

Testimony in Support of HB 1337

Chair, Vice Chair, and Members of the Committee,

My name is Brenda Myers, and I am writing today to express my support for House Bill 1337 (HB 1337), a crucial legislative measure that ensures fair compensation for Maryland's business owners and farmers when their land is taken through eminent domain. This bill addresses a significant gap in current law by recognizing that the impact of land seizures extends beyond the loss of property—it disrupts livelihoods, businesses, and entire communities.

HB 1337 Is Necessary

Under current Maryland law, property owners receive fair market value for land taken through eminent domain. However, this compensation fails to account for the significant financial harm that businesses and farms experience beyond the land's value. A small business losing its storefront may struggle to regain its customer base after relocating, while a farm losing essential acreage may face reduced crop yields, disrupted supply chains, or an inability to operate entirely.

HB 1337 corrects this injustice by ensuring that businesses and farm owners can recover damages for lost profits when their property is seized for public projects. This bill upholds the fundamental principle of **just compensation** by acknowledging that land is not just an asset—it is the foundation of Maryland's small businesses and agricultural economy.

Key Provisions of HB 1337

HB 1337 expands eminent domain compensation to include lost profits for businesses and farms that meet the following criteria:

Actual Proof of Lost Profits – Business and farm owners must demonstrate the specific financial harm incurred due to eminent domain, ensuring claims are based on real, quantifiable losses.

Direct Causation by Government Action – The financial loss must be a direct result of the eminent domain action, preventing unrelated claims.

Lack of Reasonable Alternatives – If the business or farm can mitigate losses through relocation or restructuring, compensation may be adjusted accordingly.

No Duplication of Payments – Lost profits cannot be compensated by other relocation or financial assistance programs, preventing double recovery.

Use of Sound Accounting Principles – All financial losses must be calculated using Generally Accepted Accounting Principles (GAAP) to ensure accuracy, transparency, and fairness in compensation.

Protecting Maryland's Small Businesses and Farms

Small businesses and farms are the backbone of Maryland's economy, particularly in rural and agricultural communities. When public projects require land seizures, business owners and farmers should not be forced to bear the financial burden alone. HB 1337 ensures that they receive just compensation for losses beyond the value of their land, preventing irreversible economic harm to family-run operations and local industries.

Ensuring Just Compensation Under the Fifth Amendment

The Fifth Amendment of the U.S. Constitution guarantees that private property shall not be taken for public use **"without just compensation."** HB 1337 strengthens this principle by ensuring that property owners are compensated not just for the land itself, but also for the financial impact of losing their ability to operate their businesses or farms effectively.

Encouraging Fairer Eminent Domain Practices

By holding the government accountable for the full financial impact of property takings, HB 1337 promotes more thoughtful planning of public projects and greater consideration for affected businesses and farmers. While opponents may argue that expanding compensation could increase project costs or lead to legal disputes, these concerns do not outweigh the need for fairness. The financial burden of public infrastructure projects should not fall disproportionately on small business owners and farmers who have built their livelihoods on the land being taken.

Setting a Precedent for Maryland and Beyond

If passed, HB 1337 will set an important precedent for modernizing Maryland's eminent domain laws and protecting economic stability in the state's business and agricultural sectors. This bill ensures that property rights and economic justice remain at the forefront of Maryland's public policy decisions.

I urge this committee to support HB 1337 and ensure that Maryland's business owners and farmers receive the fair compensation they deserve.

Thank you for your time and consideration.

Brenda Myers

Hampstead, Maryland