



A Union of Professionals
AFT-Maryland

5800 Metro Drive, Suite 100 • Baltimore, MD 21215-3226
410/764-3030 • fax: 410/764-3008
md.aft.org

Marietta English
PRESIDENT

Kenya Campbell
SECRETARY-TREASURER

**Written Testimony to the House Ways and Means Committee
HB 805 - Economic Development - Enterprise Zone Program - Alterations
February 18, 2021**

SUPPORT

Chair Kaiser and members of the committee. On behalf of AFT-Maryland's more than 20,000 state, municipal, and public education workers, we ask for a favorable report on HB 805.

At a cost of \$600 million since 2001 to state and local governments, the Enterprise Zone Tax Credit is one of Maryland's largest subsidy programs. However, the program's inadequate reporting requirements prevent policymakers and the public from accurately assessing its effectiveness in creating jobs and helping local economies.

Despite this, the program has grown rapidly in recent years. The land area covered by Enterprise Zones has increased by nearly 25 percent since 2013, and the cost of the program's property tax credits increased by a factor of 10 in the last 20 years.

HB 805 would take steps to improve the program's accountability measures and rein in its growth. It would pause the creation and expansion of new Enterprise Zones in any year in which the program's property tax credits exceed \$50 million in cost.

The bill would require local governments to report basic data on Enterprise Zones to the state, including the number of properties claiming tax credits and new applications approved each year.

Installing accountability measures around the Enterprise Zones program would ensure it is used to benefit Maryland communities, not just to subsidize already-successful businesses. Reining in the program's growth would also enable the state to have revenue needed for education and other basic services.

It is for these reasons that we ask for a favorable report on HB 805.

Marietta English
President