



## TESTIMONY

**COMMITTEE:** House Economic Matters

**DATE:** February 12, 2026

**POSITION:** Unfavorable

**BILL:** House Bill 235

The Maryland Municipal League respectfully opposes House Bill 235, which removes the existing requirement that local governments approve applications for financial assistance under the Neighborhood Business Development Program (NBDP). The NBDP was intentionally designed as a collaborative state–local program, recognizing that successful neighborhood-scale business development depends not only on access to capital, but also on alignment with local land use plans, zoning, infrastructure capacity, and community priorities.

Under current law, local governments are required to act on NBDP applications within a defined timeframe, with automatic approval if no response is provided within 45 days. HB 235 replaces this structure with a notice-only process, eliminating both the approval requirement and the default approval provision. While this change may not directly affect municipal finances, it does remove a formal local checkpoint that ensures state investments are coordinated with local planning and economic development strategies. Providing state financial assistance before zoning or land use concerns are resolved risks advancing projects that may ultimately be inconsistent with local requirements or community expectations.

MML understands the Department’s interest in moving funds more quickly and competing with private-sector lending timelines, and we agree that unnecessary delay should be avoided. However, removing local approval entirely shifts the program away from its original collaborative intent. A more balanced approach—such as a shorter, defined comment period that allows local governments to flag material concerns without unduly slowing projects—would preserve coordination while addressing administrative delays. For these reasons, the League respectfully requests an unfavorable report on HB 235.

---

For more information relating to this piece of testimony, please contact:

Angelica Bailey Thupari: Director, Advocacy and Public Policy, [angelicab@mdmunicipal.org](mailto:angelicab@mdmunicipal.org)

*MML represents 161 local governments and about 2 million Maryland residents.*