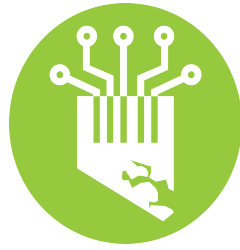


BDEC Testimonial Letter - House Bill 551.pdf

Uploaded by: Andrew Coy

Position: FAV



BALTIMORE
**DIGITAL
EQUITY**
COALITION

Cody L. Dorsey
Executive Director

Bill Title: The Broadband Expansion Incentive Act of 2023

Hearing Date: February 16, 2023 — Ways and Means Committee

**ADVISORY
BOARD:**

Chair: The Honorable Vanessa Atterbeary; **Vice Chair:** The Honorable Jheanelle Wilkins

Seema Iyer, Ph.D.
Chair

On behalf of the Baltimore Digital Equity Coalition, I write to you today in **support** of House Bill 551. Marylanders in every corner of the State rely on the Internet to access vital services, and the digital divide continues to impact public education, workforce, and the healthcare sector — among others. Despite Maryland being ranked the wealthiest State, in 2023, our people, especially those in rural and urban areas, still face difficulties in accessing the Internet. All Marylanders, no matter what zip code they live in, should have access to high-quality Internet.

Andrew Coy

Chrissie Powell

This legislation that Governor Wes Moore is presenting to the General Assembly is focused on increasing digital equity and inclusion in Maryland. The resources provided in House Bill 551 will help residents from Western Maryland to the Eastern Shore, and in my hometown of Baltimore. Investment in world class, high speed broadband infrastructure all across Maryland remains a necessity and this incentive legislation will give us a once-in-a-decade opportunity to capitalize on record setting investment that has been made.

The COVID-19 Pandemic underscored the level of disconnectivity in our communities and found that residents are not only placed at a disadvantaged, but are also excluded from opportunity. According to an analysis of the American Community Survey, 23% of Maryland households do not have broadband service at home. These gaps are predominantly burdensome on Black households, with this demographic representing approximately 40% of all disconnected households.

The Broadband Expansion Incentive Act of 2023 will prove vital in closing digital adoption gaps. Access to technology, the Internet, and digital skills training is critical to everyone's success in the 21st Century.

In efforts to close the digital divide — and increase economic opportunity — we hope that you will move for a **favorable** report of House Bill 551.

Respectfully submitted,

Cody L. Dorsey
Executive Director
Baltimore Digital Equity Coalition

Baltimore Digital Equity Coalition

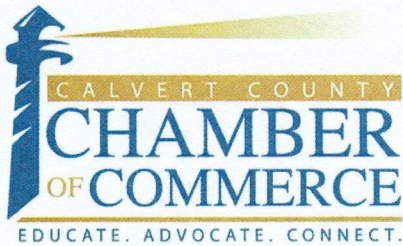
1600 W. 41st Street, Suite 700, Baltimore, Maryland 21211

Email: Cody@DigitalEquityBaltimore.org

Calvert County Chamber of Commerce_HB0551_Support.

Uploaded by: Andrew Griffin

Position: FAV



LEGISLATIVE POSITION:

Favorable

House Bill 551

Broadband Expansion Incentive Act of 2023

House Ways and Means Committee

Thursday, February 16, 2023

Dear Chairwoman Atterbeary and Members of the Committee,

The Calvert County Chamber of Commerce is a vital, dynamic organization that represents more than 377 businesses which collectively supports nearly 14,000 employees working together to develop a productive climate in which to conduct business. Our role as an advocate is to assist our members and the business community find the resources necessary to survive, prosper and grow.

As introduced, House Bill 551 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

HB 551 will bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

The absence of broadband in the unserved and underserved communities, as well as the businesses of Southern Maryland isolates them from expanding educational and economic opportunities. Our local higher learning institutions, our job seekers and our business owners needing to develop their workforce through online recruiting tools depends on the affordability and accessibility of broadband.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Calvert County Chamber of Commerce values expanding broadband access and therefore respectfully requests a **favorable report** on **HB 551**.

Respectfully,

Kathryn Maney
President/CEO

Calvert County Chamber of Commerce

The Calvert County Chamber of Commerce

P.O. Box 9 • Prince Frederick, MD 20678-0009 • (located at 120 Dares Beach Road)

(410)535-2577 • Fax (443)295-7213

E-mail: calvertchamber@calvertchamber.org • www.calvertchamber.org

CMC Letter of Support_HB0551.pdf

Uploaded by: Andrew Griffin

Position: FAV



Central Maryland Chamber
The Center of Intelligent Business

LEGISLATIVE POSITION: Favorable
House Bill 551
Broadband Expansion Incentive Act of 2023
House Ways and Means Committee
Thursday, February 16, 2023

Dear Chairwoman Atterbeary and Members of the Committee,

The Central Maryland Chamber of Commerce (CMC) was formed in 2017, a merger of two existing chambers- The Baltimore Washington Corridor Chamber (originally founded in 1948) and the West Anne Arundel County Chamber (originally founded in 1962). The CMC is a regional organization representing approximately 350 businesses in the Central Maryland corridor and exists to be the primary business resource and advocate as the area experiences exponential growth.

The Central Maryland Chamber is writing in support of **HB 551**.

As introduced, House Bill 551 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

HB 551 will bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

Broadband should be available to all and should also be affordable and easily accessible to give all Maryland residents equal access to necessary news and information.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Central Maryland Chamber of Commerce values expanding broadband access and therefore respectfully requests a **favorable report** on **HB 551**.

Sincerely,

President & CEO,
Central Maryland Chamber of Commerce

Harford Chamber.HB 551 Support.pdf

Uploaded by: Andrew Griffin

Position: FAV



February 13, 2023

LEGISLATIVE POSITION:

Favorable
House Bill 551
Broadband Expansion Incentive Act of 2023
House Ways and Means Committee
Thursday, February 16, 2023

Dear Chairwoman Atterbeary and Members of the Committee,

The Harford County Chamber of Commerce serves as the premier business advocate in Harford County helping our members connect and thrive to create a vibrant economy across all sectors of our county.

As introduced, House Bill 551 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

Broadband accessibility in certain areas of Harford County is non-existent or minimal. HB 551 will bridge the digital divide and ensure that Harford County residents and businesses are positioned to take advantage of this necessary technology. Harford County employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Harford County Chamber of Commerce values expanding broadband access and therefore respectfully requests a favorable report on HB 551.

Sincerely,

Handwritten signature of Angela M. Rose

Angela M. Rose
President & CEO

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Jarrettsville Federal Savings & Loan
Immediate Past Chair: Lee Tayson
Companion Insurance Agency
Chair Elect: Brianne Baccaro Norris
Weyrich, Cronin & Sorra
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Chad Arrington
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Mike Maxwell
MAXED OUT Home Group
Len Parrish
Harford County Office of Community and Economic Development
Eric Rebbert
Peak Partners USA
Dytonia Reed
Baltimore Gas & Electric
Matthew Scales
Visit Harford
Robert Wehland
Freedom Federal Credit Union

President/CEO
Angela Rose

HB 0551 - Broadband Expansion Incentive Act of 202

Uploaded by: Andrew Griffin

Position: FAV

February 10, 2023

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

HB 0551 - Broadband Expansion Incentive Act of 2023 - Support

Dear Delegate Atterbeary:

HB 551 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

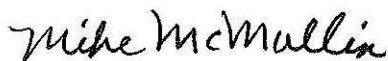
This bill will help to bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. The challenges posed by the COVID pandemic revealed the difficulties that result from a lack of broadband coverage and access.

As such, it is critical now more than ever that Maryland extend broadband access to everyone. Mostly rural counties, such as Carroll County, will see particular advantage, since many areas of the county are not currently covered by any broadband service. HB 551 will make it more attractive for providers to expand in our area and bring this service to more residents.

This legislation will help to put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, supports this bill and therefore requests that you give it a favorable report.

Sincerely,



Mike McMullin
President
Carroll County Chamber of Commerce

Cc: Senator Justin Ready
Delegate April Rose

HB 551_Broadband Expansion Incentive Act of 2023__

Uploaded by: Andrew Griffin

Position: FAV



LEGISLATIVE POSITION:

Favorable

House Bill 551 - Broadband Expansion Incentive Act of 2023

House Ways and Means Committee

Thursday, February 16, 2023

Dear Chairwoman Atterbeary and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,400 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

HB 551 provides for a subtraction modification under the Maryland income tax code for certain broadband grants and provides a sales tax exemption for certain equipment that serves to provide internet service and deploy broadband across the state.

Depending on the standard used, the Maryland Department of Planning reports that somewhere between 15-20% of Maryland households lack access to high speed internet. Using the FCC standard, this figure rises to 36% of Maryland households that lack access to broadband services.

Under the current cost and market structure, Maryland's broadband providers do not have the resources necessary to expand their services to areas across the state that lack economically viable population density. This lack of connectivity to underserved areas of Maryland is detrimental to our state's capacity for comprehensive economic growth and limits the potential for dynamic entrepreneurial activity in all corners of the state. Access to functional and affordable internet service is vital to a thriving state economy and an educated workforce, both of which have become glaring challenges since the COVID-19 pandemic.

The Maryland Chamber of Commerce believes that investing in widespread broadband is an essential part of Maryland ensuring it has the necessary digital infrastructure that can support a competitive 21st-century business environment. HB 551 is a critical step towards ensuring that broadband providers across the state will have the necessary economic incentive to expand the reach of their services.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **HB 551**.

HB0551 Broadband Expansion FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0551 Broadband Expansion Incentive Act of 2023

Bill Sponsor: Speaker

Committee: Ways and Means

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0551 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

Maryland needs broadband for everyone. We cannot educate our children or compete effectively in business without it.

This bill will allow for a subtraction from Federal taxable income the amount of any Federal grant money to expand broadband in the state and exempts network equipment sales from sales and use tax. This will help incentivize the expansion of broadband in the state. We must do everything we can to ensure that all the residents of the state have the same access to information.

The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.

HB551 - Broadband Expansion Incentive Act of 2023.

Uploaded by: Charlotte Davis

Position: FAV



50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Voice: 410-841-5761 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov

Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 551 – Broadband Expansion Incentive Act of 2023
Ways and Means Committee
February 16, 2023

The Rural Maryland Council **supports** House Bill 551 – Broadband Expansion Incentive Act of 2023. This bill will allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment; provides an exemption from the sales and use tax for the sale of certain equipment related to providing internet service and deploying broadband; and generally relating to tax incentives for broadband deployment.

Passage of this bill will help expand access to broadband throughout the State. Incentives in tax policy will help to lower the overall cost of infrastructure expansion. Many telecom companies borrow to invest in new markets or expand within existing ones. The subtraction modification and the sales tax exemption will incentivize companies to take on debt capital, especially in markets and investments where there is no immediate return. Debt for financing new facilities, operational expenses (e.g., pole attachments, digging), equipment, and working capital can support more rapid deployment of rural broadband.

(<https://www.brookings.edu/blog/techtank/2017/11/06/tax-reform-can-support-rural-broadband/>)

The lack of broadband access is one of the greatest concerns in rural Maryland. Having access to fast and reliable internet has become increasingly essential over the past several years and even more so during the recent pandemic. Many children must now rely on the internet to attend class and complete schoolwork, and more adults are now working from home. Other services such as telehealth visits have also become more popular, allowing patients to have medical examinations administered from the safety of their homes when transportation options are limited. In a time of growing dependency on technology, these trends are certain to continue.

In 2017, the Maryland General Assembly created the Task Force on Rural Internet, Broadband, Wireless and Cellular Service. The Task Force considered several legislative options focused on tax and regulatory policy as suggested by task force members. The Task Force discussed a potential sales tax exemption for broadband equipment. The State could eliminate the sales tax requirement on broadband equipment. One industry-funded economic analysis shows that eliminating the sales and use tax on communications infrastructure would over three years: generate over \$689 million in new economic activity in Maryland; create 2,800 new private sector jobs paying \$138,000,000 annually in wages; and generate \$9 million in new state and local taxes. In 2018, the Task Force issued a report that included this legislative proposal. (https://rural.maryland.gov/wp-content/uploads/sites/4/2019/01/2018_MSAR11544_Task-Force-for-Rural-Internet-Broadband-Wireless-and-Cellular-Service-Report-1.pdf)

The Federal government has already allocated more than \$72 billion for broadband development and infrastructure. At the end of 2021, President Joe Biden signed into law the Infrastructure Investment and Jobs Act (“IIJA”), a major infrastructure investment that included \$65 billion allocated for broadband development, particularly in rural and underserved communities.

“A Collective Voice for Rural Maryland”

Maryland Households with No Internet Access	
County	Percentage with no internet access
Howard	3.9
Montgomery	4.8
Anne Arundel	5.6
Harford	7.6
Prince George's	7.8
Calvert	7.9
Queen Anne's	8.0
Frederick	8.2
Baltimore County	8.8
Charles	9.1
Carroll	9.5
Cecil	9.5
St. Mary's	10.10
Talbot	11.4
Worchester	12.4
Wicomico	13.2
Caroline	13.9
Washington	14.9
Somerset	17.1
Allegany	17.2
Garrett	17.3
Dorchester	17.4
Baltimore City	17.6
Kent	21.3

<https://broadbandusa.maps.arcgis.com/apps/webappviewer/index.html?id=50c64e2e028d46a58247125e4bedede8>

According to the Maryland Office of Statewide Broadband, as of December 15, 2022, the office has distributed \$23,200,000 in broadband expansion grants, \$130,100,000 in infrastructure grants and \$29,100,000 in additional broadband grants.

Providers report that existing tax obligations make many rural and underserved areas with fewer financial resources ineligible “due to their inability to meet the financial sustainability requirement” and pay taxes on the grant. (<https://www.jdsupra.com/legalnews/tax-exemption-for-federal-broadband-2322681/>)

Other States have adopted these incentives. In 2022, Virginia’s Governor signed H.B. 1155, which expands the sales tax exemption for amplification, transmission and distribution equipment to now include “network equipment” that is used to provide Internet service. In 2019, the State of Wyoming released an economic study of the potential removal of its sales and use tax exemption of equipment by a telecommunications service provider, video programming service provider, or provider of internet access used to provide broadband internet service. The study found removal of the sales tax exemption for purchases would increase the production costs for the telecommunications industry of \$1.0 million per and would result in an average annual loss of 4 jobs and a decrease in GDP of \$0.5 million per year over the period of 2022 to 2030. (<https://wyoleg.gov/InterimCommittee/2022/03-2022112104-022022BroadbandInternetProvidersReport.pdf>)

While rural Marylanders lack access to highspeed internet, they are among those who can benefit the most from it. A 2019 study by the U.S Department of Commerce reported that rural businesses could add more than \$140 billion to the U.S economy and add an

additional 360,000 full time jobs to rural communities over a three-year period by adopting more digital tools in rural areas. For this to be accomplished, rural areas must have adequate access to high-speed internet. Location or income should not determine whether an individual or business has access to an important resource such as highspeed internet. A child should not fall behind in school because of their family’s economic situation.

We ask for your favorable support of House Bill 551. Thank you.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

HB 551 - Broadband Expansion Act 2023 - FAV - REAL

Uploaded by: Christa McGee

Position: FAV



House Bill 551 – Broadband Expansion Incentive Act of 2023

Position: Support

Maryland REALTORS® support HB 551, which exempts qualified broadband grants from Maryland income taxes and exempts the purchase of broadband networking equipment from state sales and use taxes.

High-speed internet is an important and needed service which is now essential to daily life. This was particularly apparent during the coronavirus (COVID-19) pandemic, as many employers transitioned their workers from on-site work to telework and schools transitioned students to distance learning.

Communities prosper when they gain access to high-speed Internet. Recent studies show that access to high-speed internet increases property values anywhere from 3-6%. The absence of broadband makes a community a less attractive location for new investment and prevents residents from locating in rural areas. Furthermore, availability of “new economy” jobs is impossible in a community with little or no broadband access.

Broadband is also a crucial tool for housing Maryland’s residents. Consumers increasingly use online services for at least a part of the buying or selling process. Even before the pandemic, many REALTORS® experienced buyers cancelling a home purchase because the property lacked access to high-speed internet.

In the future, new technologies will be adopted that will only increase reliance on the availability of fast, efficient, and cost-effective access to broadband services. For this reason, Maryland REALTORS® recommend a favorable report on HB 551.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**

HB0551 - BCF Favorable Testimony.pdf

Uploaded by: Christopher Warman

Position: FAV



Testimony on HB 551

Broadband Expansion Incentive

Position: FAVORABLE

The Baltimore Community Foundation (BCF) is proud to submit this letter of support for the Broadband Expansion Incentive Act of 2023.

Over the past 50 years, BCF has put its expertise, financial resources and relationships to use advocating for legislation that addresses Baltimore's most pressing issues. Most notably, we have funded research and built broad coalitions to push for game-changing investments like 21st Century schools and the Blueprint for Maryland's Future to advance educational equity. Advocacy for these policies has been leveraged against millions of dollars in BCF grants to multiply the impact of the state's investments.

Most recently, BCF has focused its efforts on bridging the digital divide, ensuring every community has access to education, employment, telehealth, banking and other opportunities afforded by high-speed internet. Since 2020, we have awarded grants to nonprofits like PCs for People and the Digital Equity Coalition, co-funded the hiring of a director of broadband and digital equity for the City of Baltimore and successfully advocated for the Digital Connectivity Act of 2021.

These have been important investments, resulting in much-needed devices for students and families, the expansion of public Wi-Fi hotspots, and enhanced service for low-to-moderate income Comcast customers. Yet one challenge has remained: infrastructure. The network remains under-developed and under-resourced in many low-income communities and communities of color, creating disparities in service and thereby access to opportunities. Families that would benefit most from additional education and training opportunities, employment opportunities, telehealth access, and banking and financial services instead struggle with weak, unreliable signal strength.

The Broadband Expansion Incentive Act of 2023 will help to overcome this issue by removing taxes on broadband network machinery and equipment over the next five years. This aligns with the state's timeline for connecting all Marylanders to broadband internet, removing one potential barrier to achieving the goal. Further, the legislation waives state taxes on federal investments that companies can use to deploy broadband, maximizing taxpayer resources and hastening expansion. In the midst of a massive, once-in-a-generation influx of federal funds for infrastructure, this ensures the maximum amount of dollars are invested and that maximum progress is made toward a more connected region.

I urge you to pass the Broadband Expansion Incentive Act of 2023, helping to speed access opportunity to many more children families and communities.

A blue ink signature of Dr. Shanaysha Sauls, consisting of stylized, overlapping loops.

Dr. Shanaysha Sauls

President & CEO

The Baltimore Community Foundation

11 E. Mount Royal Ave.
2nd Floor
Baltimore, MD 21202

tel 410.332.4171
fax 410.332.4101

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Marc B. Terrill

CDN HB551 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 551
Ways and Means Committee
February 16, 2022
Position: FAVORABLE

Dear Chair Atterbeary and Members of the Ways and Means Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 551 would allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment; and providing an exemption from the sales and use tax for the sale of certain equipment related to providing Internet service and deploying broadband.

According to the Brookings Institution, "...the social returns to investment in broadband are significant. Increasing access and usage of broadband infrastructure in rural areas (and the amenities, digital skills, online education, and job search opportunities that come with it) lead to higher property values, increased job and population growth, higher rates of new business formation, and lower unemployment rates, according to researchers at the Federal Reserve Bank of Richmond. Broadband expansion can also improve health and life outcomes, offering access to remote healthcare providers, online social networks, and educational opportunities."

In October 2020, CDN commissioned a report, "Disconnected in Maryland," by John Horrigan, Ph.D. The report found that more than half a million households in our state, nearly 1 in 4, do not have a home wireline broadband subscription. Two-thirds of those who are disconnected live in metro counties or Baltimore City. These households are disproportionately poor, African American and Hispanic. Of particular concern are children in poverty unable to access classroom instruction and older adults cut off from services of all kinds. Further, for immigrant workers, and workers with limited formal education, digital access and skill gaps present immediate threats to their ability to sustain their families and make them less likely to reconnect to work once separated.

With millions in federal dollars coming to Maryland to improve coverage in unserved and underserved areas, Governor Moore's broadband equipment tax moratorium will allow these federal dollars to go further and leverage new private sector investment as well. Every community in Maryland will benefit from faster deployment of advanced broadband networks and the economic and social benefits that they bring. Failing to act now will leave whole communities on the sidelines of the economy. As workers, training providers, and businesses scurry to keep essential services flowing, policymakers must return the favor by advancing and investing in the policy that will enable those essential workers to engage with the digital tools needed to thrive in our complex and fast-changing economy.

We respectfully request a favorable report for HB 551.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

Support of HB 551 - Broadband Expansion Incentive

Uploaded by: Colby Ferguson

Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 16, 2023

To: House Ways & Means Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of HB 551 - Broadband Expansion Incentive Act of 2023**

On behalf of our Farm Bureau member families in Maryland, I submit this written testimony in support of HB 551. This administration bill allows a subtraction modification under the Maryland income tax for qualified broadband grants awarded during the taxable year for broadband deployment and provides an exemption from the sales and use tax for the sale of equipment related to providing Internet service and deploying broadband.

Rural broadband is critical infrastructure that is still missing in many parts of Maryland. The COVID pandemic highlighted the necessity for reliable internet service to all Maryland citizens both rural and urban. This bill creates the needed assistance to make this last-mile coverage more economically viable for the installers and suppliers which should make for faster deployment into areas with low population density like Maryland farms.

MDFB Policy: We support legislation to allow utility cooperatives to apply for grants to extend broadband service to underserved rural areas.

We strongly support legislation defining rural broadband/internet as a public necessity.

MARYLAND FARM BUREAU SUPPORTS HB 551 & REQUESTS A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read "Colby Ferguson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

BaltimoreCounty_FAV_HB0551.pdf

Uploaded by: D'Andrea Walker

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

JOSHUA M. GREENBERG
Associate Director of Government Affairs

BILL NO.: **HB 551**

TITLE: Broadband Expansion Incentive Act of 2023

SPONSOR: The Speaker

COMMITTEE: Ways and Means

POSITION: **SUPPORT**

DATE: February 16, 2023

Baltimore County **SUPPORTS** House Bill 551 – Broadband Expansion Incentive Act of 2023. This legislation would allow a subtraction modification under the Maryland income tax for qualified broadband grants.

For rural communities and communities that have historically faced underinvestment, the expansion of broadband provides critical tools for access to education, health services and employment opportunities. During the COVID-19 pandemic, Baltimore County moved swiftly to provide free wifi access to students and families across the County, however, many are still left with few fast, inexpensive options to access vital internet resources. In response, Baltimore County has partnered with Comcast on two projects that are anticipated to bring broadband to approximately 1,800 new residences.

House Bill 551 will further incentivize and assist partners seeking to expand broadband services by exempting qualified broadband grants from the Maryland income tax, and related equipment from sales and use tax. This ensures that 100% of the funds deployed for broadband expansion will be used towards that purpose.

Accordingly, Baltimore County requests a **FAVORABLE** report on HB 551. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

MD HB 551 Income Tax- Qualified Broadband final.pd

Uploaded by: Darrin Youker

Position: FAV



February 16, 2023

To: House Ways and Means Committee

From: Horizon Farm Credit

Bill: **HB 551 – Income Tax Subtraction Modification- Qualified Broadband Grants**

Position: **SUPPORT**

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

HB 551 will exclude grants awarded for broadband expansion from state taxes, along with the sale of network equipment used for broadband work. Such a move would allow companies in the business of deploying broadband to further invest more of their capital into the infrastructure needed to connect more Maryland communities to reliable broadband service. The expedited deployment of rural broadband is a critical component of economic growth and can help provide Maryland farms and agribusinesses the tools necessary to adopt the latest technology.

Technology continues to enhance agriculture's efficiency and many of these advances are supported by a strong backbone of broadband infrastructure. Maryland farmers embrace precision agriculture that allows them to reduce fertilizer and pesticide use, but those systems require strong internet connectivity. Modern barns can be controlled remotely to allow for increased heating or cooling, depending on the outdoor temperatures, but again those applications require broadband infrastructure. And on the day-to-day tasks of running a business, like monitoring markets, digital banking, or social media promotion of their products, farmers need reliable broadband service.

We appreciate the Administration's efforts to seek creative solutions to incentivize greater investment in rural broadband.

Horizon Farm Credit SUPPORTS HB 551.

For more information, please contact Darrin Youker at 717-634-0004 or dyouker@horizonfc.com.



PGCOC Letter of SupportHB551.Chair Vanessa Atterbe

Uploaded by: Davion Percy

Position: FAV



PRINCE GEORGE'S
CHAMBER OF COMMERCE
EST. 1924

February 16, 2023

Honorable Vanessa E. Atterbeary, Esq.
Chair, House Ways & Means Committee
131 Taylor House Office Building
Annapolis, Maryland 21401

Re: HB 551 Broadband Expansion Incentive Act of 2023- Support

Dear Chair Atterbeary,

The Prince George's Chamber of Commerce is in full support of House Bill 551 Entitled – Broadband Expansion Incentive Act of 2023. The Chamber represents over 600 businesses that range from sole proprietors to fortune 500 companies. We serve as the leading membership organization in the County. This bill, as introduced, will allow for increased deployment of Broadband services by Internet Service Providers (ISP) and positively impact the underserved communities in need.

As we have witnessed, access to affordable and dependable high-speed broadband services are essential to the entire ecosystem and is a necessary requirement in today's digital economy. As a part of the Chamber's initiative to stand-up economic equity systems, HB 551/SB 547 will have a positive impact for our small businesses, internet service providers and for our communities.

The Prince George's Chamber of Commerce is in full support of HB-551 and respectfully request favorable action.

Thank you for your support of this important legislation.

Sincerely,

Alexander K. Austin

Alexander K. Austin
President and CEO

4640 Forbes Boulevard, Suite 130
Lanham, Maryland 20706
(P) 301-731-5000 (F) 301-731-8015
www.pgcoc.org

HB0551_OCChamber_Thompson_FAV.pdf

Uploaded by: DENNIS RASMUSSEN

Position: FAV



Ocean City, Maryland Chamber of Commerce

410-213-0144 info@oceancity.org
oceancity.org 12320 Ocean Gateway, Ocean City, MD 21842

TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN SUPPORT OF: HB0551 – Broadband Expansion Incentive Act of 2023

Before:
House Ways & Means Committee
Hearing: 2/16/23 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing more than 750 regional businesses and job creators, **SUPPORTS** House Bill HB0551 – Broadband Expansion Incentive Act of 2023. This legislation will increase broadband investment in the state by removing a tax on broadband network machinery and equipment for the next five years. Additionally, it would waive state taxes on the once-in-a-generation federal investments companies can use to deploy broadband across Maryland, maximizing taxpayers' resources and hastening expansion of broadband availability and access especially in under resourced urban areas and hard-to-reach rural areas.

Passage of this legislation would help level the playing field for Marylanders in our region to compete in the digital economy, which is of critical importance to our members and our community to thrive in an evolving marketplace with increasing reliance on reliable, affordable connectivity.

The Ocean City Chamber respectfully requests a **FAVORABLE REPORT for HB0551**. Please feel free to contact the Chamber directly at 410-213-0144 should you have any questions.

Respectfully,

Amy Thompson
Executive Director
amy@oceancity.org

Salvatore Fasano
Legislative Committee Chair
salvatorefasano1980@gmail.com

2023-02-16 HB 551 Support.pdf

Uploaded by: Hannibal Kemerer

Position: FAV

ANTHONY G. BROWN
Attorney General



CANDACE McLAREN LANHAM
Chief of Staff

CAROLYN A. QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.
(410) 576-7036

WRITER'S DIRECT DIAL NO.
(410) 576-6584

February 16, 2023

TO: The Honorable Vanessa Atterbear
Chair, Ways and Means Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: HB0551 – Broadband Expansion Incentive Act of 2023 (Support)

The Office of the Attorney General urges a favorable report on House Bill 551, Governor Moore's Broadband Expansion Incentive Act of 2023. This legislation ensures that Maryland most effectively deploys federal broadband infrastructure dollars to close the digital divide and ensure that all Marylanders have access to affordable, high-speed internet. If enacted, House Bill 551 will allow Maryland companies to better deploy federal broadband infrastructure dollars by 1) creating a 5 year moratorium on the collection of the sales and use tax for broadband infrastructure equipment, and 2) ending state taxation of federal broadband grants as income which began this tax year as a result of the 2017 Tax Cuts and Jobs Act.

For the foregoing reasons, the Office of the Attorney General urges a favorable report on House Bill 551.

cc: Committee Members

This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us

HB551 Testimony 2023.pdf

Uploaded by: Isadora Stern

Position: FAV



**Testimony to the House Ways and Means Committee
HB551: Broadband Expansion Incentive Act of 2023
Position: Favorable**

February 16 , 2023

Honorable Delegate Atterbeary, Chair
House Ways and Means Committee
131, House Office Building
Annapolis, Maryland 21401

cc: Members, Ways and Means Committee

Honorable Chair Atterbeary and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are in strong support of HB551.

Broadband is essential infrastructure. It is necessary for civic and cultural participation, employment, lifelong learning and access to essential services. However, like other vital infrastructure, broadband is not ubiquitous. Hundreds of thousands of households in Maryland are without internet. Expensive subscription plans tend to keep people offline in urban areas, while poor network quality often discourages subscription in rural areas. Both problems are common throughout the state.¹

While digital adoption in rural areas is an issue, the weight of these gaps fall heavily in urban and metro areas and among African American households. There are 206,000 African American households without wireline broadband service connection in Maryland, or nearly 40% of all disconnected households.² This poses a racial equity issue as access to the internet affects a wide range of factors that impact health and life outcomes.³

The COVID-19 pandemic has exposed a number of shortcomings in the nation's social infrastructure, one of which is access to the internet. Those without internet access were excluded when school moved exclusively online and medical appointments relied primarily on telehealth. This underlines the need for digital inclusion – ensuring people can get online from home, with the digital hardware and skills to enable participation in society.⁴

¹ <https://communitydevelopmentmd.org/digital-inclusion>

² https://abell.org/wp-content/uploads/2022/02/2020_Abell_digital20inclusion_full20report_FINAL-web.pdf

³ <https://www.fcc.gov/health/SDOH>

⁴ <https://abell.org/publication/disconnected-in-maryland/>

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

info@econaction.org · www.econaction.org · Tax

ID 52-2266235



Economic Action Maryland provides a number of direct service programs. Several of these programs are accessible online, however a number of our clients are older adults who do not have the skills to navigate services online. For the past five years, Economic Action Maryland's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' Tax Credit as well as the Renters' Tax Credit. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned \$88,243.42 in tax credits to financially fragile older adults. Many of our clients would not have been able to access these benefits without direct assistance because the online application poses such a great obstacle.

This is one of many examples that demonstrate the strong relationship between broadband access and economic well being and the people left behind without digital equity. If broadband is essential infrastructure, then regulation and public policy should support every American community having equitable access to broadband and the skills necessary to use it.

For all these reasons we support HB551 and urge a favorable report.

Best,

Isadora Stern
Policy Manager

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

info@econaction.org · www.econaction.org · Tax

ID 52-2266235

Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

HB0551_SupportLetter_2.14.23.pdf

Uploaded by: Juli McCoy

Position: FAV

February 14, 2023

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

Re: HB0551 – Broadband Expansion Incentive Act of 2023

Dear Chairwoman Atterbeary:

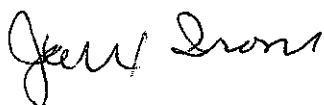
The Allegany County Chamber of Commerce respectfully urges your **support of HB0551 – Broadband Expansion Incentive Act of 2023.**

Full deployment of broadband would allow for tremendous strides in closing the gap on digital equity. A moratorium on sales and use tax for broadband infrastructure is vital to Allegany County where we have areas of the community which still lack access.

During the crisis of 2020, which shifted every student in Allegany County to attend school virtually, there were hundreds of households in the far eastern and far western parts of the county who had to drive to school parking lots to learn from their cars by connecting to the school Wi-Fi. Our own Chamber had staff who found times in which they had to drive to an area where Wi-Fi could be accessed from their car to complete certain tasks. As the need for high-speed internet continues to increase for personal, professional, and educational purposes, this is an excellent opportunity to capitalize on the federal dollars focused on addressing this issue.

Thank you for considering a **favorable report for HB0551.**

Sincerely,



Jeremy G. Irons
Legislative Committee Chairman



Juli R. McCoy
Executive Director

cc: Honorable Jheanelle K. Wilkins, Vice Chair, House Ways and Means Committee
House Ways and Means Committee Members
Allegany County Delegation

HB0551_FAV_MTC_Broadband Expansion Incentive Act o

Uploaded by: Kelly Schulz

Position: FAV



MARYLAND TECH COUNCIL

TO: The Honorable Vanessa E. Atterbeary, Chair
Members, House Ways and Means Committee
The Honorable Moore-Miller Administration

FROM: Andrew G. Vetter
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

DATE: February 16, 2023

RE: **SUPPORT** – House Bill 551 – *Broadband Expansion Incentive Act of 2023*

The Maryland Tech Council (MTC) is pleased to submit this letter of **support** for *House Bill 551: Broadband Expansion Incentive Act of 2023*. We are a community of nearly 700 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

Bolstering digital infrastructure is one of the top policy priorities of MTC. The Covid-19 pandemic led to a digital revolution as we experienced an explosion in remote workforce management and virtual engagements and experiences across our daily lives. Remote work, telehealth, and education are just some of the examples where high-speed internet is a daily necessity of life. Despite this need, there continues to be a digital divide in Maryland, with underserved populations and locations lacking the access they need to affordable and reliable internet service.

MTC has and will continue to advocate for efforts to address this digital divide and expand the State's digital economy. House Bill 551 makes a huge step toward this goal by creating a sales and use tax exemption for broadband infrastructure equipment and an end to the taxation of Federal grants for broadband expansion. The establishment of these incentives will help MTC member companies continue to build out the State's broadband infrastructure and move us closer to our goal of ensuring affordable and reliable internet access for all.

We urge a favorable report.

HB 551 Letter of Support to Delegates Atterbeary a

Uploaded by: Kenneth Westary

Position: FAV



CCBC

Community College
of Baltimore County

Sandra L. Kurtinitis, Ph.D.
President
443.840.1015
skurtinitis@ccbcmd.edu

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800 South Rolling Road
Baltimore, Maryland
21228

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7200 Sollers Point Road
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CCBC Essex
7201 Rossville Boulevard
Baltimore, Maryland
21237

CCBC Hunt Valley
11101 McCormick Road
Hunt Valley, Maryland
21031

CCBC Owings Mills
10300 Grand Central Avenue
Owings Mills, Maryland
21117

**CCBC Randallstown
at The Liberty Center**
3637 Offutt Road
Randallstown, Maryland
21133

*The incredible value
of education.*

ccbcmd.edu

February 10, 2023

Delegate Vanessa E. Atterbeary
Chair, Ways and Means Committee
Vice Chair Jheanelle K. Wilkins
House Office Building, Room 131
Annapolis, Maryland 21401

Dear Delegates Atterbeary and Wilkins:

I am writing in support of HB 551 – The Broadband Expansion Incentive Act of 2023. I believe HB 551 will not only boost Maryland’s economy, it will also address an equity issue by increasing broadband access to under-resourced communities.

As the President of the Community College of Baltimore County, I’ve seen first-hand how the digital divide impacts students. During the pandemic, it was critical for CCBC to remain fully open to serve and support students who lacked access to the technology needed for successful online learning. To make up for their lack, we at CCBC made sure students had access to online learning laboratories on the campuses. We increased campus Wi Fi for stronger connections throughout our buildings and our parking lots. We also partnered with Comcast to offer students broadband access at a reduced cost. Without access to broadband, thousands of our students would have been forced to halt their academic journeys.

I urge you to approve HB 551 for I believe the benefits far outweigh the costs. Economically the region wins because a digitally connected populace makes Maryland more attractive to businesses. The bill also helps us chip away at the digital divide, providing new opportunities for under-resourced communities. Post-pandemic, the expectation that broadband is accessible everywhere is basically the norm. To give Maryland a competitive edge, I urge the passage of HB 551.

Sincerely,

Sandra L. Kurtinitis, Ph.D.
President

:kp

House Bill 551 Quantum Letter 20230214.pdf

Uploaded by: Kevin Brown

Position: FAV

To: The Ways and Means Committee

Regarding: House Bill 551 - The Broadband Expansion Incentive Act

Submitted By: Quantum Internet and Telephone
Kevin W. Brown, President

Quantum Internet and Telephone is a local Maryland small business that has been providing service to Carroll County and the Baltimore area since 1995. For many years we have wanted to be able to provide service to rural areas, but the costs to do so were extremely high, and the very low return on investment was too challenging to overcome.

We were recently awarded significant grants by the State and Carroll County to help fix the rural digital divide in Carroll County. Current tax law requires that these grants be recognized as income and therefore subject to income tax, even though these funds will be immediately expended to build rural broadband Internet. Paying these taxes will be a great hardship for us, as it will take many years to earn enough money from the subscribers to the network we are building to pay these taxes. These taxes will cause us to use funds that could otherwise be used to build more rural broadband. We may also need to go deep into debt to pay these taxes, or possibly even sell part (or all) of our company. We shouldn't have to take such extraordinary measures to utilize these grants.

House Bill 551 will do a lot to help small businesses like Quantum to be able to use federal and state grants to provide services to rural areas. However, in order to eliminate all the tax problems related to these grants, the U.S. Congress needs to pass the Broadband Grant Tax Treatment Act . In that way, all income taxes will no longer apply to the grants, and all rural projects will become profitable. It would be very helpful if Maryland US Representatives and Senators could be encouraged to support this act in the US Congress.

Quantum fully supports House Bill 551, The Broadband Expansion Incentive Act, and any other broadband incentive act that may be submitted that provide the same benefits as House Bill 551 provides.

Thank you for what you do for Maryland,



Kevin W. Brown, President
Quantum Telecommunications, Inc
d/b/a Quantum Internet and Telephone

Quantum Internet Services, Inc. Quantum Telecommunications, Inc.

2975-B Manchester Road, Manchester, MD 21102

P: 410.239.6920 F: 410.239.0820 www.qis.net

HB0551(SB0547) - FAV - Broadband Expansion Incenti

Uploaded by: Landon Fahrig

Position: FAV



Maryland Energy Administration

TO: Members, House Ways & Means Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: HB 551 - Broadband Expansion Incentive Act of 2023
DATE: February 16, 2023

MEA Position: FAVORABLE

The Maryland Energy Administration (MEA) strongly encourages the committee to support the continued expansion of broadband access in Maryland, and the incentives for this purpose provided by House Bill 551. The committee will be presented with a great deal of testimony relating to the benefits of broadband. However, for the development of a clean-energy grid, broadband is not just beneficial, it is a necessity.

The proliferation of broadband technology has created a paradigm shift in the way information travels. Broadband has made us, as a society, more adaptable. During the course of the national health emergency caused by the spread of Covid-19, Maryland State agencies were able to quickly shift to a teleworking-based operations model. In-person meetings were exchanged for virtual ones, commutes were eliminated as were greenhouse gas emissions, and documents and ideas were exchanged nearly instantaneously, all thanks to broadband technology.

For the energy sector, and especially for the clean energy future Maryland has promised its citizens, broadband is indispensable. In order to coordinate the fluctuating power generated by the many renewable energy generation installations that are replacing traditional fossil fueled power plants, data must be exchanged rapidly. Broadband connections for new clean and renewable generation is the new industry standard, as it allows for utilities and transmission grid operators to more quickly detect fluctuations in energy demand, and just as quickly dispatch or disengage generation as needed to ensure the stability of the electricity grid.

The need for rapid data transfer for grid operators will only be increased as Maryland begins to further integrate distributed energy resources, energy storage assets, virtual power plant models, and emerging technologies like vehicle-to-grid (V2G). For these technologies to be truly integrated, Maryland needs a robust and complete broadband network.

For the forgoing reasons, MEA is asking the committee for an **FAVORABLE** report.

HB551 - 2.16.23-- Broadband Expansion Incentive Ac

Uploaded by: Mark Thomas

Position: FAV



TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 551 – BROADBAND EXPANSION INCENTIVE ACT OF 2023

Sponsors: The Speaker (By Request - Administration), et al.

February 16, 2023

**Mark A. Thomas
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 551, which would create a subtraction modification in the Maryland income tax for federal grants allocated for broadband infrastructure and broadband deployment. It would also create a 5-year moratorium on sales and use tax for the sale of network equipment, which includes modems, fiber optic cables, servers, etc. that are used to provide internet service or deploy broadband.

Technology continues to develop at an exponential rate and digital access is an essential part of education, health care, workforce development, and business operations. However, reliable broadband access is still unavailable to many Marylanders who are part of historically underinvested groups. In 2021:

- 18% of all Maryland households did not have a laptop or desktop computer at home.
- 8,900 households in Baltimore City lacked even a smartphone with broadband internet speeds.
- 40% of the Marylanders who lacked wireline broadband services were African American and less than half of Hispanic households had wired broadband access.

The federal government has recognized the importance of consistent, reliable broadband access across the country without geographic or socio-economic disparities. The time to bridge the digital divide is now. Waiving state taxes on this once-in-a-generation opportunity to leverage federal investments in broadband will make broadband access more equitable and affordable. In addition, all of Maryland's neighboring states have removed the sales tax on broadband network purchases. This tax moratorium will allow Maryland to stay competitive and will encourage private sector investment in the state.

House Bill 551 aligns with the GBC's 2023 legislative priorities. The GBC supports efforts to bridge the digital divide and expand broadband access and connectivity for education, workforce training, and employment. This legislation is an important step in achieving that goal.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 551.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Cecil, Harford, and Howard counties as well as Baltimore City. The GBC is a 68-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

Support- HB 551- Broadband Expansion Incentive Act

Uploaded by: Matthew Teffeu

Position: FAV



P.O. BOX 430, Denton, MD 21629
Toll-Free: 1-877-892-0001
Z_info@choptankelectric.coop
www.choptankelectric.coop

February 16, 2023

The Honorable Vanessa E. Atterbeary
11 Bladen Street
Annapolis, MD 21401

Re: ***Support- HB 551- Broadband Expansion Incentive Act of 2023***

Dear Chairwoman Atterbeary and Members of the Committee:

Founded in 1938, Choptank Electric Cooperative is a not-for-profit organization that exists to provide reliable and cost-effective electricity. This service improves the quality of life for our 55,188 member-owners.

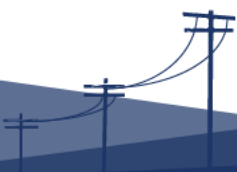
As a cooperative, Choptank Electric maintains a deep commitment to the communities it serves, which covers about two-thirds of Maryland's Eastern Shore. Economic development, especially in our rural areas, is necessary in providing additional resources to our schools and communities, and in improving the livelihood of all residents. Choptank Fiber, LLC is a wholly owned broadband subsidiary of Choptank Electric Cooperative. Choptank Fiber's goal is to install true Gigabit broadband with no data caps one community at a time until we serve all our underserved members on the Eastern Shore.

HB 551, *The Broadband Expansion Incentive Act of 2023*, seeks to bring economic vitality and utilize federal grant dollars to bridge the digital divide in Maryland. Cooperatives throughout the country, including Choptank, are committed to guaranteeing access to quality high-speed internet services. **HB 551** will ensure that broadband deployment reaches every corner of our state in a pertinent manner.

Choptank Electric Cooperative and its member-owners ask you to support **HB 551**.

Sincerely,

Matt Teffeau
Manager of Government Affairs and Economic Development
Choptank Electric Cooperative



Members First. Every Day.

MD Catholic Conference_FAV_HB0551.pdf

Uploaded by: MJ Kraska

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

February 16th, 2023

HB 551

Broadband Expansion Incentive Act of 2023

House Ways & Means Committee

Position: Favorable

The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

House Bill 551 would allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment and it would provide an exemption from the sales and use tax for the sale of certain equipment related to providing Internet service and deploying broadband.

Particularly in Maryland's lower-income communities, digital inequity is a problem in need of a solution. House Bill 551, through its focus on the expansion of affordable internet access, would provide significant means toward those ends. Access affordability is one of the primary catalysts in the digital divide.

Access to internet service and technology are key components to a high-quality education today. It is through access to a high-quality education that the cycle of poverty is broken in our low-income, marginalized communities. Our state should do all that it can to promote successful educational outcomes for children who might otherwise be deprived of the same opportunities as their wealthier counterparts. Pope Francis has stated that the Church should highly value education, leading to gainful employment, as it is through the same that "human beings express and enhance the dignity of their lives." (*Evangelii Gaudium*, 192).

The Conference appreciates your consideration and respectfully urges a **favorable** report for House Bill 551.

Wash Co Chamber Letter of Support HB 551.pdf

Uploaded by: Paul Frey

Position: FAV

Legislative Position: Support
House Bill 551
Broadband Expansion Incentive Act of 2023
House Ways and Means Committee

February 10, 2023

Dear Madame Chair Atterbeary and Members of the Committee:

On behalf of the Washington County Chamber of Commerce, with 650 member organizations representing over 40,000 employees, I am writing you in **SUPPORT** of **House Bill 551, Broadband Expansion Incentive Act of 2023**.

The proposed legislation builds on Maryland's efforts to bring more broadband to more Marylanders, especially those who have been on the wrong side of the digital divide. This legislation will increase broadband investment in the state by removing a tax on broadband network machinery and equipment for the next five years. This effort, combined with the programs to enhance individuals' digital skills and federal and state initiatives to make broadband more affordable, will help Marylanders better compete – and win – in the digital economy.

On behalf of the Washington County Chamber of Commerce, and the continued economic health of Hagerstown, Maryland, Washington County, and the State of Maryland, we respectfully request a **FAVORABLE REPORT** on HB 551.

Sincerely,



Paul Frey, IOM
President and CEO

HB 551 Letter of Support 021423.pdf

Uploaded by: Robert Branson

Position: FAV

Robert Branson,
President & CEO
Fallon Wilson, PhD,
Vice President of Policy
Ananda Leeke, Esq.
Chief Social Media Officer
David Honig, Esq.
President Emeritus and
Senior Advisor
Suzanne Gougherty
Director and Associate
Broker

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Lawrence Roberts
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Diane Sutter
S. Jenell Trigg
Augusto Valdez
Linda Eckard Vilardo
Joseph Waz, Jr.



Multicultural Media, Telecom and Internet Council
1250 Connecticut Ave NW, 7th FL

Washington, D.C. 20036

Phone: 202.261.6543 | MMTOnline.org

February 14, 2023

Delegate Vanessa E. Atterbeary:
131 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Delegate Atterbeary:

The Multicultural Media, Telecom and Internet Council (MMTC) appreciates the opportunity to express strong support for HB551, the “Broadband Expansion Incentive Act of 2023.” This legislation is the centerpiece of Governor Wes Moore’s effort to expand and improve broadband coverage throughout of the state and to improve Maryland’s economic competitiveness.

MMTC is the technology, media, and telecommunications industries’ leading non-partisan, national nonprofit diversity organization. For nearly four decades, MMTC has worked tirelessly to promote and preserve equal opportunity, civil rights, and social justice in the mass media, telecommunications, and broadband industries, and to close the digital divide on behalf of its members and constituents. Increasing broadband access for unserved communities – including the more than 30 percent each of Black, Latinx, and Tribal communities, many of whom live in rural areas, that still lack reliable, high-speed connectivity – is core to MMTC’s mission.

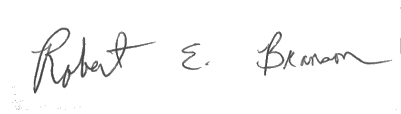
The federal government is providing a “once in a lifetime” investment in expanding broadband service in rural and underserved areas which will help the nation to bridge the digital divide. With at least \$100 million in federal funding expected to be allocated to Maryland, HB551 would allow those federal dollars to go further, as well as leverage new private sector investment in broadband networks. It would put Maryland on par with competing states in our region by changing tax policies that increase the cost of network investment.

The lack of broadband availability across our country has disproportionately burdened communities of color, particularly those living in rural areas. The Federal government has stepped up to the challenge so now it is dependent upon the states to do likewise. We can hurtle toward a future in which we can finally provide the digital access that we know is a prerequisite for economic mobility and educational opportunity and so much more for our communities.

On behalf of MMTC and all citizens and businesses of Maryland, we urge you to vote in favor of HB551. As a resident of the state, I also am personally and particularly concerned that my state will do its best to make opportunities available and work hard to help close the digital divide which exists.

We look forward to working with you to guarantee these extraordinary federal broadband funds are used to connect the communities in Maryland and that the legislature takes steps to make the money go further so that all Marylanders will have access to affordable, high-speed internet.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Branson". The signature is written in a cursive style with a vertical line at the end.

Robert Branson, Esq.
President and CEO

HB551_FAV_MRA.pdf

Uploaded by: Sarah Price

Position: FAV



HB551 Broadband Expansion Incentive Act of 2023
House Ways and Means Committee
February 16, 2023

Position: Favorable

Background: HB551 would establish a State income tax subtraction modification for certain broadband grants and would exempt internet service equipment from the State sales and use tax.

Comments: The Maryland Retailers Association (MRA) strongly supports HB551, which would offset the costs of upgrading internet service by establishing a State income tax subtraction modification for qualified broadband grants and exempting internet service equipment from the State sales and use tax.

Access to affordable and dependable high-speed broadband services is no longer a luxury. As we have learned since the onset of the COVID-19 pandemic, dependable internet access is a necessity. When the nation shut down to promote social distancing and public health in 2020, we all pivoted to run our businesses, educate our children, connect with family and friends, and purchase goods and services online. We lived our lives almost entirely virtually, and many households and businesses suffered due to lack of adequate broadband infrastructure in their communities and the cost of upgrading to higher quality internet services.

It is clear that many aspects of our online lives will remain part of the “new normal”. Schools revert to online learning days during inclement weather, small businesses continue to build out websites to reach their customers at home, and even the legislature has chosen to accept virtual testimony after returning to in-person functions. These shifts benefit the public by providing greater access to education, conveniently purchased goods and services, and transparency with local governments, but only if everyone has access to the internet. For businesses, functioning in the modern digital age means not only hosting an online shop or connecting with customers online to provide professional services but also using the internet to hire new employees, provide training and communications, and even maintain internal systems like accounting and benefits management.

The Broadband Expansion Incentive Act will ease the financial burden of expanding high speed internet services throughout our state. It is imperative that we make this transition as affordable as possible so that all Marylanders have the access that they need to thrive in today’s world. For these reasons, we would urge a favorable vote on HB551. Thank you for your consideration.

HB 551Broadband Expansion Incentive Act of 2023.pd

Uploaded by: Tammy Bresnahan

Position: FAV



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HB 551 Broadband Expansion Incentive Act of 2023

House Ways and Means Committee

FAVORABLE

February 16, 2023

Good afternoon Chair Atterbeary and members of the House and Means Committee. My name is Tammy Bresnahan. I am the Senior Director of Advocacy for AARP MD. AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security. AARP MD and its almost 870,000 members support **HB 551 Broadband Expansion Incentive Act 2023**. AARP is working hard to strengthen retirement security for all Americans by ensuring that workers and retirees have access to services and resources they need to age in place.

HB 551 allows a subtraction modification under the Maryland income tax for broadband grants awarded during the taxable year for broadband deployment and provides an exemption from the sales and use tax for the sale of equipment related to providing Internet service and deploying broadband.

Everyone should have affordable and reliable high-speed internet access in the home, regardless of such factors as geography, race, ethnicity, income, age, and ability level. This includes people living in underserved communities where high-speed internet is not deployed, as well as those who cannot afford service where it is available. AARP believes that policymakers should consider using grants, loans, tax credits, and other incentives to ensure that as many people as possible receive the benefits of high-speed internet. These policies should incorporate consumer protections and should not shift costs or place an unfair burden on taxpayers or ratepayers.

AARP Maryland looks forward to working with all of you in enacting and implementing policies addressed in HB 551 - that preserve and support this economic engine. Addressing the digital divide requires a commitment to digital equity. That is, everyone—regardless of factors such as age, race, ethnicity, ability level, and geography—should have access to affordable, reliable high-speed internet service.

AARP Maryland respectfully requests a favorable report for HB 551. Thank you! For questions or additional information, please feel free to contact Tammy Bresnahan, Senior Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.



HB551.Broadband.23.pdf

Uploaded by: Virginia Crespo

Position: FAV



Maryland Retired School Personnel Association

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www.mrspa.org

House Bill 0551

In Support Of

Broadband Expansion Incentive Act of 2023

Ways and Means Committee

Hearing: February 16, 2023, 1:00 PM

Dear Honorable Delegate Vanessa Atterbeary, Chair, and Honorable Delegate Jheanelle Wilkins, Vice Chair, and distinguished Ways and Means Committee members,

The Maryland Retired School Personnel Association (MRSPA) Supports HB 0551 Broadband Expansion Incentive Act of 2023.

It is the position of MRSPA that expanding broadband services is critical, especially where such access is currently not available. This Bill is important for several reasons. One, with Maryland school systems continuing to utilize virtual learning options to support student progress, all students need to be able to access these sources/resources. Second, expanding access allows medical practitioners to continue conducting virtual appointments when necessary for those unable to travel to meet with his/her physician. Third, the Bill would allow economic expansion for businesses looking to integrate areas needing their services. These are only three important reasons for this Bill to pass, but in a state as wealthy as Maryland, there is no reason why some Marylanders still cannot access this important service.

It is vitally important to all vulnerable Marylanders, young and old, to have access to high-speed internet regardless of where they live and of their ability to pay. In 2023, internet access is not a luxury, it is a necessity.

On behalf of the over 12,000 members of The Maryland Retired School Personnel Association, we urge a favorable report on HB 0551.

Sincerely,

Carla J. Duls
President

Virginia G. Crespo
Legislative Aide

HB0551-WM_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



House Bill 551

Broadband Expansion Incentive Act of 2023

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 16, 2023

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the State's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, enabling county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives but resist state-mandated changes that preclude local input.