridor will help the community

develop as it builds over time. The City of Hyattsville also hopes to establish a BID under **HB 1109**, as they have found the current statewide threshold unfeasible.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS House Bill 1109** and asks for a **FAVORABLE** report.

HB1109---Senate Oral Testimony.pdf

Uploaded by: Delegate Jazz Lewis

Position: FAV

JAZZ LEWIS
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MAJORITY WHIP

Appropriations Committee



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Oral Testimony of Delegate Jazz Lewis
HB1109– Prince George's County – Economic Development – Business
Improvement Districts PG407–23
Senate Finance Committee

Chair Griffith and members of the Senate Finance Committee,

Thank you for the opportunity to testify in support of HB1109/PG407-23 to help allow Prince George's County to establish business improvement districts particularly around the county's Blue Line Corridor. This will allow businesses in the Corridor to supplement state and county services to make desired improvements, such as beautification and infrastructure improvements, by consolidating funds through a tax on the district's businesses. These districts established by the County are a means for businesses to come together and pool resources so that they can invest these into their community.

Creating a business improvement district is an added service to incentivize businesses to locate in the Blue Line Corridor. We as a state made a historic investment in this neglected area of the County, with a \$400 million bond initiative. But we need to continue to add incentives to private enterprise to boost the area and attract businesses to locate along the Corridor. Cities such as Bethesda serve as examples of how a business improvement district can help make walkable areas for retail, incentivize businesses to locate in the business improvement districts and create environments for success. We want to replicate this in Prince George's and give the County an extra tool in its toolkit to incentivize businesses in the areas where they can be the most beneficial.

Currently, the state has its own version of business improvement districts. However, in the state's law, 80% of businesses in an area need to vote in favor of forming a business improvement district; Such a large percentage is an impossible barrier to overcome and has proven prohibitive of BID's from being formed anywhere in the state under this law, which is why this county-specific legislation is necessary. If approved, this legislation would allow Prince George's County to begin the process of creating a business improvement district and require the approval of a simple majority of businesses located in the district.

Business improvement districts are a means for local enterprises to come together to pool resources and supplement the services that they receive from the County and State. With this bill we will help incentivize businesses to locate in communities that need more investment like the Blue Line Corridor.

For these reasons I urge a favorable report.