



Takoma Park Mobilization Environment Committee (TPMEC)

environment@takomaparkmobilization.org (email)

Committee: Budget and Taxation

Testimony on: SB 645 - “State Income and Property Tax Credits – Purple Line Construction Zone”

Position: Favorable

Hearing Date: February 26, 2020

Thank you for allowing our testimony today. The Takoma Park Mobilization Environment Committee (TPMEC) is a grassroots organization of over 200 members, and a member of two statewide coalitions (Maryland Climate Coalition and the Earth Coalition) as well as the Montgomery County 80 x 27 Coalition (a countywide group focused on helping the county achieve its goal to reduce its greenhouse gas emissions by 80 percent by 2027).

TPMEC strongly urges you to support SB 645. That Act will authorize State Income and Property Tax Credits for certain qualified businesses impacted by the construction of the Purple Line light rail project in Montgomery County and Prince George’s County.

This bill is necessary because local businesses are bearing disproportionate negative consequences of the disruption of traffic patterns caused by construction of the Purple Line. This disruption seems to be especially severe in our community of Langley Park, particularly at the cross roads of New Hampshire Avenue and University Boulevard. Construction near the site of a future purple line stop and a current transit hub has made foot and car traffic so difficult that businesses are experiencing severe losses of revenue due to a major drop in customers. For those businesses in the direct line of construction, it is reported that foot traffic and revenue are down 40% weekdays and an astounding 70% on weekends. This situation, having already occurred for months, is expected to continue for another year.

The businesses in this area are primarily small businesses owned and operated by people of color. Many of these business people and their employees and customers who are also predominantly people of color are already at the margin economically.

It is blatantly unfair that these people are suffering for a project that will benefit many people across two counties. Thus, this entirely predictable occurrence is a matter of economic injustice.

SB 645 would help to redress these injustices created by this government project by authorizing credits against the State income tax and State property tax. These credits are subject to guardrails and safeguards to prevent abuse.

While these businesses and their employees really need immediate and direct economic relief, the proposed tax credits may make the difference between the businesses failing and hanging on during the more than one additional year expected for purple line construction.

We are doing our best to provide our neighbors with at least some revenue by shopping at these businesses, but that will not be enough. Their plight is caused by a government project. Government assistance is needed to help right the wrong that is an unintended consequence of a project to serve the public good.