

**SB427\_USM.pdf**

Uploaded by: Andy Clark

Position: FAV



**SENATE BUDGET AND TAXATION COMMITTEE**  
**Senate Bill 427**  
**Economic Development - Delivering Economic Competitiveness and Advancing**  
**Development Efforts (DECADE) Act**  
**March 4, 2025**  
**Favorable**

Chair Guzzone, Vice Chair Rosapepe and committee members, thank you for the opportunity to share our thoughts on Senate Bill 427. The bill enhances the ability of the Department of Commerce to evaluate and incentivize employment and economic growth of the state's key industry sectors. The University System of Maryland (USM) supports the Decade Act and urges a Favorable Report.

The USM is comprised of twelve distinguished institutions, and three regional centers. We award eight out of every ten bachelor's degrees in the State. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from Western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

The USM's strategic plan includes both research and economic development goals, including supporting workforce development, entrepreneurship, translation of research discoveries into solutions for the public; and driving economic impacts in Maryland. Combined, the R&D expenditures of our two biggest research universities – the University of Maryland, College Park and the University of Maryland, Baltimore – rank them 11th among all U.S. public universities. Altogether, the USM expended \$1.6 billion last year in research and sponsored programs, up 29% in the past five years. In fact, the USM ranks 15th among the country's academic institutions in U.S. utility patents issued.

But our research creates more than new inventions: it creates jobs, companies, entire industries. The Regional Institution Strategic Enterprise (RISE) Zone designations utilize enhanced property and income tax credits and accelerated depreciation schedules to spur significant financial investments in designated "RISE Zones." Senate Bill 427 expands the geography and prioritizes applicants in the "RISE Zone Catchment Areas" – an area within five miles of a qualified institution (within a designated Regional Institution Strategic Enterprise Zone).

Last year, USM venture support helped launch 182 Maryland startups. In our research parks alone, 9,000 people work for 200 companies, bringing to market innovations that improve our health, protect the environment, keep us safe, and connect our world – the DECADE Act will both streamline, as well as to enhance, economic development efforts across state government. The

USM supports the addition of the new advisory boards to track such sectors as Maryland’s digital economy and Maryland’s innovation.

In addition, Senate Bill 427 boosts the ability of USM institutions and regional centers to sponsor research parks and incubators to support their start up communities and provide venues for extending the knowledge about entrepreneurship and innovation to their local communities. The specific focus of the DECADE Act to enhance research parks with new resources they need allows the USM to be more effective and impactful.

The goals of the DECADE Act are closely linked with the core values and programs dutifully overseen by the Board of Regents and the Chancellor. Senate Bill 427 allows the USM to continue to grow an ecosystem of well-educated, highly-trained, students to guide investment in leading areas of research, discovery, and business formation in Maryland. Enhancing this “human capital” infrastructure, and encouraging entrepreneurship and innovation, is key to keeping USM students on the cutting edge of information as they enter Maryland’s key economic sectors.

For these reason, the USM urges a Favorable Report on Senate Bill 427.



**HB 0498: SB 0427.pdf**

Uploaded by: Ashutosh Sachdeva

Position: FAV

Dr. Ashutosh Sachdeva  
Associate Professor, University of Maryland School of Medicine  
Director, Interventional Pulmonology Fellowship Program  
Director, Bronchoscopy and Interventional Pulmonology Program  
Section of Interventional and Onco-Pulmonology  
Investor, CoapTech, Inc.

110 S. Paca Street  
Division of Pulmonary, Critical Care, and Sleep Medicine  
2-N-141  
Baltimore, MD 21201

Re: Support (Favorable) for HB 0498 / SB 0427

To Whom It May Concern,

I am writing to express my strong support for HB 0498 / SB 0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act.

As a physician, professor, and investor in Maryland's biotech ecosystem, I have seen firsthand how the Biotechnology Investment Incentive Tax Credit program fuels innovation and economic growth by incentivizing early-stage investment in promising medical technologies.

As an investor in CoapTech, a Maryland-based medtech company developing minimally invasive medical solutions, I have directly experienced how the BIITC attracts the critical funding needed to bring life-saving innovations to market. However, despite its benefits, the current administrative structure creates unnecessary hurdles that discourage investor participation, particularly from institutional investors who are vital for the growth and scaling of medical innovations.

The BIITC program was designed to incentivize venture investment, yet the requirement that each individual investor must personally claim the tax credit creates an unnecessary administrative burden. Institutional investors, who play a crucial role in scaling new medical technologies, have made it clear that they will not participate unless the credit can be allocated at the entity level. Without this change, Maryland risks losing ground to other states with more investor-friendly tax credit programs.

As both a physician and an investor, I understand the importance of a smooth, efficient investment process. The current requirement for investors to individually navigate the tax credit process discourages participation. Allowing tax credits to be distributed at the



entity level will remove barriers to investment, improve the investor experience, and encourage reinvestment in Maryland's biotech sector.

Maryland is a national leader in biotech, medical research, and healthcare innovation, home to groundbreaking discoveries and life-saving technologies. However, without efficient and competitive investment incentives, we risk losing momentum and pushing investors to other states. Programs like BIITC are critical to ensuring that the next generation of medical breakthroughs continues to be developed and commercialized here in Maryland, benefiting patients, researchers, and the broader healthcare community.

The BIITC program is a vital tool for driving investment, fostering medical innovation, and strengthening Maryland's economy. However, without this necessary reform, its impact will remain limited. By allowing tax credits to be allocated at the entity level, HB 0498 / SB 0427 will ensure that Maryland remains a premier destination for biotech investment, supporting the development of transformative healthcare solutions and solidifying our state's leadership in medical innovation.

I strongly urge you to support this bill and help secure the future of Maryland's biotech and healthcare innovation ecosystem.

Sincerely,



Ashutosh Sachdeva, MBBS, MBA, FCCP  
Associate Professor of Medicine  
Chief, Section of Interventional Pulmonology  
Director, Bronchoscopy & Interventional Pulmonology Program  
Fellowship Director, Interventional Pulmonology  
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**HB 498 SB 427 DECADE Act\_FAV\_MFN.pdf**

Uploaded by: Beth Morrow

Position: FAV



**Testimony Concerning HB 498 / SB 427**  
**“Economic Development - Delivering Economic Competitiveness and Advancing**  
**Development Efforts (DECADE) Act”**  
**Submitted to the House Ways and Means & Appropriations and the**  
**Senate Budget and Taxation & Finance Committees**  
**March 4, 2025**

**Position: Support**

Maryland Family Network (MFN) supports the provisions of HB 498 / SB 427 that build upon the successes of the Child Care Capital Support Revolving Loan Fund designed to expand the supply of quality child care in areas and among populations where it is lacking.

MFN has worked since 1945 to improve the availability and quality of child care and early childhood education as well as other supports for children and families in Maryland. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that children, along with their parents, have access to high-quality, affordable programs and educational opportunities.

An authoritative report by the National Institute for Early Education Research (NIEER) affirms the link between well-designed facilities and program quality. However, NIEER notes, the “Obvious barrier to facilities development is financial: revenue in child care programs is typically meager while the cost of constructing [or expanding] facilities designed specifically for young children is high” – considerably higher than standard commercial space. Child care programs serving or hoping to serve low-income communities face even greater challenges in demonstrating profitability, incurring debt, and raising capital to cover the costs of acquisition, construction, renovation, and expansion.

Since Chapter 466 of 2022 established the fund, child care providers from all regions of the State have received funds from the fund. HB 498 / SB 427 would build upon the success and better incentivize desired outcomes, such as growing the number of available child care slots.

MFN respectfully urges a favorable report on HB 498 / SB 427.

Submitted by Beth Morrow, Director of Public Policy





**SPONSOR TESTIMONY - Senate Bill 427\_ DECADE Act.pd**

Uploaded by: Brad Fallon

Position: FAV



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**House Bill 427 - Economic Development - Delivering Economic Competitiveness and  
Advancing Development Efforts (DECADE) Act**  
**SPONSOR Testimony**

Chair Guzzone, Vice Chair Rosapape, and distinguished members of the Senate Budget and Taxation Committee,

Maryland is currently facing two monumental challenges: A budget deficit more severe than that of the Great Recession and the threat that the Trump Administration poses a unique threat to our economy. The Moore-Miller Administration is proud to work alongside our partners in the General Assembly to address these challenges head on. Senate Bill 427, the DECADE Act, is one part of that effort.

Last year, Comptroller Brook Lierman released a detailed [State of the Economy Report](#) which highlighted that, despite our unique advantages, Maryland's economy has been stagnant for nearly a decade. The national economy has far outpaced Maryland's, contributing to the fiscal challenges that the State is presented in. In order to address these challenges longterm, Maryland's economy must grow. To stimulate this, the Administration has undertaken detailed reviews of existing economic development programs. This has included analysis and recommendations from programmatic staff, consultations with stakeholders, reference of the Department of Legislative Service's reports provided by the Office of Program Evaluation and Government Accountability, and more. This review particularly focused on the subscription rate of economic and workforce development programs as well as their returns on investment. This omnibus bill is a collection of recommended program alterations.

The recent actions from the Trump-Vance Administration on government payments, worker layoffs, and the shuttering of federal agencies poses an immense challenge for our state given our proximity to the nation's capital. In order to ensure long-term economic growth and to ensure that economic opportunity is not contingent on federal actions, we believe that it is more important than ever to ensure that we are investing in entrepreneurs and high-potential industry sectors in communities from Oakland to Ocean City and everywhere in between. This includes focusing our efforts on industry sectors that Maryland is uniquely positioned to lead on while ensuring that our programs and invested dollars are as effective as possible.

Attached to this letter, please find an overview of the DECADE Act that provides details on each section and the rationale. If you have any questions about the legislation or the effort that produced it, please do not hesitate to contact me at [brad.fallon@maryland.gov](mailto:brad.fallon@maryland.gov).

**STATE OF MARYLAND**  
**OFFICE OF THE GOVERNOR**



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The Moore-Miller Administration respectfully requests a favorable report on Senate Bill 427 and thanks the Committee for its thoughtful consideration.

Sincerely,  
Brad Fallon  
Deputy Legislative Officer  
Office of Governor Wes Moore



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## **The DECADE Act of 2025**

### **“Delivering Economic Competitiveness and Advancing Development Efforts”**

This comprehensive legislation is one part of a broad-based effort to reinvigorate the State’s approach to economic development. The broad effort includes this legislation, the [Executive Order](#) on economic growth, the reorganization of the Department of Commerce, and direct budget investment in high-impact programs and projects. The goal of this legislation in particular is to sharpen the tools in the State’s economic development toolbox by revamping, relocating, rebranding - and in some cases, repealing - programs to maximize returns on investments. This will be accomplished by **(1)** applying lessons learned from the administration of economic development programs to improve them; **(2)** ensuring that programs are straightforward and easy to market and utilize; **(3)** ensuring that our economic tools are complimentary of one another by focusing on high potential, priority industries; and **(4)** eliminating programs that are ineffective or have served their purpose.

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

- 1: Standardize target industry sectors across relevant programs to ensure concentration of effort of economic incentives.
- 2: Move the Build Our Future Program to MEDCO and extend the sunset date to 2030.
- 3: Revitalize the RISE Zone Program and move administration to MEDCO.
- 4: Alter the Innovation Incentive Tax Credit (“IITC”) and the Biotechnology Investment Incentive Tax Credit (“BIITC”) to make them more appealing for investors.
- 5: Revamp the Buy Maryland Cyber Tax Credit to correct failures of the Program to date.
- 6: Focus the E-Nnovation Initiative Fund specifically focus on endowed professorships towards fields of study centered on target sector list.
- 7: Extend the sunset for Research and Development Tax Credit.
- 8: Alter the appointment schedule of the Life Science Advisory Board (“LSAB”).
- 9: Expand MEDCO’s Tax Increment Financing (“TIF”) powers to include target innovation sector infrastructure.
- 10: Modernize TEDCO’s disinvestment rules to enhance their funding capabilities

### **Business Attraction & Development**

- 1: Revamp and rebrand the Advantage Maryland Program also known as (“MEDAAF”) to better align with economic development best practices and State industry sector priorities.



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2: Revamp and rebrand the Maryland Small Business Development Financing Authority (“MSBDFA”) and the Small, Minority, and Women-Owned Businesses Account (“SMWOBA”) to ensure sufficient funding levels and best serve targeted businesses.

3: Alter the Sunny Day program to locate at Commerce and rename the “Strategic Closing Fund”

4: Build upon the success of the Child Care Capital Support Revolving Loan Fund to better incentivize desired outcomes and increase the number of child care slots available.

5: Alter the Military Loan Program to require applicants to be certified in the state’s Veteran-owned Small Business Enterprise (“VSBE”) program so that we are targeting support for businesses with multiple levers.

6: Rename Partnership for Workforce Quality Grant Program to Talent Accelerator Grant Program.

7: Allow MEDCO to utilize up to 5% of appropriations to address staffing and administrative costs.

8: Eliminate the per production \$10M cap in the Film Production Activity Tax Credit and provide more certainty of tax credit availability by keeping future years’ overall activity capped at the FY2026 level.

***Sunset Underperforming Programs & Entities that have Served Their Purposes***

1: Repeal the Job Creation Tax Credit Program

2: Repeal the One Maryland Program.

3: Repeal the Employer Security Clearance Costs Tax Credit.

4: Sunset the Maryland Industrial Development Financing Authority (“MIDFA”).

5: Sunset Maryland Economic Adjustment Fund (“MEAF”).

6: Sunset the Maryland Economic Development Commission (“MEDC”).

7: Repeal the Commerce Subcabinet and replace it with an Economic Competitiveness Subcabinet via Executive Order.



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***Support for Potential Growth Industry Sectors***

**1: Standardize target industry sectors across relevant programs to ensure concentration of effort of economic incentives.**

Various incentive programs administered by the Department of Commerce restrict eligibility to certain industry sectors. However, this list is inconsistent across programs. Given the effort to concentrate business development efforts to return the most aggregate value from investments, the Department should be empowered to set a list of “target industry sectors” that programs restrict eligibility to. The Secretary shall revisit the list annually and may add or subtract industry sectors as necessary to ensure focused investments.

**2: Move the Build Our Future Program to MEDCO and extend the sunset date to 2030.**

This matching grant program leverages state dollars to construct innovation infrastructure to support high growth sectors - ranging from biotechnology to cybersecurity. While the program was appropriated only \$10 million in FY2024, the Department received 90 applications requesting \$66,090,988 with a combined \$256,703,383 in matching dollars and a total potential spend of \$355,675,221. Given the success of the first round, Governor Moore appropriated an additional \$7 million to the program for FY2025 and Round 2 is ongoing.

As a part of a broader reorganization and modernization effort, MEDCO is affirming its role as the State’s go-to entity for business infrastructure development. This proposal seeks to move the Build Our Future program to MEDCO and extend its sunset to 2030 to ensure this role and to better align with other infrastructure development tools.

**3: Revitalize the RISE Zone Program and move administration to MEDCO.**

The RISE Zone Program is a placemaking initiative intended to leverage higher education and federal facility assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located. Qualified institutions and local governments develop a targeted strategy to use the institutional assets and financial incentives to attract businesses and create jobs within their designated zone. The program also incentivizes the location of innovative start-up businesses based on technology developed, licensed, or poised for commercialization at or in collaboration with qualified Maryland institutions.

Despite the advantage of seizing upon Maryland top innovation assets, higher education institutions and federal facilities, the RISE Zone program has not been successful due to a long list of structural challenges. In recognition of this, the General Assembly directed the Department to conduct stakeholder interviews and compare



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this program to those of similar purpose in other states. After taking that report into consideration, the following proposal for significant alterations emerged.

**Program Cleanup**

1. Move administration of the Program from the Department of Commerce to MEDCO;
2. Designates “RISE Zone Catchment Areas” which authorizes the prioritization and/or enhancement of community development programs within 5 miles from the center point of a QI with an active RISE Zone;
3. Repeals the requirement for businesses to be commercializing technologies that were developed at the QI in order to be eligible for prioritization and enhanced benefits;
4. Repeals the 7-year age limit for companies to be eligible for benefits;
5. Repeals the requirement for the QI or local jurisdiction to create a rental assistance program and instead authorize MEDCO to: 1) operate the rental assistance program themselves; or 2) contract with a fund manager to operate the program;
6. Repeals the requirement for local governments to match rental assistance funds;
7. Extends the certification of a RISE Zone from 5 years to 10 years;
8. Extends rental assistance eligibility from 3 years to 5 years; and
9. Ties qualified companies to those established by the Secretary of Commerce (this is being standardized across programs).

**Prioritization and Enhancement Benefits**

Provide evaluation credits/prioritization for funding for qualified projects within a RISE Zone. Programs include:

1. Seed Community Development Anchor Institution Fund; and
  - o The Seed Community Development Anchor Institution Fund provides competitive grants and loans to anchor institutions for community development projects in Sustainable Communities and/or blighted areas of the state
2. Build Our Future Program;

Provide enhanced benefits for qualified business or projects within zones. Programs include:

1. Innovation Incentive Tax Credit (“IITC”):
  - a. Enhancement: Investors into qualified technology companies located within a RISE Zone will be eligible for an enhanced income tax credit equal to 75% of the investment made, up to \$750,000 in tax credits received by each investor.
2. Biotechnology Investment Incentive Tax Credit (“BIITC”):
  - a. Enhancement: Investors into qualified biotechnology companies located within a RISE Zone will be eligible for an enhanced income tax credit



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equal to 75% of the investment made, up to \$750,000 in tax credit received by each investor.

**3. Community Investment Tax Credit (“CITC”)**

- a. Enhancement: Businesses and individuals that donate \$500 or more to a qualified organization’s approved project(s) located within a RISE Zone or a RISE Zone Catchment Area can earn tax credits equal to 60% of the value of the money, goods, or real property contribution.

**Reduce Costs for Qualified Businesses in Zone**

1. Waive annual business fees for qualified businesses in RISE Zones for three years.

**4: Alter the Innovation Incentive Tax Credit (“IITC”) and the Biotechnology Investment Incentive Tax Credit (“BIITC”) to make them more appealing for investors.**

This section seeks to:

1. Remove IITC and BIITC enhanced credits for qualified businesses located in Allegany, Dorchester, Garrett or Somerset County;
2. Standardize the enhanced credit in Opportunity Zones as the existing BIITC standard:
  - a. The Level 1 enhancement provides an income tax credit equal to 65% of an eligible investment in an eligible QMBC up to \$575,000 in tax credits; and
  - b. The Level 2 enhancement provides an income tax credit equal to 75% of an eligible investment in a QMBC up to \$750,000.
3. Standardizes the enhanced credit for RISE Zones as an income tax credit equal to 75% of an eligible investment in an eligible QMBC up to \$750,000 in tax credits
4. Allow qualified technology businesses to serve as pass through entities for credits, thereby allowing out-of-state investors to make qualified investments without needing to file taxes in Maryland simply to receive the refundable credit. This will enhance the pitch for companies that seek to incentivize investment this way.

**5: Revamp the Buy Maryland Cyber Tax Credit to correct failures of the Program to date.**

The Buy Maryland Cybersecurity Tax Credit was established through legislation in 2018 and has had modest success in that time. On average, in each year, 38 buyers are awarded \$444,145 in credits for buying cybersecurity technologies and services from 12 sellers. This is a very poor performance given that the Program has an annual cap of \$4,000,000. To address this, the Department worked with the Cybersecurity Association to rework this credit to better incentivize behavior.





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This section seeks to alter the Buy Maryland Cybersecurity Tax Credit in the following manner:

1. Makes the tax credit refundable so that nonprofits and business with no tax liability are incentivized by the program;
2. Eliminates the limit on the size of company that can be considered a Qualified Buyer for the purpose of the tax credit;
3. Increases the limit on annual revenue for a business to be considered a Qualified Seller for the purpose of the tax credit from \$5,000,000 to \$10,000,000;
4. Increases the amount of credits that can be claimed by a qualified buyer for purchases from a single qualified seller from \$200,000 to \$1,000,000;
5. Eliminates the requirement that 25% of the credit be awarded to qualified buyers that purchase cybersecurity services as opposed to products;
6. Repeals the requirement for the Department to establish a panel of experts to assist with program administration;
7. Officially names the program to be the Buy Maryland Cybersecurity Tax Credit and codifying the intent of the credit to promote the cybersecurity industry in Maryland by assisting Maryland businesses and nonprofits purchase cybersecurity technologies and services from Maryland cybersecurity companies; and
8. Creates a sunset of the Program to January 1, 2030.

**6: Focus the E-Nnovation Initiative Fund specifically on endowed professorships towards fields of study centered on target sector list.**

The E-Nnovation Initiative Fund supports the recruitment and retention of top university researchers through endowed professorships, to strengthen Maryland's higher education institutions in the areas of research and economic development impact. This proposal seeks to amend statute to specifically focus endowed professorships towards fields of study centered on target industry sectors as determined by the Department of Commerce.

**7: Extend the sunset for Research and Development Tax Credit.**

This section seeks to extend the termination date for the Research & Development (R&D) Tax Credit from June 30, 2025, to June 30, 2030. Currently, the R&D tax credit sunsets June 30, 2027, and applies to tax years before January 1, 2026.

**8: Alter the appointment schedule of the Life Science Advisory Board (“LSAB”).**

This section seeks to alter terms for appointments to the LSAB from two years to three years, staggered terms. A longer and staggered term will be less disruptive to board operations, hence promoting productivity.



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**9: Expand MEDCO’s Tax Increment Financing (“TIF”) powers to include target innovation sector infrastructure.**

This section builds upon the State’s targeting of priority industry sectors by strengthening MEDCO’s power to assist in the construction of infrastructure that supports target industry sectors. This expanded power will work in concert with the Build Our Future Program to build innovation economy infrastructure necessary to support a thriving ecosystem in Maryland.

**10: Modernize TEDCO’s disinvestment rules to enhance their funding capabilities**

Current law requires that TEDCO must immediately sell its stake in a company if the investment is no longer a “Maryland qualified” firm, meaning that less than 51% of its employees reside in the State. This leaves many TEDCO start-ups with a difficult decision as they begin to scale – limit their talent search to within state lines or have TEDCO liquidate its investment at a time when the funds are needed to grow the firm. This sends a chilling message to the investment community on the value and credibility of a TEDCO investment. Further, this law has denied TEDCO from investing in Maryland-started firms if the firm expects or hopes to grow to and become disqualified which would require the firm using funds to pay us back versus growing the firm. Lastly, immediate liquidation often prevents TEDCO from receiving a market price for the stake which runs counter to their core value of financial stewardship.

This section seeks to authorize TEDCO to keep investments in non-MD qualified businesses for a longer period of time after becoming disqualified to protect TEDCO’s investment.



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***Business Attraction & Development***

**1: Revamp and rebrand the Advantage Maryland Program also known as (“MEDAAF”) to better align with economic development best practices and State industry sector priorities.**

The Maryland Economic Development Assistance Authority and Fund (“MEDAAF”), also referred to as Advantage Maryland, provides financial assistance to targeted industry sector businesses for new job creation, retention, and capital investment. Projects have to be located within Priority Funding Areas and must be part of eligible industry sectors, which is inconsistent across Commerce programs. Financial assistance from the program continues to be flexible and can either go directly to the business or to/through the jurisdiction where the project is located.

The program has been administered by the Department of Commerce since its inception and continues to be a major program for business attraction and retention projects throughout the State. However, despite a healthy annual appropriation of \$17.5 million, this program has been undersubscribed for years and businesses have provided feedback about cumbersome processes that create challenges in utilizing the program.

This proposal modernizes and enhances the Maryland Economic Development Assistance Authority and Fund (“MEDAAF”) by making the following alterations:

1. Increases the total amount that can be offered to businesses from \$5,000,000 to \$7,500,000;
2. Repeals the MEDAAF Authority, effectively eliminating the requirement for the Secretary to seek permission before offering business assistance in excess of \$5,000,000 while streamlining the process;
3. Authorizes the Department to set terms and interest rates for each transaction;
4. Removes the requirement that local governments provide financial assistance in an amount at least 10% of the amount to be provided by the State; and
5. Formally renamed MEDAAF to “Maryland Economic Competitiveness Fund”

**2: Revamp and rebrand the Maryland Small Business Development Financing Authority (“MSBDFA”) and the Small, Minority, and Women-Owned Businesses Account (“SMWOBA”) to ensure sufficient funding levels and best serve targeted businesses.**

The Maryland Small Business Development Financing Authority (“MSBDFA”) promotes the viability and expansion of all small businesses in Maryland through greater access to capital. It has a focus on businesses owned by economically and socially disadvantaged entrepreneurs.



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The Small, Minority, and Women-Owned Businesses Account (“SMWOBA”) promotes the viability and expansion of all small businesses in Maryland through greater access to capital for small, minority and women-owned businesses.

Both programs have had both successes and challenges and the proposal seeks to refine them structurally to best meet Administration priorities and create the highest return on investment of the funds.

The proposal seeks to:

1. Redirect 0.75% of revenues collected from video lottery terminals (slot machines) from the Small, Minority, and Women- Owned Businesses Account (“SMWOBA”) to the Maryland Small Business Development Financing Authority (“MSBDFA”). Currently 1.5 percent of video lottery terminal revenues are directed by statutory formula to SMWOBA. This proposal would alter that distribution to be split evenly between the two programs. This would result in about \$10 million being appropriated into each program annually;
2. Repeal the Maryland Small Business Development Fund Authority. This will allow the Secretary of Commerce to approve financial assistance rather than the Authority, which currently must approve all assistance;
3. Restructure and streamline MSBDFA as one Fund within Commerce with four capabilities that reflect the current program capabilities;
4. Reserve half of MSBDFA’s annual allocation for targeted industry sectors as set by the Secretary annually;
5. Increase the maximum amount of financial assistance that can be provided through MSBDFA in order to bring those amounts closer to modern needs. Maximum loan and loan guaranty amounts will increase from \$2M to \$3M, maximum surety guaranty amounts will increase from \$2.25M to \$3M, and maximum bond amounts will increase from \$2.5M to \$5M;
6. Expand the existing Contract Financing component of MSBDFA to remove the requirement that the contract be majority funded by the federal government, a state government, a local government, or a utility regulated by the Public Service Commission in order to allow commercial contracts;
7. Rename SMWOBA to the Reinvest for Success Account; and
8. Rename MSBDFA to Maryland Economic Inclusion Fund.

**3: Alter the Sunny Day program to locate at Commerce and rename the “Strategic Closing Fund”**

This section seeks to alter the Economic Development Opportunities Program Fund, more commonly referred to as the Sunny Day Fund. Sunny Day is currently funded at an ad hoc basis and requires legislative approval prior to transactions being finalized, and has historically been utilized as a retention incentive package for major projects



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(e.g. Northrop Grumman, Marriott International), the altered Fund is envisioned to have greater flexibility and focused on incentivizing major business attraction projects in target sectors.

The section seeks to:

1. Rename the Economic Development Opportunities Program Fund as the “Strategic Closing Fund”;
2. Place the Fund under the purview of the Department of Commerce; and
3. Target funding towards priority industry sectors.

**4: Build upon the success of the Child Care Capital Support Revolving Loan Fund to better incentivize desired outcomes and increase the number of child care slots available.**

Child care is a top cost for Maryland families and this issue is worsening. As the State makes investments in Child Care Scholarships, this program seeks to increase the number of slots available. After several years of administering the Program, Department staff and early childhood education stakeholders worked collaboratively to recommend the following alterations.

This section seeks to:

1. Create distinction between loans to smaller Family Child Care Providers and larger Child Care Centers;
2. Allow loans of up to \$50,000 to be forgivable for Family Child Care Providers and allow loans to be used for 1) new construction; 2) expansion; and 3) necessary renovations to maintain licensure from the Maryland State Department of Education;
3. Increase child care quality by requiring loan forgiveness be tied to a Family Child Care provider attaining at least a 3 on the MSDE operated Maryland EXCELS quality rating system.
4. Require Family Child Care providers to provide documentation demonstrating that renovations are necessary to satisfy applicable state and local licensure requirements;
5. Remove renovations as an eligible expense for Child Care Centers;
6. Require the Department to prioritize loan applications to create the maximum number of child care slots, along with existing prioritization requirements; and
7. Authorizes the Superintendent of the Maryland State Department of Education and the Secretary of Commerce to reorder prioritization based upon the needs of the child care industry at a given time.
8. The initial priority list, in order, would be:
  - a. Projects that will add to the number of available child care slots the child care provider may offer (This is a new priority for the program);



- b. Child care providers that are located in areas designated by MSDE as areas lacking child care slots;
- c. Child care providers that serve primarily in ENOUGH-eligible neighborhoods (This replaces the previous priority be given to programs serving families in low-income areas of the state);
- d. Child care providers that serve children with special needs; and
- e. Child care providers that serve children ages 2 and younger

**5: Alter the Military Loan Program to require applicants to be certified in the state’s Veteran-owned Small Business Enterprise (“VSBE”) program so that we are targeting support for businesses with multiple levers.**

The Military Loan Program currently supports greater access to capital by providing no interest loans of up to \$50,000, from one to eight years, for businesses owned by military reservists, veterans, National Guard personnel and for small businesses that employ or are owned by such persons. This proposal seeks to limit eligibility for loans under this program to those who have been certified by the State’s Veteran-Owned Small Business Enterprise (“VSBE”) program. The intention of this narrowing is to ensure that we provide as much support as possible to these target businesses while helping the State meet its new 3% VSBE participation goal.

**6: Rename Partnership for Workforce Quality Grant Program to Talent Accelerator Grant Program.**

This renaming simply clarifies the purpose of the Program.

**7: Allow MEDCO to utilize up to 5% of appropriations to address staffing and administrative costs.**

**8: Eliminate the per production \$10M cap in the Film Production Activity Tax Credit and provide more certainty of tax credit availability by keeping future years’ overall activity capped at the FY2026 level.**

This section eliminates the \$10M cap on the amount of tax credits that any one production is eligible to receive and levels the overall program cap level at \$20M for FY2026 and beyond. Assuming sufficient tax credits are available, this will allow Maryland to compete for larger budgeted productions that will hire more cast and crew, utilize more Maryland businesses and have a larger economic impact. A larger budget production would in all likelihood have a higher profile, which would also showcase Maryland and its creative economy nationally and internationally.



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***Sunset Underperforming Programs & Entities that have Served Their Purposes***

**1: Repeal the Job Creation Tax Credit Program**

The Job Creation Tax Credit (“JCTC”) provides an income tax credit to certain businesses that locate or expand in the state and create a minimum number of net new full-time positions. The credit is equal to \$3,000 per new job and increases to \$5,000 per new job if the business locates or expands in a revitalization area (state enterprise zone, federal empowerment zone, DHCD Sustainable Community, or Tier 1 County). The JCTC also has an enhanced credit equal to \$4,000 per job that is filled by a qualified veteran employee or \$6,000 per job that is filled by a qualified veteran employee in a revitalization area.

The program has a complicated structure with different minimum job creation thresholds and credit amounts based on a business’ location in either a revitalization zone, a priority funding area, or none of the above. This results in essentially three different levels, and requires companies and Commerce staff to search addresses and determine whether they fall within several geographic areas across the State. More significantly, it is not clear at all that the JCTC actually incentivizes behavior. This is not only an issue for JCTC, but for job incentive business tax credits broadly across states. This is likely because the cost of hiring a full time employee significantly outweighs the relatively modest tax credit. Critics typically view this tax credit as rewarding behavior that businesses would have made regardless of the incentive. Given this and the ongoing fiscal crisis, this tax credit should be repealed which will release \$2 million to the General Fund.

**2: Repeal the One Maryland Program.**

The One Maryland Tax Credit is an income tax credit for businesses that invest in an economic development project in a Tier 1 County and create a minimum number of qualified jobs. The amount of tax credit a business qualifies for depends on the number of jobs it creates and qualified costs it incurs. The amount of income tax credit that a business will qualify for depends on the amount of capital investment it makes in the project and the number of new qualified jobs it creates in a 24 month period.

A business may qualify for the following maximum credit amounts:

1. For businesses that create 10-24 qualified positions: maximum \$1 million in credits based on eligible project costs.
2. For businesses that create 25-49 qualified positions: maximum \$2.5 million in credits based on eligible project costs.





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3. For businesses that create at least 50 qualified positions: maximum \$5 million in credits based on eligible project costs.

Like the Job Creation Tax Credit, the One Maryland Tax Credit has not been found to be a significant incentive for job creation. Due to the structure of the Program which allows tax credit recipients to save the certificates and use them in future tax years, the cost savings will be spread out over several and is unclear at this stage. The program is not capped so while repealing the program will stop new credits from being issued, it will not automatically release a set amount of the General Fund.

### **3: Repeal the Employer Security Clearance Costs Tax Credit.**

This program provides income tax credits for expenses related to federal security clearance costs, construction of Sensitive Compartmented Information Facilities (“SCIFs”) and first-year leasing costs for small businesses doing security-based contract work.

While this program is popular and usually fully subscribed, the program lapsed in FY2024 and there were no immediate consequences identified. Given that, this presents an opportunity to save \$2 million in FY2026 to offset costs of programs with clearer returns on investment.

### **4: Sunset the Maryland Industrial Development Financing Authority (“MIDFA”).**

MIDFA promotes private sector investment in economic development projects through the insurance of financial obligations and the issuance of taxable and tax-exempt bonds. The program promotes greater access to capital for small- and medium-sized businesses and supports historically disadvantaged businesses and businesses in rural areas. The program supports those transactions where the private sector or other government assistance is unable or unwilling to participate.

This recommendation to eliminate the program is based upon there being low activity in recent years. Additionally, these functions can be performed by MEDCO and fit better within the realignment of state government economic development entities.

### **5: Sunset Maryland Economic Adjustment Fund (“MEAF”).**

MEAF enables small businesses to upgrade or modernize operations, develop or expand commercial applications for technology or enter into and compete in new or different markets. However, the program has not been found to be effective. In FY 2024, \$1.8 million was appropriated to the program but only \$150,000 was approved to businesses.





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Eliminating this program will allow for spending through higher return on investment programs while offsetting the fiscal impact.

Revenue from program loans that are still being repaid will be redirected to the Maryland Economic Inclusion Fund (formerly MSBDFA).

**6: Sunset the Maryland Economic Development Commission (“MEDC”).**

Akin to a corporate board of directors, MEDC – by statute – oversees the operations of the Department of Commerce; advises the Secretary on economic development policy in the state; and monitors the operations of TEDCO, MEDCO, and the Maryland Public-Private Partnership Marketing Corporation. In addition, MEDC is statutorily empowered to “establish economic development policy of the state.”

While the MEDC has been and is composed of dedicated public servants focused on the growth of Maryland’s economy, it has not proven effective in focusing economic development efforts due to its structure. With the creation of the Economic Competitiveness Subcabinet, the MEDC no longer serves a meaningful purpose. As such, this section terminates the Commission.

**7: Repeal the Commerce Subcabinet and replace it with an Economic Competitiveness Subcabinet via Executive Order.**

Unlike many subcabinets, the Commerce Subcabinet is established in statute which restricts the Governor from adding members as entities or priorities shift with time. This is why the Governor established the Economic Competitiveness Subcabinet via Executive Order.

# **Written Testimony - Bradley Hennesie - NextStep R**

Uploaded by: Bradley Hennesie

Position: FAV

NextStep Robotics Inc.  
800 W. Baltimore St. Suite 151  
Baltimore, MD 21201



**Re: Support (Favorable) for HB 0498/ SB0427**

To Whom It May Concern:

I am writing to express my strong support for the proposed legislation to expand access to investment funding for biotech startups through an enhanced tax incentive program. As CEO of NextStep Robotics, I have firsthand experience with the transformative power of such incentives, and I can attest to their critical role in attracting vital investment to our state's burgeoning biotech ecosystem.

NextStep Robotics is a company dedicated to developing innovative robotic rehabilitation solutions for individuals with neurological conditions. We chose to establish our headquarters in Maryland because of the promising biotech environment and, crucially, the availability of investment incentives that made our growth trajectory possible. Specifically, we leveraged the existing tax incentive program to attract significant investment from venture capital firms located outside our state. This influx of capital was instrumental in allowing us to:

- **Accelerate our research and development:** The funds enabled us to rapidly advance our technology, conduct crucial clinical trials, and bring our products closer to market.
- **Create high-paying jobs:** We have significantly expanded our team, hiring highly skilled engineers, scientists, and business professionals, contributing to the state's economic growth.
- **Attract further investment:** The success we achieved with the initial incentive-driven investment created a positive feedback loop, attracting additional capital and validating our company's potential.
- **Expand our reach:** We have been able to begin the process of expanding our market reach, which would not have been possible without the initial investment.

The current program has been beneficial, but the proposed expansion will be a game-changer. By streamlining the process and making it more attractive to a wider range of investors, particularly those from out of state, we can unlock even greater potential for our state's biotech sector.

From our experience, I want to emphasize the importance of:

- **Attracting Out-of-State Capital:** Biotech startups often require substantial capital infusions, and expanding the investor pool beyond our state's borders is essential for our growth. The tax incentive program acts as a powerful magnet, drawing in investors who might otherwise overlook our state.

NextStep Robotics Inc.  
800 W. Baltimore St. Suite 151  
Baltimore, MD 21201



- **Ensuring Continued Growth:** Startups like mine need continued investment to grow. The proposed bill will provide that support.
- **Creating a competitive environment:** Other states aggressively court biotech investment. To stay competitive, we must have strong incentives.

The proposed legislation is not just about supporting individual companies; it's about building a thriving biotech ecosystem that will drive innovation, create jobs, and improve the lives of countless individuals. I urge you to support this bill and help position our state as a leader in the global biotech industry.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Hennesie", with a stylized flourish at the end.

Bradley Hennesie

CEO, NextStep Robotics

# **Letter to Support Change in the Maryland Biotech I**

Uploaded by: Brian Meritt

Position: FAV

3607 Michelle Way  
Baltimore, MD 21208

P: 410-627-5414

E: [brian.meritt@gmail.com](mailto:brian.meritt@gmail.com)

**Re: Support (Favorable) for HB 0498/SB0427**

To Whom it May Concern:

As a former Tax Partner in a major international certified public accounting firm for well over 4 decades, I am writing to express my support for **HB 0498/SB0427 – Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE ) Act.**

In my tax compliance and consulting role to emerging biotech entrepreneurs, I found the Biotechnology Investment Incentive Tax Credit Program (BIITC) to be of major appeal in their ongoing efforts to raise capital from prospective investors. However, the administrative procedures to obtain the benefit of the BIITC credit are currently burdensome and can be greatly simplified without sacrificing its intended impact simply by allowing the pass-through entity that pays a certain income tax on behalf of its members to claim and allocate in any manner the credit or refund of the credit. This change will broaden the pool of institutional investors to invest in promising Maryland biotech firms as it will eliminate an impractical process by institutional investors to allocate the credit to their individual LP's.

It is imperative that the State of Maryland supports its thriving biotech industry in every possible way. With this suggested amendment to the current statute, Maryland biotech entrepreneurs will be able to market the opportunity to invest in their groundbreaking technologies far more effectively using the BIITC credit to attract institutional investors with substantial capital to fund their emerging businesses.

Thanks for your support. With the enactment of the House and Senate bills, the resulting change will be the classic win-win for all!

Sincerely,



Brian S. Meritt

# **Chamber of Progress\_MD SB 427\_Support.pdf**

Uploaded by: Brianna January

Position: FAV



March 4, 2025

The Honorable Guy Guzzone  
Chair, Senate Committee on Budget and Taxation  
Room 3 West Wing, Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

**Re: Support SB 427 - The DECADE Act**

Dear Chair Guzzone and members of the committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive country in which all people benefit from technological leaps – I write today to **respectfully urge you to support SB 427, The DECADE Act.**

**SB 427 promotes technology innovation in Maryland**

SB 427 is a critical step in advancing technology innovation in Maryland, serving as a key driver for economic growth and job creation. As industries increasingly rely on cutting-edge technology, Maryland is uniquely positioned to capitalize on its strong educational and research institutions to cultivate a thriving innovation ecosystem. By investing in technological advancements, Maryland will attract new businesses, retain top talent, and boost productivity across sectors.

Tech innovation is particularly important for Maryland, given its robust infrastructure and established presence in technology. Prioritizing technology innovation through targeted investments and initiatives, as outlined in §5-2402, will cultivate a dynamic landscape that drives economic growth and positions Maryland as a leader in emerging industries. By creating a supportive ecosystem for startups and established companies in these sectors, Maryland can foster collaboration, attract venture capital, and stimulate the development of groundbreaking technologies. This strategic emphasis on innovation can help the state establish itself as a hub for tech-driven enterprises, encouraging the commercialization of new ideas and solutions.

**SB 427 promotes workforce development in Maryland**

Workforce development is a crucial pillar of Maryland's economic growth, directly impacting the state's ability to compete in an increasingly knowledge-driven economy. A skilled workforce enhances productivity and attracts new businesses seeking talent-rich environments. By investing in workforce training and development programs, Maryland



can equip its residents with the necessary skills for high-demand industries, particularly technology and manufacturing.

For instance, enhancing training programs focused on emerging technologies, such as artificial intelligence, can ensure Maryland's workers remain competitive. Initiatives like the Talent Accelerator Grant Program (§3-402) can facilitate funding for educational institutions and businesses to provide targeted training and certifications, ensuring workers are prepared for the challenges of the evolving job market.

Additionally, by fostering collaboration between educational institutions and businesses, Maryland can create a pipeline of skilled workers tailored to the specific needs of its industries. Programs that assist businesses in areas such as technology development and commercialization, small business development, and workforce productivity (§25-106)(5) are critical for promoting the alignment of training with real-world applications.

Investing in technology and workforce initiatives will make Maryland a leader in attracting and retaining high-tech companies, ultimately driving long-term economic prosperity.

For these reasons, **we respectfully urge you to support SB 427, The DECADE Act.**

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name being more prominent.

Brianna January

Director of State & Local Government Relations, Northeast US

# **DECADE Letter.pdf**

Uploaded by: Chris Brown

Position: FAV

Chris Brown  
12130 Glen Mill Road  
Potomac MD 20854

Hello,

I am writing to express my support for **HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act Improvement request.**

The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a very good program locally – and in particular we think it is especially good with Biotech startups, in Maryland and is one that we are considering investing in.

We feel that this bill should keep the benefits of the program – but rather than requiring investors to do the administrative portion engaging the state directly, we support the modifications and provisions within this bill to instead or at very least allow the pass-through entity to bear the burden of administrative coordination to claim the credit (or refund of a credit) and to pay the income tax on our behalf as investors.

We think that this modification will also be more attractive to other investors, and will likely increase the body of prospective investment dollars overall for the state of Maryland, where we live - and enhance the tax base for the state by providing high income jobs, and boosting the industry presence. Please consider centralizing the BIITC process at the entity level.

And with Best Regards,

Chris Brown

**CDN SB 427 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony**  
**SENATE BILL 427**  
**Budget & Tax Committee**  
**Finance Committee**  
**March 4, 2025**  
**Position: FAVORABLE**

Dear Chairperson Guzzone & Members of the Budget & Tax Committee:

Dear Chairperson Beidle & Members of the Finance Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 150 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

SB 427 - The DECADE Act addresses the state's lagging economic growth by a major restructuring and streamlining of state agencies and programs in this area, including repealing ineffective or duplicative incentives and tax credits. The Housing for Jobs Act is designed to encourage and monitor new housing development in areas where job availability badly outstrips affordable housing opportunities, considering both regional and county level goals.

CDN members provide services to low and moderate-income people and places. Services include developing and managing affordable housing, commercial, and community spaces; supporting local businesses; providing social services; and advocating for and with their communities. CDN supports efforts throughout the state that help more people access homes in communities with abundant opportunities for themselves and their families.

We believe that successful community economic development:

1. Begins with a community's history and context
2. Is rooted in racial and social justice
3. Emphasizes a comprehensive role of place
4. Requires long-term commitment.

CDN is particularly hopeful about interagency collaboration and efficiency in this bill. While the Maryland Economic Development Commission has been composed of dedicated public servants focused on the growth's economy, it has not proven effective in focusing economic development. An Economic Competitiveness Subcabinet can focus work on comprehensive economic development strategies.

We urge a favorable report for SENATE BILL 427.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

# **DECADEact\_SereNeuroTherapeutics.pdf**

Uploaded by: Daniel Saragnese

Position: FAV

SereNeuro Therapeutics, Inc.  
1812 Ashland Avenue  
Baltimore, MD 21205 USA



February 28, 2005

To whom it may concern,

SereNeuro Therapeutics, based in Baltimore, is developing a non-opioid cell therapy for knee osteoarthritis pain. The BIITC program has incentivized our investors to invest over \$5 million to our Maryland-headquartered company. We support the DECADE Act, which includes provisions for pass-through entities (PTEs) to receive and distribute BIITC tax credits to their limited partners (LPs). This aspect of the DECADE Act streamlines the process by allowing PTEs, such as Ecphora Capital, to claim the BIITC refund at the entity level, thereby enhancing efficiency and attractiveness for investors to fund Maryland-based companies like SereNeuro.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dan Sar', with a long horizontal flourish extending to the right.

Daniel Saragnese

Executive Chair, President & CEO

# Written Testimony - Deborah Hemingway - Ecphora Ca

Uploaded by: Deborah Hemingway

Position: FAV





Ecphora Capital  
101 W. Dickman St.  
Suite 900  
Baltimore, MD 21230  
p: 240-547-9601  
e: [deborah@ecphoracapital.com](mailto:deborah@ecphoracapital.com)  
w: [ecphoracapital.com](http://ecphoracapital.com)

**Re: Support (Favorable) for HB 0498/ SB0427**

To Whom It May Concern:

I am writing to express my support for **HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a very popular tax credit program that supports biotech startups in Maryland. The programs both attracts investment in our most promising biotech startups and bolsters economic growth by supporting and strengthening our life science companies here in the state.

While the BIITC program is successful in many regards, there is an unnecessary administrative burden that hinders the program, and this bill addresses this burden by allowing pass-through entity that pays a certain income tax on behalf of its members to **claim and allocate in any manner a credit or refund of a credit**. To put it simply, this bill maintains all of the benefits of the BITTC program, while letting the pass-through entity bear the burden of administrative coordination (so that the individual investor does not need to).

This change to the BIITC program is necessary to unlock the potential of institutional investors and increase participant satisfaction – and thus unlock the full potential of the program.

This BIITC's impact will always be stunted, and its value limited, unless we can figure this out, because institutional investors have communicated that they simply will not participate in your investments until the credit can be distributed at the entity level (otherwise, such institutional investors would face the impractical task of requiring their own individual LPs to apply for the credit and this will not happen).

A fix and improvement is required for Maryland's benefit and in the interest of making government work for its people.

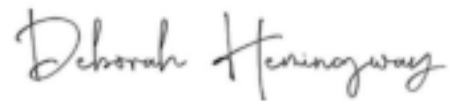
Specifically, this bill addresses the following:

1. **Alignment with Venture Capital Industry Standards:** The BIITC program was designed to encourage people to go into venture capital. VC is an industry that operates, like all industries, with a certain set of norms. By collecting the credit at the entity level, we are adhering to the standard operating practices prevalent in the venture capital industry, specifically as it relates to investors receiving returns of capital from entity-level distributions. This approach is instrumental in attracting venture capital investment and supports the fundamental operations of managing investments and distributions, in line with the expectations of both the industry and other states with similar practices. This approach is what would be expected in the industry.
2. **Need for Investor Satisfaction:** It makes for happier investors. Facilitating the BIITC at the entity level significantly enhances investor convenience and satisfaction. Right now, it is incumbent upon the investors themselves to directly claim the from the state and this creates real complexities and challenges. A streamlined approach not only attracts but also retains investors, who are crucial to the long-term success of venture firms and portfolio companies. We need investors to be happy with the process and to want to invest again and to be willing to contribute more capital to our state.
3. **Evidence of Why this Does Not Work As-Is:** We have seen what things are like when we do not get the BIITC at the entity level--2022 was challenging. The challenges encountered in 2022, including issues with tax credit distribution, investors not filing at all or not filing correctly, and communication breakdowns with the Comptroller's office underscore the necessity for a more efficient system. It is 2025 and these problems linger. By centralizing the BIITC process at the entity level, we aim to alleviate these administrative burdens and improve overall operational efficiency for everyone involved, including state officials.
4. **Enhanced Venture Capital Efficacy:** Implementing the BIITC at the entity level is pivotal for the business reputation of the venture firms involved, like my own (Ecphora Capital). I want to see this program work and to do that I need to be able to ensure the satisfaction of both investors and the companies we support. A positive experience with the program is essential for its success and sustainability, which, in turn, enables me (and others) to fulfill our responsibilities more effectively. Our firms and the BIITC program itself will not last long if everyone who goes through it ends up being unhappy and disgruntled and no one wants to work with us.
5. **Program Improvement:** As a trailblazer, the first to achieve the Level Two Opportunity Zone designation in Maryland through Ecphora Capital, I am committed to enhancing the BIITC program for the broader venture capital community in Maryland. I know this program better than anyone else, I believe in it, and I would like to improve it so that others can follow in my footsteps and increase venture investment in Maryland innovation. My leadership and process refinement pave the way for future

venture capitalists, contributing to the program's optimization and the state's economic growth.

In conclusion, I would like to thank you for your support of this bill that unlocks the full potential of the Biotechnology Investment Incentive Tax Credit Program.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Hemingway".

Deborah Hemingway, PhD  
Managing Partner  
Ecphora Capital

**SB0427\_MACC\_FAV.pdf**

Uploaded by: Drew Jabin

Position: FAV

**Senate Budget and Taxation Committee**

March 4, 2025

**SB 427 – Economic Development - Delivering Economic Competitiveness and Advancing  
Development Efforts (DECADE) Act**

**Position: Favorable**

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The Maryland Association of Community Colleges (MACC), representing Maryland’s 16 community colleges, supports **SB 427**, which makes strategic investments in workforce development, industry alignment, and economic competitiveness. As the primary providers of affordable, high-quality workforce training, community colleges are crucial in preparing Maryland’s residents for high-demand careers. SB 427 strengthens this mission by modernizing workforce training programs, ensuring that economic development initiatives align with industry needs, and expanding access to career-focused education.

A key component of SB 427 is the expansion of the Talent Accelerator Grant Program, which will help more students gain access to industry-aligned workforce training that leads directly to employment. Community colleges are essential partners in this effort, working closely with employers to ensure students receive the skills needed to thrive in Maryland’s growing industries, including healthcare, cybersecurity, and advanced manufacturing. By strengthening this program, SB 427 ensures that students have greater opportunities to pursue stable, well-paying careers while supporting businesses in need of a skilled workforce.

The bill also advances Maryland’s long-term economic growth by requiring the Department of Commerce to evaluate and prioritize high-growth industries. This alignment between workforce training and economic development is critical to ensuring that education remains responsive to employer needs. Community colleges are at the forefront of preparing students for these evolving career opportunities, and this initiative will help expand partnerships, increase employer engagement, and ensure that students are connected to in-demand jobs. By modernizing economic development programs and streamlining state workforce strategies, SB 427 ensures that community colleges remain central to Maryland’s economic future. Strengthening the connection between education, workforce training, and economic development benefits students, businesses, and the broader economy. Accordingly, MACC urges the Committee to issue a **FAVORABLE** vote on **SB 427**.

Please contact Brad Phillips ([bphillips@mdacc.org](mailto:bphillips@mdacc.org)) or Drew Jabin ([djabin@mdacc.org](mailto:djabin@mdacc.org)) with questions.

# **SB0427\_FAV\_MTC\_Eco. Dev. - Delivery Economic Compe**

Uploaded by: Drew Vetter

Position: FAV



Senate Budget and Taxation Committee

Senate Finance Committee

March 4, 2025

Senate Bill 427 – *Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act*

**POSITION: SUPPORT**

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country’s number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of support for Senate Bill 427.

This bill represents a broad-based package of actions to reinvigorate the State’s approach to economic development. We applaud the Administration’s careful examination of the economic development tools available to the State across numerous agencies. The bill aligns those programs with targeted industry sectors, invests in the most effective programs, shifts oversight responsibility to align with the current operating environment of State government, and moves away from programs that are duplicative, ineffective, or that have outlived their purpose. MTC strongly supports the Administration’s proposal to extend the Research and Development (R&D) Tax Credit through at least June 30, 2030. MTC has numerous member companies that have benefited from this program, and we believe it is one of the most effective economic development tools available in Maryland. Extending the R&D Tax Credit aligns with the Administration’s goals of investing in life sciences as a strategic industry sector. The MTC also supports the efforts to modernize and update the Innovation Incentive Tax Credit (IITC) and the Biotechnology Investment Incentive Tax Credit (BIITC). These programs are also effective tools to incentivize innovation, research, and investment in Maryland.

MTC thanks the Administration for its leadership in economic development, and we request a favorable report.

**For more information call:**

Andrew G. Vetter  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000

**SB 427\_DECADE Act\_Support.pdf**

Uploaded by: Harry Coker

Position: FAV





Wes Moore | Governor  
Aruna Miller | Lt. Governor  
Harry Coker, Jr. | Acting Secretary of Commerce

**DATE:** March 4, 2025  
**BILL NO:** Senate Bill 427  
**BILL TITLE:** Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act  
**COMMITTEE:** Senate Budget & Taxation  
**POSITION:** Support

The Maryland Department of Commerce (Commerce) supports Senate Bill 427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act.

**Bill Summary:**

Senate Bill 427 ensures programs are straightforward and easy to market and utilize; allows investments to focus on high potential priority industries and eliminates programs that are ineffective or have served their purpose.

**Background:**

The existing economic development strategy has focused too much on a broad-based “peanut butter” approach, spreading incentives widely yet thinly across the state, resulting in insufficient economic stimulus. Economic development programs currently focus on different target industries, which has caused a lack of support for high potential industries in the state. Other programs have barely been utilized, indicating that companies prefer alternative incentive structures.

**Rationale:**

Senate Bill 427 will revamp several existing programs to allow them to collectively support high potential industry sectors. This includes standardizing target industry sectors across relevant programs to ensure a concentrated effort of economic incentives. The Secretary of Commerce will receive the authority to establish the list of target industry sectors and review it on an annual basis to ensure Maryland is equipped to adapt to rapidly changing and emerging industries. Some programs will move from Commerce to the Maryland Economic Development Corporation (MEDCO) as the corporation is affirming its role as the State’s go-to entity for business infrastructure development. To streamline programs within Commerce, the Secretary will in some instances receive the authority to issue incentives directly, without having to seek permission from the Governor or an Authority first. Two of Maryland’s most successful programs to support small, minority and women-owned businesses are the Small, Minority, and Women-Owned Business Account (SMWOBA) and the Maryland Small Business Development Financing Authority (MSBDF). To ensure sustainable funding streams for MSBDF without impacting the state budget, the bill will redirect half of revenues collected from video terminal revenues from SMWOBA (which currently receives 1.5% of video lottery terminal revenues) to MSBDF. The RISE Zone program will be restructured to better utilize its historical

institutional assets and financial incentives. This includes repealing several limitations that were put on companies as part of the program and ties qualified companies to target industries defined by the Secretary of Commerce and which will be standardized across all programs. Moreover, a set of programs will provide enhanced benefits to qualified businesses or projects within the RISE zones to further leverage Commerce's successful programs and increase the attractiveness of RISE zones. Several programs will be altered to better incentivize companies' behavior and make them more appealing to a wider group of potential beneficiaries. The bill also includes a sunset clause for programs that have consistently been underutilized or have served their purpose. This allows Commerce to focus its capacity on the programs that have proven to stimulate economic growth and strengthen Maryland's business environment.

Maryland's assets - our highly skilled workforce, robust infrastructure, and world-class academic and federal institutions - make the State strategically positioned to support growth and innovation, but the State continues to fall short of its potential. In addition, for too long Maryland has been too reliant on the federal government for economic opportunities. Even before the unprecedented actions coming out of Washington D.C., the Moore-Miller Administration recognized the need for a robust, equitable, and competitive economy that is less dependent on federal dollars. [Maryland's Winning the Decade](#) report provides recommendations toward a 10-year plan that sharpens Commerce's focus on the industries and programs that will generate the best economic returns for Maryland. The roadmap focuses on three strategic priorities and a few key initiatives. Commerce, in partnership with the Maryland Economic Development Commission, developed this plan to provide a roadmap to assembling the necessary collaboration, concerted effort, and resources that will realize the potential of our rich assets and talented people. The report includes the three lighthouse sectors highlighted in Governor Moore's Executive Order to bolster economic competitiveness signed in December 2024: Quantum Technologies, Position, Navigation, and Timing, and Computational Biology. These sectors are ones in which Maryland is well positioned for growth and advancement, triggering significant economic growth in the State.

Economic growth is the long-term structural solution to the challenges Maryland is currently facing. Senate Bill 427 – the DECADE Act – is ultimately a good government bill that ensures the State's economic development programs are structured in the best way to provide that growth.

Commerce respectfully requests a favorable report on Senate Bill 427.

**SB 427 - SUP - B&T- mar 4 - DECADE ACT.pdf**

Uploaded by: Henry Bogdan

Position: FAV

**March 4, 2025**

**Testimony on Senate Bill 427**  
**Economic Development - Delivering Economic Competitiveness and**  
**Advancing Development Efforts (DECADE) Act**  
**Senate Budget and Taxation Committee**

**Position: Favorable**

Maryland Nonprofits is a statewide association of over 1500 nonprofit organizations and institutions. We urge you to support Senate Bill 427 to help re-invigorate Maryland's lagging economy and promote future prosperity for all Marylanders.

For decades Maryland has seen a constant expansion, and de-centralization, of various programs, tax credits and other niche financial incentive and promotion efforts to spur business start-up, growth, location and relocation, hiring, investment, etc., under various labels, often with overlapping goals or confusing acronyms, many with questionable cost-effectiveness.

Senate Bill 427, the "DECADE ACT" is an important effort to streamline, consolidate, and better focus our business economic development efforts and assets, and improve their effectiveness.

Governor Moore's plan as embodied in this legislation, will strive to focus on:

- Support for Potential Growth Industry Sectors, and
- Business Attraction & Development

This involves restructuring our efforts, sunseting or consolidating numerous existing programs and ineffective tax credits or incentives, and more. Change is necessary to assure that we maximize the effectiveness our investments and restore our recent anemic economic growth. Economic growth is essential to support and sustain vital health, education, safety and other human services, that together with our environmental, recreation and cultural assets, contribute to the attractive quality of life in Maryland..

Action now is all the more critical in view of the developing re-alignments in federal policies and dispersal or reduction of federal agencies and workforce in the national capitol area that the Trump Administration's direction now portends.

We urge you to give Senate Bill 427 a favorable report.

# CoapTech MGA DECADE Support.pdf

Uploaded by: Howard Carolan

Position: FAV

CoapTech, Inc.  
101 W. Dickman St  
Ste 800  
Baltimore, MD 21230

February, 28, 2025

Attn: Maryland General Assembly

Re: DECADE Act Support

To whom it may concern:

I am writing to confirm the support of my company, CoapTech, and of myself personally, for the DECADE Act. This Act protects one of the most instrumental programs that has led to the launch of a large number of medical technology companies in Maryland, the Biotech Investment Incentive Tax Credit program (BIITC). The BIITC has helped my company (and several other companies I know) raise meaningful amounts of funding from investors large and small, institutional and angel, and that support has also translated into large amounts of non-BIITC follow-on funding. The program is a true springboard for young medical companies in our state.

With funding in place, these companies can go on to create dozens or hundreds of jobs in the state, spur consultant and manufacturing business revenues in the local area, and add to the tax revenues of Maryland. Not to mention, these companies are helping the millions of citizens in the United States (and in Maryland) who encounter the US Medical system each year as patients. Without funding, these companies often cannot get off the ground and the state and the world are worse off for it. By structuring the program as it has been, it is effectively a matching program which requires investors to make the first move. Maryland is supporting, but not giving funding to companies, via this mechanism, so it ensures validity of the scientific and commercial premise of these young organizations – as is appropriate. Investors well versed in launching and growing successful businesses have to “go first” in the allocation of significant amounts of capital to companies. Investors then benefit as well from the program via the credits and thus can make more investments with this program in place, leading to more economic impact.

Our product is now in 50+ ICU’s all over the country, and growing in impact. We fully support continuing and strengthening this program and are a prime example of a company this program has meaningfully supported.

Thank you and keep well,



Howard Carolan  
CEO, CoapTech, Inc.

# **Written Testimony - Jason Winder - Sonogen Medical**

Uploaded by: Jason Winder

Position: FAV



Jason Winder, CEO  
Sonogen Medical, Inc.  
101 W. Dickman Street, Suite 900  
Baltimore, MD 21230  
tel: 301-257-5931  
email: [jason.winder@sonogenmed.com](mailto:jason.winder@sonogenmed.com)

**Re: Support (FAV) for HB0498/SB0427**

To Whom It May Concern:

I am writing to express my support for **The DECADE Act (HB0498/SB0427)**.

Sonogen Medical is a startup medical devices company, headquartered in Baltimore. We are working to commercialize a next generation bone fracture healing device that's poised to revolutionize orthopedic care. I myself have been a Maryland small business owner for more than 20 years, and I'm sincerely grateful for all the services and programs that the state of Maryland has put in place that together serve as a massive flywheel for economic growth. This is especially true in the biotechnology sector in which Sonogen Medical operates.

For years now, the state of Maryland has been working to establish what is slowly becoming a vibrant biotechnology corridor. There is absolutely no reason whatsoever why our friends up in Boston should get to hog that spotlight! Maryland has all the core fundamentals to put the state we love at the forefront of US biotechnology innovation. That said, it is tough out there. Raising money for a startup venture is one of the hardest things I've ever done, and the entire process is filled with massive risk and almost vibrates with disappointment at every turn. In that regard, the state's Biotechnology Investment Incentive Tax Credit has not only opened doors for me, it's a huge part of the reason why my company is afloat today. Without that program, I don't believe we could have raised the seed funding that is allowing us to operate today. When Maryland puts skin in the game, everybody wins.

One of the disappointing realities of the current investment climate is that angel investors are making fewer and fewer seed investments. Angel groups are increasingly looking for de-risked investment opportunities, at higher valuations than early-stage startups like Sonogen can muster. This means that a good part of our investment capital is still coming from friends and family investors, with a \$25k-\$100k check size. To be completely clear, the only way I'll be able to close our current \$2.0M seed funding round is with quite a number of small investments, and the only reason I'm getting those investments at all is because of the state BIITC reimbursement program. By running those investments through a special purpose vehicle (SPV) managed by Ecphora Capital (a BIITC-certified Maryland investor), I achieve the dual goals of keeping a clean cap table while attracting investors with the highest possible BIITC reimbursement.

Having established the exceptional value of the SPV/BIITC investment approach, it's also true that forcing my investors to apply for their own tax credits directly is exceptionally onerous. This is especially untenable for out-of-state investors who aren't organically filing Maryland tax returns;





people just aren't going to do that. They've told me they're not going to do it, and I've lost investors as a result. Even for in-state residents, it represents a massive and needless hassle, and also puts Ecphora Capital in the position of having to chase down dozens of members for payment. This all has a cooling effect on the BIITC program, reduces the state's ability to attract out-of-state capital, and will ultimately reduce the value of the program. More to the point, it makes an incredibly hard path even harder for Maryland startup companies like Sonogen Medical. If we can fix this, we all win.

With that, I respectfully request a vote in favor of **HB0498/SB0427**.

Sincerely,

Jason Winder, CEO  
Sonogen Medical, Inc.

# **Letter of Support\_Pathotrak.pdf**

Uploaded by: Javier Atencia

Position: FAV

Date: February 28, 2025

Subject: Support (FAV) for HB0498/SB0427

Dear Esteemed Committee Members,

I am writing in strong support of HB0498/SB0427, which seeks to simplify the Biotechnology Investment Incentive Tax Credit (BIITC) process by allowing pass-through entities, such as opportunity zone funds like Ecphora Capital, to handle documentation and tax credit claims on behalf of their investors.

As CEO of Pathotrak Inc., a biotechnology startup that originated from the University of Maryland and the National Institute of Standards and Technology (NIST), we are dedicated to revolutionizing food safety testing. Our technology significantly enhances the detection of pathogens like Salmonella and E. coli, helping to make the family food basket safer and raising the overall standards of food safety across the United States. Today, our solutions are actively used in California for leafy greens testing and in Arkansas for poultry testing, directly impacting lives nationwide by ensuring food safety.

Initially, raising private funding was particularly challenging due to the scarcity of local investors experienced with technology startups—investors typically prefer business models with which they are familiar. The support we received from TEDCO, the University of Maryland, and the BIITC was, therefore, pivotal. Without the BIITC, Pathotrak would not have been able to reach the critical milestones necessary to succeed.

The current administrative burden for individual investors to navigate BIITC paperwork is substantial, especially for out-of-state investors who are less familiar with Maryland's tax processes. The complexity has led to situations where investors fail to file correctly, or worse, do not file at all, thereby reducing their likelihood of participating in future rounds. Allowing entities like Ecphora Capital to streamline this process significantly reduces these barriers. Simplifying investor participation is essential not only for Pathotrak's continued growth but also for the success of many innovative Maryland-based companies that follow.

By simplifying this procedure, Maryland will strengthen its position as a leading hub for biotechnology innovation, attracting essential investment and fostering continued economic growth and job creation in the region.

I respectfully urge you to vote in favor of HB0498/SB0427.

Sincerely,

A handwritten signature in black ink, appearing to read 'Javier Atencia', written over a horizontal line.

Javier Atencia, PhD

CEO & Founder, Pathotrak Inc.  
14300 Cherry Ln. Ct., Suite 109/110  
Laurel, MD 20707  
(608) 770-4899  
[www.pathotrak.com](http://www.pathotrak.com)

**Porcari -DECADE Act of 2025 testimony SB0427.docx.**

Uploaded by: John Porcari

Position: FAV

**Testimony to the House Ways and Means Committee by John D. Porcari in support of the DECADE Act of 2025.**

**Senate Bill 427**

Chair Guzzone and members of the Committee:

My name is John D. Porcari and I am a resident of Cheverly, Maryland in Prince George's County.

I have had the honor and privilege of twice serving as Secretary of the Maryland Department of Transportation, at the federal level as Deputy Secretary & COO of the US Department of Transportation for President Obama, and as the White House Port and Supply Chain Envoy for President Biden during the pandemic-induced supply chain crisis. Perhaps most relevant to today's hearing, I started my state service as Assistant Secretary for Economic Development Policy and Governor's Ombudsman at what was then the Maryland Department of Business and Economic Development.

The purpose of my testimony today is to support Governor Moore's DECADE Act of 2025, and in particular to outline how this long-overdue comprehensive realignment of the state's economic development efforts can help position the State of Maryland to excel in a specific growth element of the innovation economy of the future: Aerospace and its Advanced Aerial Mobility (AAM) component.

Maryland has a storied and crucial role in the development of aviation and the aerospace industry in the United States. From the Wright brothers training the first military pilots at College Park, through Glenn Martin's pioneering world-straddling flying boats, B-26 Marauders and other military aircraft that helped America win World War II, NASA's Goddard Space Flight Center and the Johns Hopkins Applied Physics Lab that helped us win the Space Race, and Hagerstown's Fairchild factory that produced the A-10 that redefined close air support, for over a century now Maryland's

aerospace history has been instrumental in the story of aviation in America—and across the globe. The nation that invented aviation will continue to exercise worldwide leadership with Maryland’s help.

The Governor’s recent Executive Order establishing an **Advanced Aerial Mobility (AAM) Council** sets the stage for maximizing the economic development potential of groundbreaking new technologies in every corner of the state. From electric vertical takeoff and landing aircraft, to new technologies revitalizing regional air service, uncrewed aerial vehicle applications for both civilian and military uses, aeromedical AAM applications that will enable the nation’s premier shock trauma medical system to continue to pioneer advances in emergency medicine, and the statewide education and job training opportunities that AAM represents, we will directly benefit from leadership across the spectrum in Advanced Aerial Mobility.

Operationalizing AAM in every corner of the state requires the comprehensive restructuring and revitalization of our economic development efforts that the DECADE Act of 2025 encompasses. Advanced Aerial Mobility can—and should be—an important pillar of a larger state economic development program. It is for these reasons that I urge the adoption of HB 498, the DECADE Act of 2025. I will be happy to answer any questions you may have. Thank you for the opportunity to submit this testimony.

John D. Porcari

3/4/25





**SB 427\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV

# Economic Development Spending Warrants Closer Scrutiny

## Position Statement in Support of Senate Bill 427

*Given before the Ways and Means Committee*

Maryland's economy is built on the foundation of our shared investments – things like quality health care, strong public schools, and reliable transportation networks. Surveys consistently find that these assets are among the most important factors business leaders consider when deciding where to start and grow a business.<sup>i</sup> Too often, tax breaks and spending programs intended to lure businesses into Maryland simply use up resources that could be better spent on these bedrock services. **The Maryland Center on Economic Policy supports Senate Bill 427 as part of Gov. Moore's efforts to phase out ineffective economic development spending** and ensuring our revenue system is up to the task of supporting thriving Maryland communities.

As policymakers have added a growing number of business subsidies to Maryland's tax code over the last several decades, evidence has begun to pile up that the millions of dollars we put into business tax breaks each year do little to support Maryland's economy. Rigorous academic research frequently finds little evidence that tax subsidies intended to lure businesses are effective.<sup>ii</sup> One reason for the disappointing performance of tax subsidies is the relative insignificance of state and local taxes to businesses' bottom lines, as they account for only 2 to 3 percent of most companies' cost structure.<sup>iii</sup>

Furthermore, evaluations by the Department of Legislative Services have repeatedly found poor design and little evidence of effectiveness in economic development subsidy programs, leading the agency to recommend terminating programs. These include:

- Job Creation Tax Credit
- One Maryland Economic Development Tax Credit
- Opportunity Zone Enhancement Program
- Research and Development Tax Credit
- Biotechnology Investment Tax Credit
- Purchase of Cybersecurity Technology Tax Credit

While Senate Bill 427 does not address or eliminate each of these programs, it represents a positive step toward subjecting economic development spending and tax breaks to closer scrutiny.

As policymakers contemplate billions in potential cuts to vital public services, we should first eliminate poorly designed subsidy programs that do little to help our economy.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Ways and Means Committee make a favorable report on Senate Bill 427.**

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## **Equity Impact Analysis: Senate Bill 427**

### *Bill summary*

Senate Bill 427 reorganizes Maryland’s economic development programs, improves evidentiary standards, and ends some programs with little evidence of effectiveness.

### *Background*

Evaluations by the Department of Legislative Services have repeatedly found poor design and little evidence of effectiveness in economic development subsidy programs, leading the agency to recommend terminating programs. These include:

- Job Creation Tax Credit
- One Maryland Economic Development Tax Credit
- Opportunity Zone Enhancement Program
- Research and Development Tax Credit
- Biotechnology Investment Tax Credit
- Purchase of Cybersecurity Technology Tax Credit

### *Equity Implications*

Economic development programs consume resources the state could otherwise invest in Maryland communities. Our growing underinvestment in essential services like education, health care, and transportation harms all Marylanders, and at the same time has outsized impacts on people who face structural barriers because of low income or the ongoing legacy of racist policy. Eliminating ineffective subsidies will reduce the number of harmful public service cuts needed to balance Maryland’s budget.

### *Impact*

Senate Bill 427 would likely **improve racial and economic equity** in Maryland.

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<sup>i</sup> Geraldine Gambale, “35th Annual Corporate Survey: Effects of Global Pandemic Reflected in Executives’ Site and Facility Plans,” *Area Development*, 2021, <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2021/35th-annual-corporate-survey.shtml>

Rhett Morris, “What Do the Best Entrepreneurs Want in a City? Lessons from the Founders of America’s Fastest-Growing Companies,” *Endeavor Insight*, 2014, [https://issuu.com/endeavorglobal/docs/what\\_do\\_the\\_best\\_entrepreneurs\\_want](https://issuu.com/endeavorglobal/docs/what_do_the_best_entrepreneurs_want)

<sup>ii</sup> See for example Nathan Jensen, “The Effect of Economic Development Incentives and Clawback Provisions on Job Creation: A Pre-Registered Evaluation of Maryland and Virginia Programs,” *Research & Politics*, 2017, <https://journals.sagepub.com/doi/abs/10.1177/2053168017713646>

<sup>iii</sup> Robert Tannenwald, “Testimony of Robert Tannenwald, Senior Fellow, Before the New Hampshire Business Tax Commission,” Center on Budget and Policy Priorities, 2010, <https://www.cbpp.org/testimony-of-robert-tannenwald-senior-fellow-before-the-new-hampshire-business-tax-commission>

# **DECADE Act Testimony - Lauren Renz.pdf**

Uploaded by: Lauren Renz

Position: FAV

Lauren Renz  
Director of Investor Relations, Ecphora Capital  
101 W Dickman Street, Suite 900  
Baltimore, MD 21230

Re: Support (Favorable) for HB 0498 / SB 0427

To Whom It May Concern,

I am writing to express my strong support for HB 0498 / SB 0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act.

As the Director of Investor Relations for Ecphora Capital, I have seen firsthand how the Biotechnology Investment Incentive Tax Credit program fuels innovation and economic growth by incentivizing early-stage investment in promising medical technologies.

Working with the investors and Medtech startups in Maryland, I have directly experienced how the BIITC attracts the critical funding needed to bring life-saving innovations to market. However, despite its benefits, the current administrative structure creates unnecessary hurdles that discourage investor participation, particularly from institutional investors who are vital for the growth and scaling of medical innovations.

The BIITC program was designed to incentivize venture investment, yet the requirement that each individual investor must personally claim the tax credit creates an unnecessary administrative burden. Institutional investors, who play a crucial role in scaling new medical technologies, have made it clear that they will not participate unless the credit can be allocated at the entity level. Without this change, Maryland risks losing ground to other states with more investor-friendly tax credit programs.

Because I work closely with the various investors and have witnessed the K-1 process, I understand the importance of a smooth, efficient investment process. The current requirement for investors to individually navigate the tax credit process discourages participation. Allowing tax credits to be distributed at the entity level will remove barriers to investment, improve the investor experience, and encourage reinvestment in Maryland's biotech sector.

Maryland is a national leader in biotech, medical research, and healthcare innovation, home to groundbreaking discoveries and life-saving technologies. However, without efficient and competitive investment incentives, we risk losing momentum and pushing investors to other states. Programs like BIITC are critical to ensuring that the next generation of medical breakthroughs continues to be developed and commercialized here in Maryland, benefiting patients, researchers, and the broader healthcare community.

The BIITC program is a vital tool for driving investment, fostering medical innovation, and strengthening Maryland's economy. However, without this necessary reform, its impact will remain limited. By allowing tax credits to be allocated at the entity level, HB 0498 / SB 0427 will ensure that Maryland remains a premier destination for biotech investment, supporting the development of transformative healthcare solutions and solidifying our state's leadership in medical innovation.

I strongly urge you to support this bill and help secure the future of Maryland's biotech and healthcare innovation ecosystem.

Sincerely,

Lauren Renz

# **Gelectric Medical Letter to MD Legislature.pdf**

Uploaded by: Matthew Dowling

Position: FAV

Gelectric Medical, Inc.  
36 S Charles St  
Suite 2100  
Baltimore, MD 21201  
p: 301-675-3641

e: mdowlin2@gmail.com

w: gelectric.co

Re: Support (Favorable) for HB 0498/ SB0427

To Whom It May Concern:

I am writing to express my support for HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act.

Gelectric Medical is a first-in-class biomaterials company focused on anastomosis repair. Anastomosis is the rejoining of tissues during surgery (e.g. after a cancer resection), and over 2 million of these procedures are conducted each year in US, in the areas of gastrointestinal, cardiovascular and general surgery. The “go-to” solution has long been sutures and staples to achieve anastomosis, but the solution is inadequate as leaks occur in over 10% of these cases, costing our healthcare system billions of dollars each year in revision attempts. Gelectric is commercializing the first electroadhesive tape, called AnastoTape, which provides the same closure strength as sutures and staples, without the hassle of application, nor the downstream risks to patients due to adequate closure.

The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a popular tax credit program that supports biotech startups like Gelectric Medical in Maryland. The program both attracts investment in companies like us and catalyzes economic growth by supporting life science companies here in the state. This is a very important advantage towards growing and retaining companies here in Maryland.

We are in support of HB 0498/ SB0427 because it maintains the benefits of the BIITC program, while letting the pass-through entity bear the burden of administrative coordination (making life easier for the individual investor). This makes it easier for companies like us to attract investors, who are often confused or overwhelmed by the administrative process around the BIITC program.

This change to the BIITC program unlocks the full potential of the program.

We thank those who put their effort into writing this bill.

Sincerely,



Matthew Dowling, PhD  
Executive Chairman  
Gelectric Medical, Inc



# Written Testimony - DECADE Act - FINAL.pdf

Uploaded by: Mindy Lehman

Position: FAV



**TESTIMONY PRESENTED TO THE  
HOUSE WAYS AND MEANS AND APPROPRIATIONS COMMITTEES  
SENATE BUDGET AND TAXATION AND FINANCE COMMITTEES**

**HOUSE BILL – 498 / SENATE BILL 427  
ECONOMIC DEVELOPMENT - DELIVERING ECONOMIC COMPETITIVENESS  
AND ADVANCING DEVELOPMENT EFFORTS (DECADE) ACT**

**POSITION: SUPPORT**

**MARCH 4, 2025**

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland-based technology companies.

TEDCO supports House Bill 498 / Senate Bill 427, the DECADE Act, and thanks Governor Moore, for his leadership on this important issue. This legislation requires the Department of Commerce to evaluate the potential employment and economic growth of the State's industry sectors and establish a list of lighthouse industry sectors and activities to be considered for additional support; revamps the Maryland Economic Development Commission and Commerce Subcabinet; alters and modernizes the designation, administration, and purposes of and eligibility for certain economic development programs and incentives; etc.

Among the various changes proposed by the legislation, it provides authority for TEDCO to adopt additional regulations related to the responsibilities of TEDCO's investment committee, specifically, the development of a process for considering and pursuing remedies for investments that no longer meet the definition of a qualified business. The legislation also provides additional remedies other than divestment for an investment that TEDCO holds over 15 years.

This change would modify the current, punitive approach to TEDCO portfolio companies that fall out of compliance with the qualified Maryland business criteria due to growth and/or M&A activity, etc. Thus, allowing TEDCO more latitude to liquidate investment that no longer meets the statute for a Maryland based firm to allow a more controlled exit and better enhance TEDCO returns for state money and a more controlled exit to help offset negative outcomes for the growing startup company, when appropriate and under the oversight of the Investment Committee of TEDCO's Board.

For all these reasons, **TEDCO supports the legislation and requests a favorable report.**

**CCF\_000001.pdf**

Uploaded by: Neil Davis

Position: FAV

**Re: Support (Favorable) for HB 0498/ SB0427**

To Whom It May Concern:

I am writing to express my support for HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act. The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a very popular tax credit program that supports biotech startups in Maryland. The programs both attracts investment in our most promising biotech startups and bolsters economic growth by supporting and strengthening our life science companies here in the state.

While the BIITC program is successful in many regards, there is an unnecessary administrative burden that hinders the program, and this bill addresses this burden by allowing a pass-through entity that pays a certain income tax on behalf of its members to claim and allocate in any manner a credit or refund of a credit. To put it simply, this bill maintains all of the benefits of the BIITC program, while letting the pass-through entity bear the burden of administrative coordination (so that the individual investor does not need to).

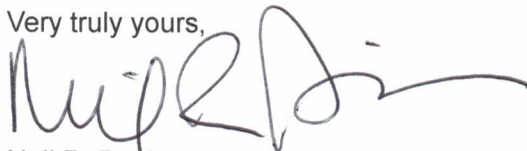
This change to the BIITC program is necessary to unlock the potential of institutional investors and increase participant satisfaction – and thus realizing the full potential of the program. The impact of BIITC will always be stunted, and its value limited, unless we can figure this out, because institutional investors have communicated that they simply will not participate unless the credit can be distributed at the entity level.

Specifically, this bill addresses the following:

- Alignment with Venture Capital Industry Standards:
- Need for Investor Satisfaction
- Evidence of Why this Does Not Work As-Is
- Enhanced Venture Capital Efficacy
- Program Improvement

A fix and improvement are required for Maryland's benefit and in the interest of making government work for its people. I would like to thank you for your support of this bill that unlocks the full potential of the Biotechnology Investment Incentive Tax Credit Program.

Very truly yours,



Neil R. Davis  
General Partner

**DECADE ACT Testimony\_OClay\_2.28.25.pdf**

Uploaded by: Orin Clay

Position: FAV

Orin Clay  
JBOR GROUP, LLC  
Bowie, MD 20720  
Email: Orin.Clay@JBORgroup.com

2/28/25


Re: Support (Favorable) for HB 0498/ SB0427

To Whom It May Concern:

I am writing to express my support for HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act. As an individual investor and limited partner who has directly participated in the Biotechnology Investment Incentive Tax Credit Program (BIITC), I strongly agree that the current administrative process needs efficiency improvements. My personal experience with the program was discouragingly cumbersome and has actually deterred me from making additional BIITC eligible investments that I would have possibly otherwise pursued. The current process of individual investor applications and subsequent coordination efforts with the Comptroller's offices has created substantial administrative burdens that have negatively impacted my subsequent investment decisions with BIITC eligible Maryland companies.

The proposed changes in this bill, particularly allowing pass-through entities to claim and allocate credits, would streamline the process significantly. Based on my experience, I firmly believe that without these improvements, the program will continue to deter other investors from participating, ultimately limiting the program's effectiveness in supporting Maryland's biotechnology sector. The current administrative challenges are not just inconvenient - they are actively hampering the program's ability to achieve its intended purpose of attracting investment capital to Maryland's promising biotech startups.

Sincerely,



Orin Clay  
Managing Principal  
JBOR GROUP CAPITAL

# **Testimony in support of SB0427 - Economic Developm**

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0427\_RichardKaplowitz\_FAV

03/04/2025

Richard Keith Kaplowitz  
Frederick, MD 21703

**TESTIMONY ON SB#/0427 – FAVORABLE**

**Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

**TO:** Chair Guzzone, Vice Chair Rosapepe and members of the Budget and Taxation Committee

**FROM:** Richard Keith Kaplowitz

**My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0427, Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

This bill is part of the package that Governor Moore's work to Winning the Decade is dedicated to making Maryland the best destination for businesses to locate and grow. It will leverage departments within Maryland government and our agencies to support those efforts to provide economic growth management in Maryland. It reorganizes where in government the efforts will occur and how programs to manage economic development are implemented.

The plan for Winning the Decade begins by requiring the Department of Commerce to evaluate the potential employment and economic growth of the State's industry sectors and establish a certain list of industry sectors and activities to be considered for additional support. The reorganization starts by removing the Maryland Economic Development Commission and Commerce Subcabinet and then altering the designation, administration, and purposes of and eligibility for certain economic development programs. The bill will then assist Maryland economic development through altering the eligibility for and the calculation of certain economic development incentives.

With the current budget shortfall and the Federal decimation of people and funding for Maryland it is vital Maryland improve our economic development efforts and achieve better results from it.

**I respectfully urge this committee to return a favorable report and pass SB0427.**



# **BIITC Support Letter\_Sam Hopkins.pdf**

Uploaded by: Sam Hopkins

Position: FAV

Sam Hopkins  
3420 Guilford Terrace  
Baltimore, MD 21218  
P: (410) 350-4637  
E: [samhopkins610@gmail.com](mailto:samhopkins610@gmail.com)

Re: Support (Favorable) for HB 0498/SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

To Whom It May Concern:

I am writing to express my support for HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act. The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a popular tax credit program that supports biotech startups in Maryland, attracting investment and bolstering economic growth. However, the program faces an unnecessary administrative burden, which this bill addresses by allowing pass-through entities to claim and allocate credits or refunds on behalf of their members. This change is necessary to unlock the potential of institutional investors and increase participant satisfaction, ultimately enhancing the program's impact. I have been familiar with BIITC as a bioentrepreneur at Pearl Diagnostics, as professional staff at Johns Hopkins Technology Ventures, and as a biotech market journalist at *BioBuzz*. BIITC is seen by all as a boon to the state's biotech industry.

The DECADE Act aligns the BIITC program with venture capital industry standards, making it more attractive to investors by facilitating credit collection at the entity level. This approach not only adheres to industry norms but also significantly enhances investor convenience and satisfaction. The challenges faced in 2022, including issues with tax credit distribution and communication breakdowns, underscore the need for a more efficient system.

Implementing the BIITC at the entity level is crucial for the business reputation of venture firms and for the long-term success of the program and our state's life sciences industry. As a member of the research commercialization community in Maryland, I am confident that further efforts to strengthen BIITC will yield many benefits for the state in terms of capital and talent. Thank you for your support of this bill.

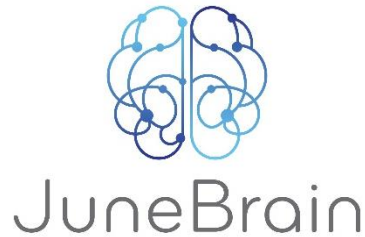
Sincerely,

Sam Hopkins

# **JuneBrain\_Written Testimony for DECADE Act 02-28-2**

Uploaded by: Samantha Scott

Position: FAV



**Samantha I Scott, PhD**  
**Founder & CEO**  
(m) 650.380.7190  
samantha.scott@junebrain.com

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February 28, 2025

**Re: Support (Favorable) for HB 0498/ SB0427 - Economic Development -  
Delivering Economic Competitiveness and Advancing Development Efforts  
(DECADE) Act**

To Whom It May Concern,

I am writing to express my strong support for the DECADE Act and the critical role it plays in fostering innovation and economic growth in Maryland.

As the CEO of JuneBrain, a MedTech startup developing AI-powered, wearable eye-scanning technology to enable accessible neurological and eye disease monitoring, I have directly benefited from the Biotechnology Investment Incentive Tax Credit (BIITC) program. Between 2022 and 2024, JuneBrain successfully raised \$1 million through BIITC, a feat that would have been significantly more challenging without the ability to offer our investors a tax credit incentive to help de-risk their investment.

As a woman, minority, and disabled entrepreneur, I know firsthand how difficult it is to access capital, and this program was instrumental in ensuring that we could secure the funding needed to develop life-changing technology. The DECADE Act will strengthen and expand these critical investment incentives, making it easier for founders like me to drive innovation, create jobs, and contribute to Maryland's economic competitiveness. I urge you to support this bill and help ensure that entrepreneurs—regardless of background—have the financial tools necessary to succeed.

Sincerely,

Samantha Scott, PhD  
Founder & CEO of JuneBrain, Inc.

101 W Dickman Street, STE 703, Baltimore, MD 21230

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[www.JuneBrain.com](http://www.JuneBrain.com)

# **SB0427 - DECADE Act of 2025 - Support.pdf**

Uploaded by: Talya Kravitz

Position: FAV

March 4, 2025

The Honorable Guy Guzzone  
Chair, Budget and Taxation Committee  
Maryland Senate

**Re: Support for Senate Bill 0427 (DECADE Act of 2025)**

Dear Chair Guzzone and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for the DECADE Act of 2025 (SB0427). This bill would modernize the state's economic development tools through direct investment in high impact programs and projects. We applaud the Moore-Miller administration's efforts to reorganize the state's approach to economic development by better focusing resources on high-opportunity sectors that will lead to a more competitive Maryland.

The Partnership is a nonprofit alliance of the region's leading employers in Maryland, Virginia, and the District of Columbia committed to championing the region's growth and vitality. Our member organizations represent more than 300,000 employees, and together we leverage our collective resources to identify shared challenges and offer solutions to the region's critical workforce, transportation, and economic development challenges. Our employer community supports investments in programs that promote innovation and thriving entrepreneurship ecosystems to expand broad-based growth in the region.

Maryland is facing multiple challenges that threaten the state's economic competitiveness and vitality. Maryland's real GDP growth, among other key growth indicators, has generally trailed the U.S. over the past five years, growing at an annualized rate of just 1.2% -- lower than the U.S. overall (2.3%) and neighboring Virginia (2.5%).<sup>1</sup> Given these challenges, the state must target investments in high opportunity sectors that leverage the state's key assets: a highly skilled workforce, proximity to critical federal installations, and existing strengths in health and technology sectors.

As a national leader in cybersecurity, Maryland's cybersecurity sector is projected to grow 32% by 2028. Given the cybersecurity sector's high growth potential, investing in programs like the Buy Maryland Cyber Tax Credit will yield a high return on investment. Additionally, the rising cost of childcare serves as an economic barrier to families and is a contributing factor to the decline in labor participation. According to the 2022 Cost of Care Survey, Maryland ranked as

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<sup>1</sup> See [Office of the Comptroller; Maryland State of the Economy Brief](#) (June 2024)



the eighth costliest state for daycare.<sup>2</sup> Increasing the number of child Care Scholarship slots will help grow the state's workforce.

By supporting investments in growth industry sectors and making childcare more accessible to Maryland families, this bill will help to attract and retain talent, assisting to reignite the State's economic vitality.

For these reasons, we urge a **favorable** report on SB 0427. Thank you for your consideration and shared commitment to making this region the best place to live, work, and build a business.

Contact:

Thomas J. Maloney

Sr. Vice President, Policy & Research

[tmaloney@greaterwashingtonpartnership.com](mailto:tmaloney@greaterwashingtonpartnership.com)

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<sup>2</sup> See [Office of the Comptroller; Maryland State of the Economy Brief](#) (June 2024)



**\_CA-2025-SB427-TESTIMONY-FAV.pdf**

Uploaded by: Tasha Cornish

Position: FAV



**SB 427 – Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**  
**Senate Finance Committee**  
**March 4, 2025**  
**Favorable**

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee,

My name is Tasha Cornish, and I am writing on behalf of the Cybersecurity Association, Inc. (CA), a nonprofit 501(c)(6) organization dedicated to strengthening Maryland's cybersecurity industry. Our association represents over 600 businesses ranging from small enterprises to large corporations employing nearly 100,000 Marylanders. We appreciate the opportunity to offer testimony on Senate Bill 427, which seeks to reinvigorate the State's approach to economic development. We support the Bill enthusiastically, and will describe today specifically the importance of modernizing the Buy Maryland Cyber Tax Credit.

## **Background and Need for Reform**

The Buy Maryland Cyber Tax Credit was originally established to encourage small businesses to invest in cybersecurity technologies and services from Maryland-based vendors. However, as outlined in the Department of Legislative Services' December 2023 evaluation, the program has been underutilized due to restrictive eligibility criteria, administrative complexity, and lack of clear intent language.

To maximize the impact of this critical program and ensure its effectiveness, the Cybersecurity Association, in consultation with industry stakeholders, recommends the following legislative improvements:

## **Specific Changes Proposed in Senate Bill 427**

1. **Expansion of Eligibility** – The bill seeks to broaden eligibility for businesses seeking cybersecurity tax credits by removing the employee cap, allowing larger businesses to participate.
2. **Streamlined Administrative Processes** – The qualification process will be simplified to ensure rapid determination of tax credit eligibility for businesses.
3. **Refundable Tax Credits** – SB427 proposes converting the tax credit into a refundable credit, ensuring that businesses without a tax liability can still benefit.
4. **Increased Sales Cap for Sellers** – The maximum revenue threshold for participating sellers will be raised from \$5 million to \$10 million to accommodate more cybersecurity vendors.
5. **Elimination of the Service Cap** – The 25% cap on services will be removed, allowing businesses to fully utilize the tax credit for both cybersecurity products and services.
6. **Removal of Per-Seller Cap** – The bill eliminates the individual cap on sellers, ensuring fair competition and improved access to cybersecurity solutions.
7. **Clarification of Intent Language** – The statute will explicitly define the program's objectives to guide future evaluations and ensure alignment with Maryland's cybersecurity and economic development goals.
8. **Panel Adjustments** – The expert panel requirement will be removed or replaced with an existing advisory entity, such as Cyber MD or the Maryland Cybersecurity Council, to improve oversight.

## **Why This Matters**

Cybersecurity threats continue to pose significant risks to Maryland's businesses, infrastructure, and economy. The Buy Maryland Cyber Tax Credit plays a vital role in equipping businesses with the necessary tools to defend against cyberattacks. However, in its current form, the program is not reaching its full potential. The proposed reforms will modernize the tax credit, making it more accessible and impactful for Maryland's businesses while also supporting the growth of the state's cybersecurity industry.

We urge the General Assembly to adopt these enhancements to ensure Maryland remains a leader in cybersecurity innovation and resilience. We look forward to working collaboratively with legislators, industry stakeholders, and state agencies to refine and implement these critical improvements.

Thank you for your time and consideration. I am happy to answer any questions the committee may have.

**MML - SB 427 - SWA.pdf**

Uploaded by: Justin Fiore

Position: FWA



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

# TESTIMONY

March 4, 2025

**Committee:** Senate Budget and Taxation Committee

**Bill:** SB 427 – Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

**Position:** Support with amendment

**Reason for Position:**

The Maryland Municipal League supports Senate Bill 427, which makes substantial changes to Maryland's economic development programs in order to make Maryland more competitive.

The League greatly appreciates the provisions that eliminate the local match for certain programs. We are hopeful that it opens the door to more opportunities, especially in our small member cities and towns.

However, we do request amendments to strike the repeal of the Job Creation Tax Credit Program and One Maryland Program. These are programs our members use to entice businesses to open in their jurisdictions, often in areas bordering other states. In addition to the Enterprise Zone sunset and without a clear replacement, we are concerned their repeal would leave local governments with few tools to attract new businesses.

For these reasons the League respectfully requests that this committee provide a favorable report on Senate Bill 427 with amendments. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at [justinf@mdmunicipal.org](mailto:justinf@mdmunicipal.org). Thank you in advance for your consideration.

*The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 160 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.*

**SB0427-BT\_MACo\_SWA.pdf**

Uploaded by: Kevin Kinnally

Position: FWA



## Senate Bill 427

### *Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Budget and Taxation and Finance  
Committees

Date: March 4, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 427 WITH AMENDMENTS**. This bill proposes a comprehensive restructuring of Maryland's economic development programs to centralize funding and policy decisions and shift priorities toward targeted industries.

**While modernizing economic development is a worthy goal, economic growth is most effective when local and regional leaders help shape policies that reflect their communities' unique needs. Counties request amendments to preserve local flexibility, protect proven incentive programs, maintain meaningful input in funding decisions, and ensure workforce development strategies align with local and regional priorities.**

#### **Preserving Regional Flexibility in Economic Development**

While the bill aims to update Maryland's approach, economic development strategies must remain adaptable to the distinct needs of each region. A centralized framework should not come at the expense of local expertise and flexibility, which are essential for fostering growth across diverse communities.

Maryland's economic landscape varies widely – what drives growth in Montgomery County or Baltimore City differs significantly from what fuels economic opportunity in Western Maryland or the Eastern Shore. Many counties depend on industries beyond the bill's focus on aerospace, defense, life sciences, and quantum computing. Sectors like advanced manufacturing, agriculture, hospitality, and logistics deserve meaningful support, not neglect.

Counties request amendments to ensure local economic development entities have the flexibility to prioritize industries that best support their local workforce and business communities rather than being narrowly constrained by centralized State priorities.

#### **Protecting Critical Incentive Programs That Drive Growth**

The bill proposes eliminating or phasing out proven economic development incentives, including the Enterprise Zone Tax Credit, One Maryland Tax Credit, and Job Creation Tax Credit. These programs have long served as essential tools to attract businesses and create jobs – particularly in distressed and rural communities.

Counties have relied on these programs to attract private investment, expand tax bases, and ensure long-term economic sustainability. Without equally effective replacements, the loss of these tools will leave many communities without viable means to remain competitive.

MACo urges amendments to either retain these incentives or replace them with equally effective mechanisms that ensure businesses continue investing in Maryland's most underserved areas.

### **Ensuring Local Input in State Economic Development Funding**

This bill would reshape the Maryland Economic Development Assistance Fund (MEDAF), prioritizing funding for a narrower set of industries and consolidating decision-making within the Maryland Department of Commerce. Counties have long used MEDAF funding to support targeted economic initiatives, including infrastructure investments, small business growth, and workforce training.

Centralizing this authority reduces counties' ability to deploy resources where they are most needed and removes the flexibility necessary to respond to local economic shifts in real-time. County leaders – who work directly with businesses, economic development partners, and workforce boards – must have a direct voice in allocating these funds.

MACo urges amendments to preserve local input in MEDAF and similar funding programs, ensuring funding decisions reflect local economic conditions and priorities.

### **Aligning Workforce Development with Local Needs and Priorities**

The bill introduces new workforce development initiatives but lacks precise mechanisms to ensure they align with real-world job demands in each region. Counties and workforce boards are on the front lines of connecting businesses with skilled employees – especially in high-demand fields like healthcare, logistics, and skilled trades.

State-led workforce programs must align with regional labor needs to ensure businesses can access skilled workers. Maryland risks funding training programs that fail to meet industry demands without strong local coordination.

MACo urges amendments to require stronger collaboration between the State and county workforce agencies to ensure investments in job training align with actual employer demand.

### **Conclusion**

SB 427 takes an essential step toward modernizing Maryland's economic development strategy. However, counties must remain partners in this process – not merely recipients of State-determined priorities. To ensure effective, locally driven economic growth, MACo urges amendments to uphold local decision-making, sustain effective incentive programs, ensure county input in economic development funding, and align workforce initiatives with local and regional needs.

For these reasons, MACo requests a **FAVORABLE WITH AMENDMENTS** report for SB 427.

**SB 427 Support with Amendments Letter001.pdf**

Uploaded by: Stephanie Jarrell

Position: FWA





Queen  
Anne's  
County

THE COUNTY COMMISSIONERS OF  
QUEEN ANNE'S COUNTY

The Liberty Building  
107 North Liberty Street  
Centreville, MD 21617

e-mail: [QACCommissioners&Administrator@qac.org](mailto:QACCommissioners&Administrator@qac.org)

**County Commissioners:**

James J. Moran, At Large  
Jack N. Wilson, Jr., District 1  
J. Patrick McLaughlin, District 2  
Philip L. Dumenil, District 3  
Christopher M. Corchiarino, District 4

*County Administrator: Todd R. Mohn, PE*

*Executive Assistant to County Commissioners: Stephanie Jarrell*

*County Attorney: Patrick Thompson, Esquire*

February 25, 2025

The Honorable Senator Guy Guzzone  
Chair, Budget & Taxation Committee  
Senate Office Building  
3 West Miller  
Annapolis MD 21401

RE: SB0427 — Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act **SUPPORT WITH AMENDMENTS**

Dear Honorable Guzzone,

On behalf of the Queen Anne's County Commissioners, we are writing to express our support with proposed amendments for Maryland Senate Bill 427, which proposes a broad restructuring of Maryland's economic development programs. While Queen Anne's County supports 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.

As a rural community, Queen Anne's County, along with many of our neighboring counties focuses on our core industries of Agriculture, Tourism, Manufacturing and Wholesale. Emerging industries include professional services, health care and technology-based businesses. However, the state's industry focus does not reflect the strengths of all of the regions therefore a regional approach should be considered.

We support efforts of Senate Bill 427 is to revamp and rebrand programs like Advantage Maryland (MEDAAF) and Maryland Small Business Development Financing Authority (MSBDF) to better align with industry priorities. However, consolidating decision-making authority solely under the Secretary of Commerce removes an important check-and-balance system. Oversight bodies should remain in place to ensure equitable and transparent deployment of taxpayer funds.

Queen Anne's County supports the expansion of the Childcare Capital Support Revolving Loan Fund but recommends that the program be reviewed for usability, as businesses have found the application process difficult to navigate. We have several businesses that are in cue to apply for this program and look forward to expand child care resources in the county.

We strongly oppose the repeal of the Job Creation Tax Credit (JCTC) as this program provides a critical incentive for business expansion and workforce development especially for businesses that may


not qualify for local tax credits. Instead of eliminating it, we recommend streamlining the application process to increase utilization.


Additionally, the elimination of the Maryland Economic Development Commission (MEDC) raises concerns about the lack of public oversight for key economic development agencies, including Commerce, MEDCO, TEDCO, and the Maryland Marketing Partnership.

We urge you to support the DECADE Act with the following key amendments: a broader industry focus to be reflective of all of Maryland, especially rural counties; retention of effective incentive programs such as JCTC and more balanced administrative oversight are essential to ensuring this legislation benefits all of Maryland's diverse economies; and refine the bill as outlined in detail above, ensuring economic development programs remain equitable, effective, and regionally inclusive. Thank you for your attention to this important legislation and continued commitment to the prosperity of Maryland's rural communities.


Respectfully,

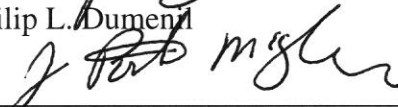
QUEEN ANNE'S COUNTY  
BOARD OF COUNTY COMMISSIONERS

  
\_\_\_\_\_  
Christopher M. Corchiarino, President

  
\_\_\_\_\_  
James J. Moran

  
\_\_\_\_\_  
Jack N. Wilson

  
\_\_\_\_\_  
Philip L. Dumont

  
\_\_\_\_\_  
J. Patrick McLaughlin

**MDFB - Support with amendments - SB427 DECADE Act.p**

Uploaded by: Tyler Hough

Position: FWA



## Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035  
410-922-3426 | [www.mdfarmbureau.com](http://www.mdfarmbureau.com)

March 4, 2025

**To:** Senate Budget and Taxation Committee

**From:** Maryland Farm Bureau, Inc.

**RE: Favorable with amendments – SB427 Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

On behalf of the nearly 8,000 member families of the Maryland Farm Bureau, I submit favorable with amendments testimony for SB427 Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act. This legislation would require the Department of Commerce to assess Maryland's industry sectors for potential employment and economic growth, among other changes to programs and commissions.

Agriculture is the leading commercial industry in Maryland, playing a crucial role in the state's economy, environment, and heritage. With over 12,000 farms covering more than two million acres, the industry generates billions of dollars annually through diverse agricultural products, including poultry, corn, soybeans, dairy, and nursery crops. Maryland's strategic location along the East Coast provides access to major markets, while its rich soil and moderate climate support a wide range of farming activities. The state's agricultural sector also contributes significantly to employment, supporting thousands of jobs in farming, processing, and distribution.

Beyond its economic impact, agriculture in Maryland is essential for food security, environmental conservation, and rural development. The industry benefits from state-supported initiatives such as farmland preservation programs, agritourism, and sustainable farming practices to balance productivity with ecological stewardship. Chesapeake Bay conservation efforts are particularly crucial, as Maryland farmers implement best practices to reduce runoff and protect water quality. As the backbone of the state's rural economy, agriculture continues to adapt through innovation, technology, and policy support, ensuring its sustainability and growth for future generations.

As Maryland moves forward with restructuring its economic development policies and programs, it is essential that agriculture remains a top priority. As the state's number one commercial industry, agriculture not only drives economic growth but also sustains rural communities, protects natural resources, and ensures food security. Investing in agricultural innovation, infrastructure, and workforce development will help farmers remain competitive and resilient in an evolving economy. By incorporating agriculture into new economic initiatives, Maryland can strengthen its agricultural sector while promoting sustainable growth and long-term prosperity for the state.

Tyler Hough

Director of Government Relations

Please reach out to Tyler Hough, [though@marylandfb.org](mailto:though@marylandfb.org), with any questions

**Final DECADE ACT MCEDP 2-20-25.pdf**

Uploaded by: Heather Tinelli

Position: INFO

# 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.

# Maryland Counties Economic Development Partnership (MCEDP)

*An Affiliate of the Maryland Association of Counties*

## **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.

# **SB0427 - MTC Testimony.pdf**

Uploaded by: Matt Libber

Position: INFO





February 25, 2025

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

RE: Informational Letter SB0427 – DECADE ACT

Chairman Guzzone and Members of the Committee,  
My name is Matt Libber, and I am the Legislative Committee Chair for the Maryland Tourism Coalition (MTC). Maryland Tourism Coalition is a trade organization with members representing all areas of tourism in the State of Maryland. Our mission is to support businesses and organizations that cater to the tourism industry through education, networking, and advocacy. I am writing to bring attention to a critical oversight in the proposed DECADE Act currently under consideration in the Maryland Legislature. While the bill aims to address important economic and developmental priorities, it is concerning that tourism—an essential pillar of Maryland’s economy—is not mentioned at all within the legislation.

Tourism contributes significantly to Maryland’s financial well-being, supporting more than 190,000 jobs and generating substantial revenue for local businesses, hotels, restaurants, and cultural institutions. In 2023 alone, tourism brought in \$20.5 billion in direct spending, supporting small businesses and enhancing community development across the state. Tourism spending also generated \$2.4 billion in tax revenue for the State and local governments and saved every Maryland household \$1,027 of tax burden. From the historic sites of Annapolis to the scenic beauty of the Eastern Shore, tourism drives economic activity that benefits every corner of Maryland.

The absence of any reference to tourism in the DECADE Act could have unintended consequences. Without clear acknowledgment or support within the legislation, the tourism sector risks being excluded from potential funding opportunities and developmental initiatives that could enhance infrastructure, marketing, and local engagement. This exclusion could inadvertently hinder the growth of an industry that plays a vital role in Maryland’s economic health and cultural vibrancy.

I urge lawmakers to recognize the importance of the tourism sector by including it explicitly within the DECADE Act. Doing so would ensure that Maryland’s tourism industry continues to thrive and contribute to the broader goals of economic development and community enrichment. Tourism is economic development and is proven investment by the State. For every \$1 of tourism marketing spent, it returns \$34 back to the State and local governments in tax revenue.



**MARYLAND  
TOURISM  
COALITION**

Thank you for your attention to this important matter. I am available to discuss this further and would appreciate any opportunity to collaborate on ensuring that tourism remains a central focus in Maryland's legislative priorities.

Respectfully submitted,

Matt Libber  
Legislative Chair  
Maryland Tourism Coalition  
[mllibber@mdsoccerplex.org](mailto:mllibber@mdsoccerplex.org)  
301-528-1480

# Senate Bill 427 - MDMO - INFO.pdf

Uploaded by: Michael Mason

Position: INFO



February 28, 2025

The Honorable Guy Guzzone, Chairman  
Senate Budget and Taxation Committee

The Honorable Pamela Beidle, Chairwoman  
Senate Finance Committee

**Re: Senate Bill 427- Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**

Position: Information

Chairman Guzzone and Chairwoman Beidle:

On behalf of the Maryland Association of Destination Marketing Organizations (M.D.M.O.), I am writing to provide informational testimony for Senate Bill 427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act.

Tourism is an economic ecosystem, delivering opportunity and quality of life for Marylanders that is derived from visitor spending. The travel sector is an integral part of Maryland's economy that contributes over **\$2 billion** in state and local tax revenues a year. In 2023, the state welcomed **45.1 million** visitors, who spent more than **\$20.5 billion** at local food and beverage establishments, lodging, cultural attractions, recreational sites, and retail stores. These tourist destinations contributed to the employment of **190,660** individuals.

Under Senate Bill 427, the Commerce Secretary is authorized to create a list of target industry sectors that are eligible for incentive programs. Given the significant economic impact of tourism in the State, we respectfully request the tourism sector be considered on the list of those eligible for future incentive programs.

The tourism industry is fully committed to Maryland's economic prosperity and growth. We appreciate the intent of this legislation to reinvigorate the State's approach to economic development, and support of many of its provisions. Thank you for your consideration of our informational testimony on Senate Bill 427.

Respectfully submitted,

  
Cassandra M. Vanhooser, Chairwoman  
Maryland Association of Destination Marketing Organizations