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DATE: March 28, 2024

BILL NO.: House Bill 1203

TITLE: Economic Development - Strategic Infrastructure Revolving Loan Program and Tax Increment Financing

COMMITTEE: Senate Finance Committee

Letter of Support

Description of Bill:

House Bill 1203 establishes a Strategic Infrastructure Revolving Loan Program within the Maryland Economic Development Corporation, for the purpose of making loans for targeted investments in real estate and infrastructure projects in Sustainable Communities, priority funding areas, and transit-oriented development areas. The bill also specifies the sources of funds for the program, along with certain requirements for loans and loan applications.

Background and Analysis:

The General Assembly established the Maryland Economic Development Corporation (MEDCO) in 1984 for the purpose of retaining, expanding, and attracting business and industry throughout the state. MEDCO's bond-issuing authority allows borrowers to finance costs such as land acquisition, building construction, and equipment purchase for important projects.

House Bill 1203 gives MEDCO another critical financing tool, complementing its existing authority, that can be used to support infill, redevelopment and revitalization projects in Sustainable Communities, transit-oriented development areas and priority funding areas. Loans made available under the program created by House Bill 1203 would be used to address predevelopment and initial infrastructure-related costs, which will provide much-needed assistance to projects that might otherwise be put on hold or canceled because of high development costs and commercial lending restraints. In combination with existing State Revitalization Programs administered by DHCD, this loan program will support transformative placemaking, community development, and inclusive and equitable economic growth objectives. The Strategic Infrastructure Revolving Loan Program will help to turn underutilized assets into revenue generators, boosting Maryland's economy.

DHCD Position:

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 1203.

