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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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The Senate Budget and Taxation Committee

**SB 794 Wicomico County - Property Tax Credit - Hotel or Residential Development
Statement of Support by Bill Sponsor Senator Mary Beth Carozza**

Thank you Chairman Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Taxation Committee for the opportunity to respectfully ask for your support of Senate Bill 794 Wicomico County - Property Tax Credit - Hotel or Residential Development. The Bill establishes a “Hotel or Residential Incentive Zone” (HORIZON) in Downtown Salisbury. This tax credit program would incentivize large-scale hotel or multi-family residential development in the Central Business District and Riverfront Redevelopment District downtown.

During the interim, I met with the Salisbury Chamber of Commerce to discuss several priorities including this legislation before you to encourage large-scale residential and hotel developments in Downtown Salisbury. The program offers new jobs to the Downtown workforce by providing spaces, culture and an environment that will be attractive to new companies and promote local growth. It will additionally attract private capital investments into the Central Business District and Riverfront Redevelopment Districts by funding large scale development projects that increase the assessed value of real property in Downtown by millions of dollars.

Specifically, there are seven projects in the pipeline within the proposed HORIZON district, which, upon completion, the projects will have an increased assessed value of \$75 million dollars and will bring over 750 new residents to downtown Salisbury.

Local jurisdictions can stimulate new development by offering property tax abatements that lower the amount of taxes owed for a specified period of time. Alternatively, property tax incentives can be structured to exempt, for some period of time, increases in the assessed value of a property that would otherwise result from new construction. Both abatements and exemptions can be used to encourage real estate developments that advance the community’s goals.

The primary goal is to accelerate the construction or expansion of hotel or multifamily residential development in the Central Business Zoning District and Riverfront Redevelopment Zoning Districts spurring economic activity in Downtown Salisbury. This legislation, supported by the City of Salisbury and Wicomico County, expands the tax base, increases property values, adds amenities that improve the quality of life, and provides long-term benefits to the community which will ultimately stimulate a quicker economic recovery from the COVID-19 pandemic.

For these reasons, I respectfully ask my colleagues on the Senate Budget and Taxation Committee for a favorable report of Senate Bill 794.

Thank you for your kind consideration.