



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

**BILL:** House Bill 805 - Economic Development - Enterprise Zone Program - Alterations

**SPONSOR:** Delegate Palakovich Carr

**HEARING DATE:** February 18, 2021

**COMMITTEE:** Ways and Means

**CONTACT:** Intergovernmental Affairs Office, 301-780-8411

**POSITION:** **OPPOSE**

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The Office of the Prince George's County Executive **OPPOSES House Bill 805 – Economic Development – Enterprise Zone Program – Alterations.**

Prince George's County uses Enterprise Zone tax credits as its basic economic development incentive in the economically challenged areas of the County. As an entitlement, it removes uncertainty from the perspective of a business, and has allowed the County to bring investment to areas of the County that might have otherwise been bypassed.

**House Bill 805** would have a negative impact on the value of the Enterprise Zone program. The bill would allow the Secretary of Commerce to have the unilateral ability to evaluate and prioritize applications for the designation of new and expanded Enterprise Zones, separate from the statutory criteria that is in current law.

Census tracts inside the Capital Beltway, an area which the County has targeted as one of its areas for growth, could be adversely affected by this change. Businesses outside the Beltway, could argue that they qualify for Enterprise Zone designation because they are in a commercial area designated for growth, which could be contrary to the County's targeted economic development strategy.

Most importantly, the proposed \$50 million cap in the bill would make it impossible for businesses to be confident of their annual property tax bill and the value of Enterprise Zone real property tax credits. An unexpected diminution in the amount of credits that businesses would be able to receive could affect annual profitability, and the uncertainty would limit the County's ability to utilize this important economic development tool.

For the reasons stated above, the Office of the Prince George's County Executive **OPPOSES House Bill 805** and respectfully requests an **UNFAVORABLE** report.