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**SB 733 – Task Force to Study Transparency in Tax Incentives**  
**Budget & Taxation Committee**  
**February 14, 2024**  
**Support**

AFSCME Council 3 supports SB 733, the establishment of a Task Force to Study Transparency in Tax Incentives. In the bill, tax incentives are defined as tax increment financing, payments in lieu of taxes agreements, the Enterprise Zone property tax credit, and the Brownfields Revitalization Incentive Program.

Tax incentives are a significant tool used by governments to promote economic development and attract investment. However, without proper oversight and transparency measures, there is a risk of misuse or ineffectiveness. Establishing a task force will help ensure that tax incentives are administered accountably and in the best interest of the public. Transparent tax incentive programs can help ensure that benefits are distributed equitably across different sectors and communities within the state and Maryland can work towards creating a level playing field for businesses and individuals seeking to take advantage of these incentives.

Transparent governance is essential for maintaining public trust in government institutions. By establishing a task force dedicated to studying transparency in tax incentives, Maryland can demonstrate its commitment to openness, accountability, and good governance, thereby fostering trust among its citizens. A thorough examination of tax incentives can reveal areas for improvement in their design, implementation, and evaluation. Maryland can identify best practices and make informed decisions to enhance the effectiveness of these programs in achieving their intended goals.

Tax incentives represent a significant expenditure of public resources, so ensuring that these incentives such as the Brownfield Revitalization Program and the Enterprise Zone property tax credit are used efficiently and effectively is important. We think that the state should be studying all its tax incentives and not just the ones in the scope of the bill.

In a time when Maryland is searching for a way to increase revenues to provide much-needed services in our state and close the gap on staffing shortage, studying these tax incentives is essential to ensure fair, effective, and accountable use of public resources, and maintain public trust in the tax system.

For this reason, we ask for a favor report on SB 733

