



House Bill 942

Economic Development - Tax Increment Financing - Noncontiguous Areas

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 27, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 942, which expands local authority to use Tax Increment Financing (TIF) for economic redevelopment. This bill enhances a vital tool for targeted revitalization and strategic economic growth by allowing counties to designate noncontiguous blighted areas as development districts.

TIF is a critical funding mechanism for infrastructure and redevelopment in underinvested areas. Current law restricts TIF development districts to contiguous areas, limiting counties' ability to support blighted properties that may not be geographically adjacent. This bill removes this constraint, empowering counties to focus investment where it drives the most meaningful revitalization and economic growth.

The bill also allows counties to issue TIF-backed bonds through the Community Development Administration within the Department of Housing and Community Development. This option bolsters local governments' ability to finance redevelopment projects without adding pressure to general funds.

MACo supports policies that promote local decision-making and responsible economic growth. HB 942 expands counties' ability to attract investment, rejuvenate struggling communities, and create new opportunities for residents and businesses.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 942.