



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 15, 2024

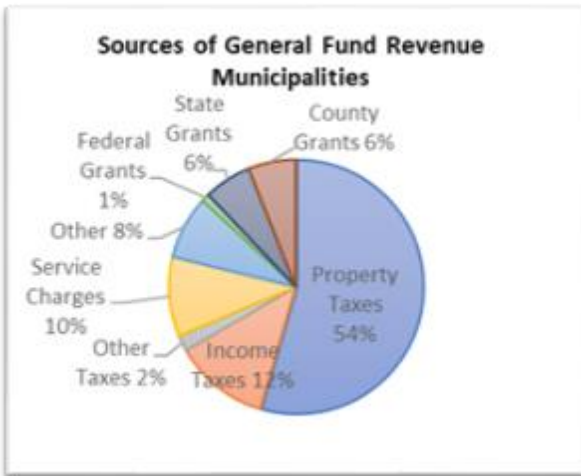
Committee: House Ways & Means Committee

Bill: _____ HB 692 – Economic Development – County or Municipality Economic Development Authority – Powers and Use of Proceeds

Position: Support

Reason for Position:

The Maryland Municipal League supports House Bill 692, which would enable local governments to establish new bonding authorities and expand the use of such funds.



This year, the League adopted a priority to find ways to diversify their revenue streams, in part, to be able to take on new modern challenges without further burdening residents with property taxes. As it stands, municipalities are overdependent on property taxes to provide essential services for their residents. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues.

The vast majority of those funds go to essential services like water, sewer, police protection, and transportation costs. On average, economic development spending only accounts for 2% of municipal expenditures. Cities and towns need new revenue sources and new revenue tools.

For these reasons the League respectfully requests that this committee provide House Bill 692 with a favorable report.

FOR MORE INFORMATION CONTACT:

Theresa Kuhns

Chief Executive Officer



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Angelica Bailey Thupari, Esq.
Bill Jorch
Justin Fiore

Director, Advocacy & Public Affairs
Director, Public Policy & Research
Deputy Director, Advocacy & Public Affairs