



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Lieutenant Governor

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SENATE BILL 30 Maryland Economic Development Assistance Authority and Fund - High Impact Development Project Program

STATEMENT OF INFORMATION

DATE: February 6, 2024

COMMITTEE: Finance

SUMMARY OF BILL: Senate Bill 30 seeks to establish within the existing Maryland Economic Development Assistance Authority and Fund (MEDAAF) a High Impact Development Project (the Project). This Project would provide financial assistance to industrial development agencies or enterprises undertaking high impact, placemaking projects that support business expansion, formation, or retention of manufacturers in the state.

EXPLANATION: The bill requires the Governor to include an appropriation of \$600 million general funds in fiscal 2026 to the MEDAAF for the High Impact Development Project. The legislation would permit the account to fund 100% of a project; however, a single industrial development agency could not be issued more than \$50 million in a fiscal year. Subject to the availability of funds, Commerce may issue financial assistance not to exceed \$500 million annually, on a rolling basis, for business formation or expansion in the state, or not to exceed \$100 million annually, on a rolling basis, for the retention of business in the state. To receive financial assistance, an industrial agency undertaking the project would submit an application for the project to the Department of Commerce, that must include a written referral to the program from the Governor. The Department of Commerce would evaluate the project request, determine the amount of financial assistance, and set its terms and conditions.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges caution in passing legislation with new mandated spending. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes. It would be challenging for the State to manage a significant increase in spending given the forecasted out-year deficits for the General Fund.

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