



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

DATE: March 2, 2022 **COMMITTEE:** House Ways and Means
BILL NO: House Bill 418
BILL TITLE: Economic Development - More Jobs for Marylanders Program -
Extension and Alterations
POSITION: Support

The Maryland Department of Commerce supports House Bill 418 - Economic Development - More Jobs for Marylanders Program - Extension and Alterations

Bill Summary:

House Bill 418 extends the date by which a business must enroll in More Jobs for Marylanders in order to participate in the program from June 1, 2022 to June 1, 2027. It also alters the amount of funding that must be transferred from the More Jobs for Marylanders Income Tax Reserve Fund to the General Fund when a final certificate is issued by requiring that the Maryland Department of Commerce (Commerce) transfer the amount approved in the final certificate as opposed to the amount approved in the initial certificate.

Background:

Chapter 149, Acts of 2017, established the More Jobs for Marylanders Program (MJM) within Commerce to incentivize and encourage manufacturers to create jobs in areas of Maryland that need jobs the most. The incentives are available for a 10-year period for eligible new and existing manufacturers in “Tier 1” or “Tier 2” areas in Maryland that are enrolled in the Program before June 1, 2022, create the minimum required jobs, offer ongoing job training and meet other Program requirements. Chapter 211, Acts of 2019 expanded the program to allow non-manufacturers that locate or expand in a Maryland Opportunity Zone to also qualify.

Rationale:

The More Jobs for Marylanders program has helped the State’s manufacturing industry change course. This program was designed to strategically boost this sector by not just encouraging new jobs, but by spurring job growth in high-unemployment areas where those jobs would have the greatest impact. Maryland is no longer losing manufacturing jobs—it is adding them. Maryland’s manufacturing sector continues to perform strongly, even after taking a hit early in the pandemic. The state added more than 3,000 manufacturing jobs in the five-year period ending in December 2020, the 11th-best growth rate in the nation. Maryland's manufacturing output was up 1.2 percent in 2020 compared to 2019, while U.S. manufacturing output fell 4.2 percent. As shown through increased utilization in recent years, the program has spurred growth in one of the State’s key industries, providing well-paying jobs across the State. **In 2019, for example, the average manufacturing employee earned 30 percent more than the average private sector worker in Maryland.**

In FY 21, 18 companies received final certificates through the MJM program totaling \$1.3 million. In total, the 18 companies certified the creation of 265 new Maryland jobs and 65

retained jobs. In turn, these jobs support an additional 431 indirect and induced jobs for an annual total of 761 jobs. These jobs support a total of \$317.2 million in economic activity and \$3.0 million in annual state sales tax and income tax. If these jobs remain in place during the ten-year eligibility period, total state sales tax and income tax revenues are estimated at \$29.6 million. Attached to this testimony are charts showing final certificates issued for benefit years one through three to 28 companies, and a chart showing the jurisdiction of all companies that have submitted Notices of Intent (NOIs) to participate in the program.

Out of 55 opportunities in Commerce's major projects pipeline, 24 (43.6%) are manufacturers, representing 9,671 potential new jobs (out of 22,097 total potential jobs in the pipeline – or 43.7%). As shown through increased utilization in recent years, the MJM program has spurred growth in one of the State's key industries, providing well-paying jobs across the State. Extending the enrollment sunset date will allow Maryland to expand upon the progress that has been made in the manufacturing sector through this program by providing certainty and assurance that the MJM program will continue to be available. This extension should support the 24 manufacturing projects and their new jobs within Commerce's pipeline.

The technical correction to the amount of funds Commerce is required to transfer to the General Fund will ensure funds appropriated for this program are able to be utilized by the program. To date, Commerce has issued 32 Final Certificates totaling \$8,324,941 in reserved initial tax credits and \$7,376,851 in final tax credits, resulting in \$948,090 of lost funding to the MJM Reserve Fund. This loss represents 4% of the total MJM appropriation to date.

Commerce respectfully requests a favorable report on House Bill 418.

More Jobs for Marylanders Final Certificates Issued Benefit Year 1

	A	B	C	D	E	F	G	H	I	J
1					Benefit Year 1					
2	FY2020 - Benefit Year 1	County	Tier	New or Existing	Total Jobs	Total Annual Wages	Average Wage	Initial Credit Amount	Final Credit Amount	Final FY
3	Alertus Technologies LLC	Prince George's	1	Existing	13	691,637	53,203	57,558	39,769	2020
4	Caldwell Manufacturing	Washington	1	Existing	10	324,501	32,450	19,191	18,659	2020
5	Clipper City Brewing Co., LP	Baltimore City	1	Existing	7	260,950	37,279	15,005	15,005	2020
6	Fabricated Extrusion Co. of MD LLC	Washington	1	New	5	460,250	92,050	26,464	26,464	2020
7	Freshly, Inc.	Howard	2	Existing	63	3,927,777	62,346	337,690	225,847	2020
8	Hardwire, LLC	Worcester	2	Existing	12	670,174	55,848	49,875	38,535	2020
9	KM Printing LLC	Baltimore	1	Existing	6	333,236	55,539	31,416	19,161	2020
10	Packaging Services of MD	Washington	1	Existing	5	201,280	40,256	11,574	11,574	2020
11	Stulz Air Technology Sys, Inc.	Frederick	2	Existing	18	580,070	32,226	37,233	33,354	2020
12	Sumatech, Inc.	Washington	1	Existing	5	277,220	55,444	26,544	15,940	2020
13	The Strouse Corporation	Carroll	2	Existing	10	441,358	44,136	21,235	21,235	2020
14	Alliant Techsystems Operations, LLC	Cecil	1	Existing	19	1,297,392	68,284	233,230	74,600	2021
15	Antraquip Corporation	Washington	1	Existing	5	286,168	57,234	15,545	15,545	2021
16	General Ship Repair Corp., The	Baltimore City	1	Existing	7	367,570	52,510	22,961	21,135	2021
17	Kite Pharma, Inc.	Montgomery	2	Existing	17	2,287,021	134,531	146,625	131,504	2021
18	Mack Trucks, Inc.	Washington	1	Existing	16	1,183,107	73,944	72,312	68,029	2021
19	Marlin Steel Wire Products	Baltimore City	1	Existing	8	498,761	62,345	29,918	28,679	2021
20	Northrop Grumman Systems Corp	Anne Arundel	2	Existing	68	5,624,160	82,708	405,099	323,389	2021
21	Patriot Technologies, Inc.	Frederick	2	Existing	10	601,283	60,128	39,100	34,574	2021
22	Ring Container Technologies LLC	Washington	1	New	17	1,009,476	59,381	63,122	58,045	2021
23	United Foods International USA Inc.	Harford	2	Existing	11	473,143	43,013	28,745	27,206	2021
24	Wright Manufacturing, Inc.	Frederick	2	Existing	14	594,904	42,493	30,884	30,884	2021
25	Rada Technologies, LLC	Montgomery	2	Existing	16	1,516,557	94,785	137,046	87,202	2021
26	Kensington Glass Arts, Inc.	Frederick	2	Existing	32	1,726,727	53,960	146,071	99,287	2022
27	Catalent Maryland, Inc.	Baltimore City	1	Existing	65	7,515,637	115,625	505,150	432,149	2022
28	Kite Pharma, Inc.	Frederick	2	Existing	52	8,453,671	162,571	583,941	486,086	2022
29	Whisked, Inc.	Prince George's	1	New	11	470,160	42,742	26,535	26,535	2022
30	IKO Northeast Inc.	Washington	1	New	8	664,213	83,027	43,745	38,192	2022
31	TOTAL	28			530	42,738,403	80,638	3,163,814	2,448,584	

More Jobs for Marylanders Final Certificates Issued Benefit Year 2

	A	B	C	D	K	L	M	N	O	P	Q	R	
1					Benefit Year 2								
2	FY2020 - Benefit Year 1	County	Tier	New or Existing	Total Jobs	Retained Jobs	Jobs Added	Annual Wages	Average Wage	Initial Credit Amount	Final Credit Amount	Final FY	
3	Alertus Technologies LLC	Prince George's	1	Existing	27	13	14	1,725,763	63,917	111,792	99,231	2021	
4	Caldwell Manufacturing	Washington	1	Existing									
5	Clipper City Brewing Co., LP	Baltimore City	1	Existing									
6	Fabricated Extrusion Co. of MD LLC	Washington	1	New	11	5	6	765,049	69,550	55,681	43,990	2021	
7	Freshly, Inc.	Howard	2	Existing									
8	Hardwire, LLC	Worcester	2	Existing									
9	KM Printing LLC	Baltimore	1	Existing	10	6	4	743,374	74,337	44,697	42,744	2021	
10	Packaging Services of MD	Washington	1	Existing									
11	Stulz Air Technology Sys, Inc.	Frederick	2	Existing									
12	Sumatech, Inc.	Washington	1	Existing									
13	The Strouse Corporation	Carroll	2	Existing	14	10	4	632,163	45,155	40,791	36,349	2021	
14	Alliant Techsystems Operations, LLC	Cecil	1	Existing	45	19	26	3,485,903	77,465	206,218	200,439	2022	
15	Antraquip Corporation	Washington	1	Existing									
16	General Ship Repair Corp., The	Baltimore City	1	Existing									
17	Kite Pharma, Inc.	Montgomery	2	Existing	53	17	36	7,628,060	143,926	567,688	438,613	2022	
18	Mack Trucks, Inc.	Washington	1	Existing									
19	Marlin Steel Wire Products	Baltimore City	1	Existing	13	8	5	1,048,425	80,648	62,370	60,284	2022	
20	Northrop Grumman Systems Corp	Anne Arundel	2	Existing	808	68	740	66,025,407	81,715	3,836,900	3,796,461	2022	
21	Patriot Technologies, Inc.	Frederick	2	Existing									
22	Ring Container Technologies LLC	Washington	1	New	20	17	3	1,187,897	59,395	76,122	68,304	2021	
23	United Foods International USA Inc.	Harford	2	Existing									
24	Wright Manufacturing, Inc.	Frederick	2	Existing	40	14	26	1,495,163	37,379	94,249	85,972	2021	
25	Rada Technologies, LLC	Montgomery	2	Existing									
26	Kensington Glass Arts, Inc.	Frederick	2	Existing									
27	Catalent Maryland, Inc.	Baltimore City	1	Existing									
28	Kite Pharma, Inc.	Frederick	2	Existing									
29	Whisked, Inc.	Prince George's	1	New									
30	IKO Northeast Inc.	Washington	1	New									
31	TOTAL	28			1,041	177	864	84,737,204	81,400	5,096,508	4,872,387		

More Jobs for Marylanders Final Certificates Issued Benefit Year 3

	A	B	C	D	S	T	U	V	W	X	Y	Z	
1					Benefit Year 3								
2	FY2020 - Benefit Year 1	County	Tier	New or Existing	Total Jobs	Retained Jobs	New Jobs Added	Annual Wages	Average Wage	Credit Amount	Credit Amount	Approval Date	
3	Alertus Technologies LLC	Prince George's	1	Existing									
4	Caldwell Manufacturing	Washington	1	Existing									
5	Clipper City Brewing Co., LP	Baltimore City	1	Existing									
6	Fabricated Extrusion Co. of MD LLC	Washington	1	New	19	11	8	971,832	51,149	64,620	55,880	2022	
7	Freshly, Inc.	Howard	2	Existing									
8	Hardwire, LLC	Worcester	2	Existing									
9	KM Printing LLC	Baltimore	1	Existing									
10	Packaging Services of MD	Washington	1	Existing									
11	Stulz Air Technology Sys, Inc.	Frederick	2	Existing									
12	Sumatech, Inc.	Washington	1	Existing									
13	The Strouse Corporation	Carroll	2	Existing									
14	Alliant Techsystems Operations, LLC	Cecil	1	Existing									
15	Antraquip Corporation	Washington	1	Existing									
16	General Ship Repair Corp., The	Baltimore City	1	Existing									
17	Kite Pharma, Inc.	Montgomery	2	Existing									
18	Mack Trucks, Inc.	Washington	1	Existing									
19	Marlin Steel Wire Products	Baltimore City	1	Existing									
20	Northrop Grumman Systems Corp	Anne Arundel	2	Existing									
21	Patriot Technologies, Inc.	Frederick	2	Existing									
22	Ring Container Technologies LLC	Washington	1	New									
23	United Foods International USA Inc.	Harford	2	Existing									
24	Wright Manufacturing, Inc.	Frederick	2	Existing									
25	Rada Technologies, LLC	Montgomery	2	Existing									
26	Kensington Glass Arts, Inc.	Frederick	2	Existing									
27	Catalent Maryland, Inc.	Baltimore City	1	Existing									
28	Kite Pharma, Inc.	Frederick	2	Existing									
29	Whisked, Inc.	Prince George's	1	New									
30	IKO Northeast Inc.	Washington	1	New									
31	TOTAL	28			19	11	8	971,832	51,149	64,620	55,880		

More Jobs for Marylanders
 Notices of Intent by Jurisdiction as of 2/11/2022

County	Notices of Intent Received
Allegany	7
Anne Arundel	20
Baltimore	33
Baltimore City	64
Caroline	5
Carroll	14
Cecil	10
Charles	1
Dorchester	9
Frederick	26
Garrett	8
Harford	7
Howard	14
Kent	4
Montgomery	21
Prince George's	21
Queen Anne's	7
Somerset	3
St. Mary's	2
Talbot	3
TBD	5
Washington	17
Wicomico	7
Worcester	2
Grand Total	310

