



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

TESTIMONY

February 12, 2020

**Committee:** House Ways & Means

**Bill:** HB 565 – Income Tax – Business and Economic Development Tax Credits - Termination

**Position:** Oppose

**Reason for Position:**

The Maryland Municipal League opposes HB 565 which would sunset or prohibit the expansion or issuance of tax credits under several different economic development programs, including Enterprise Zones, RISE Zones, Maryland biotechnology tax credits, small business tax credits, film industry tax credits, One Maryland Economic Development Tax Credit Program, and Opportunity Zones.

As the economy continues to improve and municipalities are looking to fill the empty spaces on their Main Streets, commercial, and industrial areas, many of our cities and towns look to the tax credit and business programs listed in this legislation. While the League certainly understands the need to evaluate these programs to ensure that they are working as designed and that the monies that flow into these programs are providing the economic benefits they were intended to provide, the concern is that if these programs are allowed to sunset, they may never return.

The League would suggest that there are other pieces of legislation such as HB 765 that have been introduced that would not eliminate these programs, but would instead study them for improvements that may need to be made to make these and other programs more effective. Therefore, MML respectfully requests that this Committee provide HB 565 with an unfavorable report and instead further study these programs.

**FOR MORE INFORMATION CONTACT:**

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