



MARYLAND ECONOMIC DEVELOPMENT
CORPORATION
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February 21, 2023

The Honorable Vanessa E. Atterbeary
Chair, House Ways & Means Committee
Members, House Ways & Means Committee

RE: Testimony on behalf of HB0622 – Favorable with Amendment

Dear Madam Chair and members of the Maryland House Ways and Means Committee,

On behalf of the Maryland Economic Development Corporation (MEDCO), I am writing to express our strong support for HB0622 entitled “Economic Development – Industry 4.0 Technology Grant Program.”

In 2021, recognizing the importance of the manufacturing industry, the Maryland legislature authorized formation of a work group tasked with studying the transformation of manufacturing in the digital economy and making recommendations that would support the transition of Maryland manufacturing, a transformation known as “Industry 4.0.” The workgroup met through 2021 and 2022 and issued its final report in December 2022. The report addresses the challenges Maryland’s manufacturers are facing in developing a skilled workforce to support the industry’s growth and incorporate rapidly advancing technologies into their operations to remain competitive.

The grant program that will be created with passage of HB0622 is critical to help small and medium sized manufacturers make the transition to a technology-based platform. While many large manufacturers have initiated the work necessary to make this transition, smaller companies have not, lacking both the internal expertise and financial resources. These companies provide jobs to thousands of residents throughout the state, adding to the economic health of the State, and help to stabilize the communities where they are located. HB0622 will help these small and medium sized manufactures sustain operations and enhance their viability in the Industry 4.0 marketplace.

MEDCO has long recognized the importance of supporting and growing the manufacturing sector. Over the years, the Maryland legislature has provided MEDCO the ability to help manufacturers, using a variety of tools, to include issuance of tax-exempt bonds, to help companies improve their facilities, acquire and install new equipment, and train employees.

MEDCO, therefore, fully supports HB0622 with a minor amendment that would allow budgeted funds to be applied to the cost of administering the program. Without this modification, the ability of other State chartered entities to effectively manage and in



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administer the program as envisioned in Section 5-2302 (B) of the bill would be significantly limited.

On behalf of MEDCO, I urge the Committee to issue a favorable report for HB0622 with the suggested Amendment.

Sincerely,

J. Thomas Sadowski
Executive Director