

HB 27_CBF SUPPORT_B&T.pdf

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CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

House Bill 27

Historic Revitalization Tax Credit – Funding and Extension

Date: March 29, 2022

Position: **Support**

To: Budget & Taxation Committee

From: Erik Fisher, AICP, MD Land Use Planner

Chesapeake Bay Foundation (CBF) **SUPPORTS** House Bill 27, which reauthorizes the Historic Revitalization Tax Credit for 10 years, increases funding for the tax credit program, and establishes a trust account for small commercial projects.

Adaptively reusing buildings reduces waste and promotes environmentally sensitive redevelopment.

Continued use of historic structures has multiple benefits, including strengthening community identity and promoting economic development in line with environmental aims, such as more compact, walkable, connected development and redevelopment within existing cities and towns. Redevelopment reduces pollution from every major source: walkable developments translate into less greenhouse gases from vehicle use, updated landscaping and drainage controls results in better stormwater management, and improvements or re-use of existing wastewater taps and septic drainfields lessens new pollution loads. The Abell Foundation reports that the type of development promoted by the tax credit reduces polluted runoff by 70% compared to sprawl and has already helped reduce driving in Maryland by about 40 million miles.¹

HB 27 keeps a Smart Growth promise to our existing communities and protects open space from harmful sprawl.

Maryland's 1997 landmark smart growth policy targeted sprawl reduction, but three-quarters of newly developed acres are still located outside of Priority Funding Areas. To help reverse this trend, Maryland must invest in programs that revitalize existing communities and accommodate the state's growing population. The Historic Revitalization Tax Credit ensures the vitality of existing communities and provides an alternative to poorly planned growth located far from jobs, services, enhanced wastewater treatment, and clean transportation choices.

HB 27 will provide needed certainty for these investments in Maryland's urban areas and small towns.

The Historic Revitalization Tax Credit has a proven track record of creating jobs, supporting existing urban and small-town communities, and incentivizing development that improves the health of the Chesapeake Bay. The multi-year reauthorization of this program will ensure that these critical economic benefits continue and provide a measure of certainty for residents and business owners who are considering

¹ Reed, Ethan, [The Economic Benefits of Maryland's Historic Revitalization Tax Credit Program](#), [The Abell Report](#), January 2020.

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investing in a historic property. The trust account for small commercial projects will solidify the program's positive work in the small-town Main Streets and rural villages throughout Maryland.

CBF urges the Committee's FAVORABLE report on HB 27. For more information, please contact Robin Jessica Clark, Maryland Staff Attorney, at rclark@cbf.org and 443.995.8753.

HB27_MRA_FAV.pdf

Uploaded by: Sarah Price

Position: FAV



HB27 Historic Revitalization Tax Credit – Funding and Extension
Budget and Taxation Committee
March 29, 2022

Position: Favorable

Background: HB27 would extend the Historic Revitalization Tax Credit and mandate a funding structure to maintain its solvency into the future.

Comments: The Maryland Retailers Association (MRA) strongly supports HB27, which would have a positive impact on Maryland’s Main Streets and other small business communities.

The MRA has a partnership with the Main Street Maryland program, which includes 33 officially designated Main Streets across the state from Oakland to Ocean City. The qualifications to gain that official designation include that a community must include a significant number of historic commercial buildings. The expansion of the Historic Revitalization Tax Credit would support the upkeep required for historic structures and would incentivize more businesses to invest in preserving Maryland’s historic buildings. Renewed interest in these districts could also help other communities to meet that qualification for becoming an official Main Street by bringing developers and businesses to underutilized historic commercial districts. This would boost the state’s small businesses by providing additional communities access to grant funding and other unique resources from both the State and the Retailers Association.

Mandating funding and making sure that these credit opportunities are available into the future will have a real, tangible positive impact on Maryland’s economy and business community. With this in mind, we would urge a favorable report on HB27. Thank you for your consideration.