

# **MML - HB 942 - FAV.pdf**

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

# TESTIMONY

March 27, 2025

**Committee:** Senate Budget and Taxation Committee

**Bill:** HB 942 – Economic Development – Tax Increment Financing – Noncontiguous Areas

**Position:** Support

**Reason for Position:**

The Maryland Municipal League supports HB 942, which would simply allow for a designated Development District to include noncontiguous blighted for the development or redevelopment of affordable housing.

Local governments are always looking for new tools to develop or redevelop blighted properties. HB 942 builds on the existing authority to use TIF financing in a development district, which places new revenues from the district into a special fund that directly goes back to the district. This is ideal for ensuring the money is used to fight blight.

For these reasons the League respectfully requests that this committee provide a favorable report on House Bill 942. 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.*

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# **HB0942-BT\_MACo\_SUP.pdf**

Uploaded by: Kevin Kinnally

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**MARYLAND**  
*Association of*  
**COUNTIES**

## House Bill 942

### *Economic Development - Tax Increment Financing - Noncontiguous Areas*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 27, 2025

From: Kevin Kinnally

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

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

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

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

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

## **HB942 Testimony (2).pdf**

Uploaded by: Matthew Schindler

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB942 Economic Development – Tax Increment Financing – Noncontiguous Areas**

**Budget and Taxation**

**March 27<sup>th</sup>, 2025: 1:00 PM**

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

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

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

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

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