

SB 30 Signed Testimony.pdf

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Position: FAV

ARTHUR ELLIS, CPA
Legislative District 28
Charles County

ASSISTANT DEPUTY MAJORITY LEADER

Finance Committee

Senate Chair
Joint Committee on the
Management of Public Funds

Chair, Charles, St. Mary's and Calvert
Counties' Senate Delegation



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February 5, 2024

Testimony of Senator Arthur Ellis in Support of Senate Bill 30: Maryland Economic Development Assistance Authority and Fund - High Impact Development Project Program

Dear Chair Beidle, Vice Chair Klausmeier, and Members of the Finance Committee:

Senate Bill 30 establishes the High Impact Development Project Program within the Department of Commerce to provide financial assistance to industrial development agencies or enterprises undertaking high impact, placemarks projects that will support manufacturing activities; and requires the Department to award financial assistance to entities carrying out high impact development projects under certain circumstances and subject to certain limitations.

I urge your favorable support on Senate Bill 30.

Yours in Service,

A handwritten signature in black ink that reads "Arthur Ellis" with a small "AS" monogram at the end.

Arthur Ellis—District 28

SB30 Written Statement 2.5.24.pdf

Uploaded by: Laura Vykol-Gray

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

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.

**For additional information, contact Laura Vykol-Gray at
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