



50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Voice: 410-841-5761 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.go

Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 985 - Economic Development - County or Municipality Economic Development
Authority - Powers and Use of Proceeds
Senate Budget and Taxation Committee
February 21, 2024

The Rural Maryland Council supports Senate Bill 985 – Economic Development – County of Municipality Economic Development Authority – Powers and Use of Proceeds. This proposed bill aims to broaden the definition of the term "authority" in the Economic Development Article. It adds revenue authority, redevelopment authority, or other authorities with similar names to the definition. Additionally, it expands the powers of an authority as specified. The bill allows an authority to receive financial support from any public, private, or nonprofit source to fund its activities, powers, and duties as per the statute. The proposed bill permits an authority to issue bonds through an ordinance adopted by the governing body that created the authority. It also widens the eligible uses of tax increment and bond proceeds. Furthermore, the bill requires the governing body or municipality to have full auditing and oversight authority over any established authority.

Place-based economic development tools are crucial for rural communities as they help capitalize on the unique strengths and assets of each area. By focusing on the specific needs and opportunities of a particular region, place-based strategies can lead to more targeted and effective economic development efforts. This approach allows for tailored solutions that consider local resources, culture, and community preferences, ultimately leading to sustainable growth and prosperity. Place-based economic development tools also foster a sense of pride and ownership among residents, as they are directly involved in shaping the future of their communities. Overall, place-based economic development tools play a vital role in supporting the long-term success and resilience of rural areas.

In certain parts of the state, particularly in rural areas, commercial development has not kept pace with residential development. This could be due to a variety of factors such as lack of infrastructure and public amenities, or slower growth in commercial property development. Rural Maryland is no stranger to these challenges and has struggled with underdeveloped and outdated commercial areas. The tools in this bill can help to provide necessary economic development and growth opportunities to areas that desperately need expansion.

This bill can promote healthy growth and improvement in the quality of life in rural areas, the Rural Maryland Council asks for your favorable support of Senate Bill 985.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic, or regulatory solutions.

“A Collective Voice for Rural Maryland”



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