

February 5, 2025

The Honorable Guy Guzzone
Budget and Taxation Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: SUPPORT SB409 - Economic Development - County or Municipal Corporation Economic Development Authority - Powers and Use of Proceeds

Dear Chair Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Economic Development - County or Municipal Corporation Economic Development Authority - Powers and Use of Proceeds. MBIA **Supports** the Act in its current version.

Senate Bill 409 expands the authorized names and powers for a local economic development authority by allowing them the authority to issue bonds and use tax increment proceeds. Under current law, counties and municipalities may establish, through local resolution, an industrial development authority with the power to receive funds from governmental units or nonprofits charge fees for services such as hire employees and/or consultant and use the services of other governmental units. Additionally, under current law only local governments have the authority to issue bonds for tax increment financing

Senate Bill 409 will expand the powers of a locally established authority by allowing it to receive and use funds from any public, private or nonprofit source; purchase or otherwise acquire, own, improve, lease, and sell or otherwise dispose of, real property; borrow money and directly issue bonds; purchase insurance and sue or be sued; pay land development impact fees; and otherwise transact business as necessary and in keeping with the authority's statutory purpose. The legislation will also allow economic development authorities to issue bonds, and will expand the allowed uses of bond proceeds and tax increment funds to include a range of additional purposes, including infrastructure improvements; issuing loans for the purpose of encouraging redevelopment; administrative and legal overhead costs; financing of development costs, including environmental remediation; affordable housing and homeless assistance; acquisition And improvement of land; and convention, conference, or visitors' centers.

As a result, the proposal will expand the ability of local economic development partners to complete economic Development projects within their jurisdiction. Commerce supports granting the counties and municipalities the authority to add another tool to their economic development toolbox and allowing them the flexibility to do so in a manner that best suits their jurisdiction

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee