



January 31, 2023

The Honorable, Vanessa E. Atterbeary, Chair
House Ways and Means Committee
Room 131, House Office Building
Annapolis, Maryland 21401

Oppose: HB 148 – Enterprise Zones – Alterations

Dear Chair, Atterbeary and Committee Members:

The NAIOP Maryland Chapters representing 700 companies involved in all aspects of commercial, industrial and mixed use real estate recommends your unfavorable report on House Bill 148 which makes significant changes to the Enterprise Zone tax credit program.

NAIOP members are keenly aware of the importance of economic development tax credits in the recruitment of out of state businesses to Maryland and the expansion of in-state business operations. NAIOP members have applied Enterprise Zone tax credits periodically and acknowledge the need to consider improvements as well as better coordination between Enterprise Zone and the other incentive programs that make up the suite of economic development tax credits administered at the state and local levels.

Despite some shortcomings and opportunities for improvement, according to the FY 2021 Annual Report from the State Department of Assessments and Taxation the state's \$25.7m spend on Enterprise Zones helped to leverage \$3.8b in capital investment.

NAIOP is concerned that HB 148 could significantly curtail the footprint and future potential of the Enterprise Zone tax credit without providing state level alternatives to take its place. This would also withdraw state funding of an important economic development and revitalization tool relied upon by local governments. The bill would jump ahead of recommendation in the DLS report which include having the Department of Commerce make comprehensive changes to Enterprise Zones and other programs to optimize their performance.

For these reasons, NAIOP respectfully recommends your unfavorable report on House Bill 148.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.M. Ballentine".

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Ways and Means Committee Members
Nick Manis – Manis, Canning Assoc.

TABLE XIV
FY 2021 Enterprise Zone Tax Credit

Enterprise Zone	Capital Investment FY 2021	# Of Business in FY 2021	State's One-Half Portion For FY 2021
Allegany County	\$ 36,128,496	15	\$ 135,220
Baltimore City	\$ 2,070,377,357	211	\$ 16,043,698
Baltimore City PP	\$ -	17	\$ 3,057,593
Baltimore County	\$ 356,445,500	19	\$ 1,425,739
Cecil County	\$ 375,913,089	12	\$ 1,520,570
Dorchester County	\$ 531,294	4	\$ 1,295
Frederick County	\$ -	1	\$ -
Garrett County	\$ 10,864,001	6	\$ 47,731
Harford County	\$ 394,951,747	53	\$ 1,399,277
Kent County	\$ 11,173,000	2	\$ 55,359
Montgomery County	\$ 207,661,598	12	\$ 507,526
Prince George's County	\$ 302,045,182	75	\$ 1,088,726
Prince Georges's County PP	\$ -	4	\$ 3,422
Queen Anne's County	\$ 13,177,500	26	\$ 44,651
St. Mary's County	\$ 10,978,567	4	\$ 21,473
Somerset County	\$ 806,900	5	\$ 2,877
Talbot County	\$ 433,900	1	\$ 1,106
Washington County	\$ 69,871,566	25	\$ 246,525
Wicomico County	\$ 21,593,454	30	\$ 150,071
Worcester County	\$ 1,557,900	4	\$ 10,277
TOTAL	\$ 3,884,511,051	526	\$ 25,763,135