



February 14, 2022

The Honorable Vanessa Atterbeary, Chair, Ways and Means Committee
House Office Building Room 131
6 Bladen Street
Annapolis, MD 21401

RE: House Bill 478 – Economic Development - Enterprise Zone Program - Alterations

Dear Madam Chair and Distinguished Committee Members,

On behalf of Washington County, I am writing in opposition of House Bill 478 which is being considered by the Maryland Legislature altering the circumstances under which the Secretary of Commerce may designate an area as an enterprise zone; prohibiting the Secretary from designating a new enterprise zone or granting an expansion of an existing enterprise zone under certain circumstances; reducing occupied census tract(s) to fewer than 1,500 individuals in order to meet eligibility criteria; and more vital, ending the program in 2030.

Washington County relies heavily on the Enterprise Zone to remain competitive in an economic development market so tightly sandwiched between the States of Pennsylvania, West Virginia, and Virginia. Washington County must remain competitive, and the current Enterprise Zone allows us that opportunity. Recently, Washington County was successful in expanding its Hagerstown-Washington County Enterprise Zone to include an additional 328 acres that saw a downturn in economic vitality with the loss of a major employer. Modifying the existing enterprise zone program with proposed language would have eliminated Washington County from redevelopment and would have caused a vital area in the community to further deteriorate.

In 2021, Washington County was successful in attracting more than \$95 Million in capital investment, creating over 1,200 new jobs, while retaining another 500+ jobs. In just the first, five-weeks of 2022, we have secured two more development projects that are investing more than \$84 Million and adding approximately 600+ well-paying jobs in our community. None of that would have happened without the existence of the current Enterprise Zone program as it is currently written and intended.

House Bill 478 will eliminate growth opportunities for struggling areas of our community by making the Enterprise Zone inaccessible, reducing economic development, and creating a drain on the tax base created by such development, overall. The proposed alterations will negatively impact distressed census tracts by limiting growth to existing zones.

We strongly encourage you to oppose this bill. Please consider the well-paying jobs these projects stand to create. The Enterprise Zone and pro-business environment offered by Maryland is welcoming. We view this bill as degrading that climate, and we offer you the success story of those in Washington County as evidence.

Sincerely,

Susan Grimes, Director