



## **House Bill 471**

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

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 16, 2023

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 471. 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 HB 471 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 HB 471.