



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB942 Economic Development – Tax Increment Financing – Noncontiguous Areas

Budget and Taxation

March 27th, 2025: 1:00 PM

Mr. Chair, Mr. Vice-Chair, and honorable members of the committee for the record I am Delegate Matthew Schindler, and I am here to testify on House Bill 942. HB942 would enable county and municipal governments to establish a tax incremental financing district in a noncontiguous area. Tax incremental financing districts better known as TIFs are an economic development tool that is created when a development or redevelopment project is going to create additional tax revenues by increasing property value in a designated area. The jurisdiction can then issue bonds to pay for improvements for public infrastructure such as roads, parking, and stormwater management. The issued bonds can then be repaid through the incremental increase in tax revenue that the project will generate.

This bill has been amended to require that entities issuing TIFS shall limit the redevelopment of noncontiguous parcels within the development district for affordable housing that is deed restricted to households whose household income does not exceed 80% of the area median income.

TIFs are used all over the country and have been implemented in multiple projects across the state such as the Mondawmin Mall and Frankford Estates in Baltimore City, Park Place in Annapolis and the Route 36 strip mall in Frostburg. In these projects, the TIF districts were limited to one specific geographic area for redevelopment. HB942 would simply allow jurisdictions to implement TIFs that may not be geographically contiguous which can assist in various types of redevelopment efforts.

Blight and economic depression are not limited to a single zip-code, and neither should the economic tools needed to revitalize our communities. TIF districts are a direct way in which local jurisdictions can create private-public partnerships to increase property values, create jobs and holistically rejuvenate a community. This change to allow TIF districts to be established in a non-contiguous manner will enable local jurisdictions to have a greater ability to implement redevelopment projects and promote economic growth.

Therefore, I ask for a **favorable report** on HB942.