

# Maryland Counties Economic Development Partnership (MCEDP)

*An Affiliate of the Maryland Association of Counties*

## **Position Statement on HB 498/SB 427: *Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act***

**POSITION:** Letter of Information

**TO:** House Ways & Means and Appropriations Committees; Senate Budget & Taxation and Finance Committees

**FROM:** Heather Tinelli, President, MCEDP

**DATE:** March 4, 2025

The Maryland Counties Economic Development Partnership “MCEDP”, an affiliate of MACO whose membership is comprised of Economic Development Directors from all Maryland Counties and Baltimore City met on 1/31/2025 to discuss the proposed DECADE ACT and have voted to support the following position statement.

The Decade Act proposes a broad restructuring of Maryland’s economic development programs. While we support many of the modernization efforts and efficiency improvements, we have concerns regarding the narrow focus of industry targets, the centralization of decision-making authority, and the elimination of valuable incentive programs.

### **Support for High-Potential Industry Sectors**

We support efforts to align economic development incentives with key industry sectors but believe the current focus is too narrow. Maryland’s economic landscape is diverse, and the proposed target sectors—Aerospace & Defense, Information Technology (Cyber & Quantum), and Life Sciences—do not reflect the strengths of all regions. A regional approach should be considered to ensure that economic incentives benefit the entire state. Sectors such as advanced manufacturing, agriculture, and the tourism industry play a significant role in many more rural counties and should be included in the targeted industries.

### **Business Attraction & Incentive Programs**

We support efforts to revamp and rebrand programs like **Advantage Maryland (MEDAAF)** and **Maryland Small Business Development Financing Authority (MSBDF)** to better align with industry priorities. Oversight bodies should remain in place to ensure equitable and transparent deployment of taxpayer funds.

The extension of the **Innovation Incentive Tax Credit** and **Biotechnology Investment Incentive Tax Credit** is a step in the right direction, but further evaluation should occur to ensure these programs attract meaningful investment.

Similarly, the **Strategic Closing Fund (formerly Sunny Day Program)** should include provisions for business retention, not just attraction.

We support the expansion of the **Child Care Capital Support Revolving Loan Fund** but recommend that the program be reviewed for usability, as businesses have found the application process difficult to navigate.

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## **Workforce & Small Business Development**

The proposed change to the **Military Loan Program**, requiring businesses to be certified under the Veteran-Owned Small Business Enterprise (VSBE) program, could place unnecessary burdens on veteran-owned businesses. The federal DD214 form should be sufficient proof of veteran status to qualify for support.

The renaming of the **Partnership for Workforce Quality Grant Program** to the **Talent Accelerator Grant Program** is not objectionable, but program accessibility and funding allocation should remain a priority.

## **Concerns Over Program Elimination**

We strongly oppose the repeal of the **Job Creation Tax Credit (JCTC)** and **Employer Security Clearance Costs Tax Credit**, as these programs provide critical incentives for business expansion and workforce development. The JCTC, in particular, is a valuable tool for businesses that may not qualify for local tax credits. Instead of eliminating it, we recommend streamlining the application process to increase utilization.

## **Conclusion**

While the DECADE Act contains many positive reforms, several provisions require further consideration. The MCEDP **SUPPORTS the DECADE ACT with the following key amendments:**

1. A broader industry focus to be reflective of all of Maryland.
2. Retention of effective incentive programs such as JCTC and One Maryland.
3. Refine the bill to reflect technical concerns as outlined in detail above, ensuring economic development programs remain equitable, effective, and regionally inclusive.

Economic Development professionals across Maryland are the “boots on the ground” and commit our working knowledge to quantify these policy impacts and demonstrate responsiveness through collaboration with the State to move Maryland’s economy forward.