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Senator James C. Rosapepe
Members of the Budget and Taxation Committee
11 Baden Street
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: Testimony in Favor of 0906 – With Amendment

Dear Senator Rosapepe and Members of the Maryland Senate Budget and Tax Committee,

On behalf of the Maryland Economic Development Corporation, (MEDCO), I am writing to express our strong support for SB0906 entitled “Economic Development – Industry 4.0 Technology Grant Program.”

The Maryland Legislature recognized the importance of the manufacturing industry to with studying the transformation of manufacturing in Maryland's emerging digital economy, and make recommendations to support the transition of Maryland manufacturing to the digital economy, a transformation known as "Industry 4.0". The workgroup met through 2021 and 2022, and issued its final report in December, 2022. The recommendations in the report address the challenges facing Maryland’s manufacturers in adopting the strategies for creating a skilled workforce to support the industry’s growth and incorporating rapidly advancing technologies into their operations in order to remain competitive in an increasingly digitalized economy.

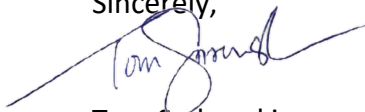
The grant program that would be created with passage of SB0906 is critical if the State’s small and medium sized manufacturers are to make the transition to a technology-based platform. While many large manufacturers have initiated the work necessary to make this transition the smaller companies have limited internal expertise and financial resources to do so. For the small and mid-size companies to remain competitive in the market they must begin to incorporate new technologies into their processes and provide upskilling of their workforce. It is these companies that provide jobs to thousands of residents throughout the state, adding to the economic health of the State and helping to stabilize the communities where they are located. SB0906 will assist these manufactures in becoming viable in the Industry 4.0 marketplace.

MEDCO has long recognized the importance of supporting and growing the manufacturing sector in the State and has been authorized to issue tax-exempt bonds for various uses to support manufacturing including acquisition and installation of machinery and equipment and construction of capital improvements at the manufacturing facility among other uses.

MEDCO fully supports SB0906 but respectfully requests that the bill be modified to clearly allow for grant funds to be applied towards the cost of administering the program. Without this modification the ability of other State chartered entities to participate in administering the program as envisioned by Section 5-2302 (B) would be significantly limited.

On behalf of MEDCO, I urge the Committee to issue a favorable report for SB0906 with the suggested Amendment.

Sincerely,

A handwritten signature in blue ink that reads "Tom Sadowski". The signature is stylized with a large, sweeping initial "T" and "S".

Tom Sadowski