

Testimony of Elly Cowan
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Before the
House Ways and Means Committee
April 1, 2021

Pertaining To: SB885, Economic and Community Development - Income Tax Credit for
Catalytic Revitalization Projects
Support

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide testimony on the value of history and preservation in Maryland.

Preservation Maryland is the statewide voice for historic preservation that works to protect the best of Maryland. Since 1931, we have worked tirelessly to protect the places, stories and communities in Maryland that matter.

Why this Bill Matters

Maryland has a number of formerly state or federally owned large government complexes, many of which are historic such as Warfield in Carroll County, Glen Dale in Prince George's County, and Fort Richie in Washington County. While there is great potential for these sites to be catalysts for revitalization, there are many barriers to the redevelopment of these complexes. The tax credit created through SB885 would help encourage the reuse and revitalization of these formerly state or federally owned complexes that are poised to foster economic and community revitalization within the surrounding community.

What this Bill Does

This legislation creates a tax credit within the Department of Housing and Community Development for the rehabilitation costs of qualified catalytic revitalization properties in Maryland. It also requires the Redevelopment of Historic Government Complexes Steering Committee to continue its work and report its recommendations by December 31, 2021.

Why You Should Vote for This Bill

Throughout Maryland, there are numerous large, historic properties, previously owned by the state or federal government, which languish due to deferred maintenance and a web of regulations and existing law. These are complex projects, and their complexity continues to confound developers and government entities alike. In 2019, the General Assembly passed legislation (SB741) which directed the Secretary of Planning to contract with a consultant to conduct a study on the adaptive reuse of historic properties located within the state that are or divested state or federally owned complexes. Recommendations from this study included increasing the funding for the state's Historic Revitalization Tax Credit (HTC) as well as the establishment of a catalytic tax credit. SB885 is a direct response to the latter recommendation.

While Maryland's historic tax credit is a widely embraced and successful solution to many of the economic and neighborhood revitalization challenges facing Maryland's communities today, with a proven 8:1 return on investment to the state, starvation-level funding has prevented the HTC program from being as effective as it could be. In the absence of more funding for the Historic Revitalization Tax Credit, SB885 would create a new tax credit for catalytic revitalization projects that, like the HTC, will focus investment where it is needed most, encourage job growth, and stimulate revitalization.

Providing incentives such as the tax credit established through SB885 truly can have an outsized effect on the surrounding community. The credits spur private investment not only in the project itself but also in the surrounding area. This tax credit is an investment in Maryland's communities and economy at a time when they need it the most. That is why I respectfully urge a favorable report of SB885.

Support