



February 16, 2023

To: House Ways and Means Committee

From: Horizon Farm Credit

Bill: **HB 551 – Income Tax Subtraction Modification- Qualified Broadband Grants**

Position: **SUPPORT**

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Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

**HB 551** will exclude grants awarded for broadband expansion from state taxes, along with the sale of network equipment used for broadband work. Such a move would allow companies in the business of deploying broadband to further invest more of their capital into the infrastructure needed to connect more Maryland communities to reliable broadband service. The expedited deployment of rural broadband is a critical component of economic growth and can help provide Maryland farms and agribusinesses the tools necessary to adopt the latest technology.

Technology continues to enhance agriculture's efficiency and many of these advances are supported by a strong backbone of broadband infrastructure. Maryland farmers embrace precision agriculture that allows them to reduce fertilizer and pesticide use, but those systems require strong internet connectivity. Modern barns can be controlled remotely to allow for increased heating or cooling, depending on the outdoor temperatures, but again those applications require broadband infrastructure. And on the day-to-day tasks of running a business, like monitoring markets, digital banking, or social media promotion of their products, farmers need reliable broadband service.

We appreciate the Administration's efforts to seek creative solutions to incentivize greater investment in rural broadband.

**Horizon Farm Credit SUPPORTS HB 551.**

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