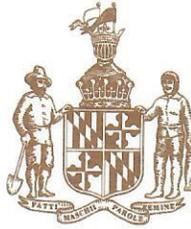


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Majority Leader

Budget and Taxation Committee

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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**  
**SPONSOR STATEMENT**

**Senate Bill 409 – Economic Development - County or Municipal Corporation Economic Development Authority – Powers and Use of Proceeds**

February 5, 2025

Mister Chairman and Members of the Budget and Taxation Committee:

Under current law, local jurisdictions can establish Industrial Development Authorities (IDAs) for purpose of increasing industry and commerce, promoting economic development and promoting the health, safety and welfare of the residents of Maryland, among other purposes. A municipal corporation or county may issue revenue bonds to carry out purposes under the Maryland Economic Development Revenue Bond Act, and taxing authorities can collect the tax revenue levied on the incremental increase of assessable property value over the base value year established for the district to use to repay the bonds.

The original uses of Industrial Development Authorities were to build industrial parks, however, this model does not work for the current needs of communities across Maryland. With limited supply of land and market shifts, counties and Economic Development Offices are looking to invest in broader redevelopment activities that would benefit housing and place-based investment in traditionally underserved communities.

Senate Bill 409 seeks to modernize state statute by expanding the uses of funds under the existing Industrial Development Authority to better address modern-day development and redevelopment needs. And it will expand the use of tax increment funds to create vibrant, walkable, and livable neighborhoods with improved housing, amenities, and infrastructure. Tax increment funds can be monetized by issuing a bond early in the project area life span or by collecting revenue in fund accounts to be deployed at a future date.

As the needs of our local communities continue to evolve, this legislation will allow local jurisdictions to leverage future tax growth to reinvest in key areas of their communities without directly burdening their local budgets and so I respectfully request a favorable report on Senate Bill 409.