

SB0333-WM_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



Senate Bill 333

Economic Development – Regional Institution Strategic Enterprise Zone Program – Alterations and Financing

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: March 23, 2023

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 333. This bill expands the use and flexibility of the Regional Institution Strategic Enterprise (RISE) Zone program.

Local governments, just as the State, have a vested interest in economic development. Local economic growth creates jobs and increases salaries, expanding the tax base both locally and statewide. Therefore, state and local governments must work in partnership on these efforts.

RISE Zones tap into the economic development potential surrounding higher education institutions and certain nonprofits. Businesses that relocate to or expand in the zones are eligible for certain benefits including property tax credits. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for their residents.

The RISE program is a primary example of these collaborative efforts. The program brings together state and local resources to encourage businesses in target industries such as engineering, biotechnology, aerospace, robotics, and agriculture to locate in communities anchored around higher education institutions, research parks, and nonprofits. The zones are created in partnership with local governments to help ensure that the business investment and associated incentives reflect community needs.

Counties support SB 333 as it adds flexibility within the RISE zone program. By extending a zone's lifespan from five to 10 years, removing the limit of three zones per county, and enabling the use of MEDCO obligations for financing, these measures serve to super-charge economic development within RISE zone communities and further efforts to advance local innovation at Maryland's world-class universities and research institutions.

Counties recognize RISE zones as an important tool for economic development and applaud measures to strengthen this program. Accordingly, MACo requests a **FAVORABLE** report on SB 333.

SB0333-WM-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 333

March 23, 2023

TO: Members of the Ways and Means Committee

FROM: Nina Themelis, Interim Director of Mayor's Office of Government Relations

RE: Senate Bill 333 – Economic Development - Regional Institution Strategic Enterprise Zone Program – Alterations and Financing

POSITION: Support

Chair Atterbeary, Vice Chair Wilkins, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 333.

SB333 aims to repeal the clause in the Regional Institution Strategic Enterprise (RISE) Program that prohibits the number of RISE zones in a certain area. SB333 also wants to extend the effectiveness of a RISE zone from 5 years to 10 years. These amendments to the current Bill as it is written would benefit economic development in Baltimore City and incentivize commercial development in areas of the city that have been historically neglected.

The RISE program has been instrumental in the development of commercial areas in historically disinvested neighborhoods that need revenue and job creation. The RISE program has been a crucial incentive for institutional commercial development in a few different large development projects in Baltimore City that has brought both investment and jobs to disinvested neighborhoods. RISE has helped increase the revitalization and stabilization within key Zones in the City. By lifting the limitation on the amount of eligible RISE Zones and extending the tax credit eligibility to 10 years, commercial development in targeted enterprise zones in Baltimore City will continue to flourish.

For these reasons, the BCA respectfully requests a **favorable** report on SB 333 to ensure the RISE Program continues to help attract development and business to commercial areas of the City that have been historically neglected.