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Government, Labor, and Elections Committee

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House Study Group on Economic Stability

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THE MARYLAND HOUSE OF DELEGATES
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HB135 Economic Development – Tax Increment Financing – Noncontiguous Areas

Economic Matters Committee

February 17th, 2026: 1:00 PM

Madam Chair, Madam Vice-Chair, and members of the committee for the record I am Delegate Matthew J. Schindler, and I am here to present House Bill 135. HB135 would enable county and municipal governments to establish a tax incremental financing district in a noncontiguous area. Tax incremental financing districts better known as TIFs are an economic development tool that are created when a development or redevelopment project is going to create additional tax revenues by increasing property value in a designated area. The jurisdiction can then issue bonds to pay for improvements for public infrastructure such as roads, parking, and stormwater management. The issued bonds can then be repaid through the incremental increase in tax revenue that the project will generate. TIFs are used all over the country and have been implemented in multiple projects across the state such as the Mondawmin Mall and Frankford Estates in Baltimore City, Park Place in Annapolis and Route 36 strip mall in Frostburg. In these projects, the TIF districts were limited to one specific geographic area for redevelopment. HB135 would simply allow jurisdictions to implement TIFs that may not be geographically contiguous, which can assist in various types of redevelopment efforts.

Blight and economic depression are not limited to a single zip code, and neither should the economic tools needed to revitalize our communities. TIF districts are a direct way in which local jurisdictions can create private-public partnerships to increase property values, create jobs and holistically rejuvenate a community. This simple change to allow TIF districts to be established in a non-contiguous manner will enable local jurisdictions to have a greater ability to implement redevelopment projects and promote economic growth.

Therefore, I ask for a **favorable report** on HB135.