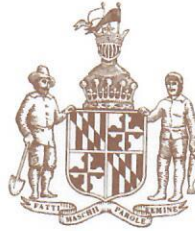


# **Senator Cory mcCray SB 72 Testimony**

Uploaded by: McCray, Cory

Position: FAV

CORY V. MCCRAY  
Legislative District 45  
Baltimore City



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Budget and Taxation Committee  
Capital Budget Subcommittee  
Health and Human Services Subcommittee

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Vote Yes on Senate Bill SB0122**

**Bill Title: Economic Development - Opportunity Zone Incentives - Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs**

**Hearing Date: January 15, 2020**

**Chair: William Smith, Vice Chair: Jeff Waldstreicher**

I write to you today in **support** of **Senate Bill SB0 122**. This bill is important because last year the legislator passed the Opportunity Zone Incentives which closed the loop holes. The bill concerns the prohibition of businesses from being eligible to receive Maryland opportunity zone tax credits. This bill is essential because it will regulate technical elements of the new state law to warrant that the program is increasing employment and economic activity in impoverished communities along with impeding uneconomical disburse of taxpayer dollars.

The purpose of this bill is to alter certain terms relating to eligibility for benefits under the More Jobs for Marylanders and Opportunity Zone Enhancement programs; altering, to taxable years beginning after December 31, 2018, but before January 1, 2022, the time for which enhancements under the Opportunity Zone Enhancement Program are applicable; limiting eligibility for certain Opportunity Zone Enhancement Program benefits to investments in biotechnology and cybersecurity companies established in opportunity zones by March 1, 2018; etc.

In efforts to increase employment, transparency and economic activity in low income communities as well as impede uneconomical disburse of taxpayer dollars, we hope that you will move for a **favorable** report of **Senate Bill SB0122**.

Respectfully,

Cory V. McCray  
State Senator

## **Randall\_FAV\_SB122**

Uploaded by: Randall, Claudia

Position: FAV



**Testimony Supporting Senate Bill 122  
Economic Development- Opportunity Zone Incentives- Alteration of the more jobs for Marylanders and  
Opportunity Zone Enhancement Programs**

**Senate Budget & Taxation Committee  
January 15, 2020**

Position: Support

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

The purpose of Senate Bill 122 is to alter certain terms relating to eligibility for benefits under the More Jobs for Marylanders and Opportunity Zone Enhancement programs; altering, to taxable years beginning after December 31, 2018 but before January 1, 2022, the time for which enhancements under the Opportunity Zone Enhancements Program are applicable; limiting eligibility for certain Opportunity Zone Enhancement Program benefits to investments in biotechnology and cybersecurity companies established in opportunity zones by March 1, 2018.

Opportunity Zones are an ambitious and historic federal undertaking that sought to match the interest of private investors seeking tax relief on unrealized capital gains with the interest of local communities in need of revitalization. The sheer scale and transformative power of the Opportunity Zones had the potential to attract and spur economic activity with broad social benefits equitably-shared in some places, but just as likely to accelerate the type of neighborhood change that results in displacement, dislocation and poor social outcomes for local residents in others.

We urge your support for this bill as it seeks clean up some elements of the new state law to ensure that the program is working as intended to increase employment and economic activity in low income communities as well as prevent wasteful spending. We agree with the need to discourage low wage job creation, and "sin" businesses such as liquor stores and adult entertainment. We are eager to close loop holes that reward biotech and cybersecurity enterprises for simply existing in opportunity zones without additional investment or risk.

Finally, CDN works to expand opportunities for all Marylanders and as such looks forward to added reporting requirements that help the state assess the success of the program in terms of job creation, business formation, affordable housing, health and community benefits.

We urge your favorable consideration of SB 122.

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# **MarylandMulti-HousingAssociation\_FWA\_SB122**

Uploaded by: Keller, Jessie

Position: FWA



**Bill Title:** Senate Bill 122, Development – Opportunity Zone Incentives – Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs

**Committee:** Budget & Taxation

**Date:** January 15, 2020

**Position:** Support with amendments

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 205,000 rental housing homes in over 870 apartment communities. Our members house over 535,000 residents of the State of Maryland. Lastly, MMHA represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 122 alters eligibility under the existing Opportunity Zone program. This bill permits a Level 1 opportunity zone enhancement if an impact report is provided demonstrating progress towards creating and retaining jobs, promoting entrepreneurship, providing affordable housing, creating access to healthy food, promoting environmental sustainability, and benefiting the communities in the opportunity zone. This bill also adds minimum wage requirements for program eligibility, limits the years the enhanced tax benefits are available, and restricts eligibility for the enhanced benefits under the biotechnology investment incentive and cybersecurity investment incentives tax credit programs.

As rental housing providers, we recognize that there is a dearth of affordable housing in the State of Maryland. This legislation is an important tool to assist in addressing the need for housing affordability and potentially prevent housing instability and homelessness for residents throughout Maryland’s 149 opportunity zones.

We respectfully request a **favorable report** on Senate Bill 122.

**Jessie Keller, MMHA Government and Community Affairs Manager, (410) 825-6868**

# **AMTA SB 122 Testimony - FWA**

Uploaded by: Lopez, Sabrina

Position: FWA



**SB 122**

**Position: Support with amendments**

January 15, 2020

Dear Chairman Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Taxation Committee,

The American Massage Therapy Association (AMTA) is the largest non-profit, professional association serving massage therapists, massage students and massage schools. The Maryland Chapter has over 1500 professional members, working as licensed therapists throughout the state.

We support Senator McCray's bill with one key amendment – striking the words “massage parlor” from the bill. It's our understanding that the recent federal tax bill that provided enhancements for opportunity zones didn't include any references to massage parlors. The IRS recently released guidance that excluded “sin businesses” which are listed as private or commercial golf courses, country clubs, massage parlors, hot tub facilities, suntan facilities, racetracks or other facilities used for gambling, or stores the principal business of which is the sale of alcoholic beverages for consumption off premises.

Aside from one reference in this list, there is no federal definition of “massage parlor” and does not exist a part of our practice act in the health occupations code. We understand the sponsor's intention to mirror language provided by the IRS and appreciate Senator McCray's understanding that “massage parlor” is an inappropriate and political inclusion of “sin businesses” that perpetuate the untrue stigma about sex work and clinical therapists.

There are more than 4,000 trained and state board certified massage therapists in Maryland who provide a variety of clinical services, many of which fall under qualified reimbursements for health insurance carriers or qualify for payment via health savings accounts. Our providers are regulated by the Maryland Department of Health.

As a long-standing and verifiable health occupation and a highly regulated health care industry service, we sincerely appreciate the amendment being offered to remove this offending language for the bill and are happy to provide any additional information as required by the committee or the sponsor to move the bill with this amendment.

All the best,

Sabrina Lopez, President  
American Massage Therapy Association – Maryland Chapter  
President.AMTA.Maryland@gmail.com

Amelia Mitchell, Vice President  
American Massage Therapy Association  
VP1.AMTA.Maryland@gmail.com



# **MTC\_Richard Tabuteau\_Oppose\_SB122**

Uploaded by: Tabuteau, Richard

Position: UNF



# MARYLAND TECH COUNCIL

TO: The Honorable Guy Guzzone, Chair  
Members, Senate Budget and Taxation Committee  
The Honorable Cory V. McCray

FROM: Richard A. Tabuteau  
Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman

DATE: January 15, 2020

RE: **OPPOSE** – Senate Bill 122 – *Economic Development – Opportunity Zone Incentives – Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs*

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The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **opposition** for Senate Bill 122.

Senate Bill 122 changes eligibility requirements for access to enhanced incentives under the Opportunity Zone Enhancement Program. Most notably, it limits the enhanced tax benefits available under the Opportunity Zone Enhancement Program to tax years 2019 through 2021 and restricts eligibility for the enhanced benefits under the biotechnology investment incentive and cybersecurity investment incentive tax credit programs to investments made in a company that is established or expands into an opportunity zone on or after March 1, 2018, among other changes.

Consider this: Maryland biohealth companies were the first to map the human genome; first to develop a rapid test for Ebola; and first to create an FDA-approved blood test for colon cancer, among many more lifesaving innovations. Currently, Maryland ranks 4<sup>th</sup> in the nation's top 10 biopharma clusters in 2019. We are home to over 500 biotech companies and 2,700 life science firms. Maryland ranks first in NIH research and development contract awards, first in federal obligations for research and development on a per capita basis, and first in concentration of employed doctoral scientists. Moreover, as home to the nation's top security agencies such as the U.S. Cyber Command, NSA, DISA and NIST, Maryland is the U.S. headquarters for cybersecurity. Maryland has over 35 incubators and research parks and a talent pool of over

116,000 IT professionals. The last thing Maryland should do is take any action that would undermine the growth of these two key industries.

As explained in the Fiscal Note, imposing greater restrictions on eligibility for enhanced benefits under the biotechnology investment incentive and cyber security investment incentive tax credit programs would likely result in a reduction in incentives claimed by growing Maryland businesses. Clearly, this would needlessly harm early stage, entrepreneurial businesses that could drive desired development in Maryland opportunity zones. As such, MTC opposes Senate Bill 122 and urges the Senate Budget & Taxation Committee to give this bill an unfavorable report.

**For more information call:**

Richard A. Tabuteau

Pamela Metz Kasemeyer

J. Steven Wise

Danna L. Kauffman

410-244-7000

# **SB 122\_OZ Incentives\_LOI**

Uploaded by: Schulz, kelly

Position: INFO



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
Kelly M. Schulz | Secretary of Commerce

**Date:** January 15, 2020  
**BILL NO.:** Senate Bill 122  
**TITLE:** Economic Development – Opportunity Zone Incentives – Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs  
**COMMITTEE:** Senate Budget & Taxation

## Statement of Information

Senate Bill 122 makes alterations to two programs administered by the Department of Commerce (Commerce), the More Jobs for Marylanders program and the Opportunity Zone Enhancement Program.

SB 122 alters these two programs in the following ways:

- Adds golf courses or country clubs, tanning salons, massage parlors and bail bondsmen to the list of businesses that do not qualify for the More Jobs for Marylanders program.
- In order to qualify for the Opportunity Zone Enhancement Program a business is required to provide an impact report including qualitative and quantitative data on the investment. SB 122 would add specific information to be included in this, as applicable, including: creating and retaining jobs, promoting entrepreneurship, including among women and minority owned businesses, providing affordable housing, creating access to healthy food, promoting environmental sustainability and how the investment benefits the communities in the zone in any other manner. Under the original statute, the impact report was not specific, but Commerce has included some of these measures in the program's application.
- Requires that Qualified Opportunity Zone Businesses in counties that have a minimum wage greater than the state minimum wage pay at least 120% of the county minimum wage to qualify.
- Limits the enhancements to tax years prior to January 1, 2022.
- Requires that the information published on Commerce's website be itemized by fund and summarized in aggregate.
- Enhancements for the Bio and Cyber investor tax credits are only available to Qualified Maryland Bio or Cyber Companies that locate or expand in the Opportunity Zone after March 1, 2018. This would limit the companies that a fund could invest in in order to qualify for the program.
- Lastly, this legislation would remove the definition of Opportunity Zone included under 9-110 of the Tax Property Article. Commerce's does not believe this would impact the program, so it is unclear what the purpose of this change is.

Chapter 211, Acts of 2019, expanded the existing More Jobs for Marylanders program and created the Opportunity Zone Enhancement program. Over the last several months, Commerce implemented these changes and the programs are now fully operational.