



Testimony in Support of  
House Bill 461 - Economic Development - Rural Readiness Program and  
Rural Maryland Capacity Building Fund – Establishment  
Economic Matters Committee  
February 17, 2026

The Rural Maryland Council **supports House Bill 461 – Economic Development – Rural Readiness Program and Rural Maryland Capacity Building Fund.** This legislation establishes the Rural Readiness Program within the Rural Maryland Council to assist small towns and small nonprofit organizations that lack the capacity to compete for funding and implement community and economic development projects. The bill also creates a dedicated capacity-building fund to support early planning and predevelopment activities and authorizes the Council to certify program participants and provide priority consideration in Rural Maryland Council grant funding decisions.

Rural communities face unique structural challenges that limit their ability to successfully pursue funding opportunities and carry out development initiatives. These challenges include smaller tax bases; limited access to critical infrastructure such as broadband and transportation; difficulty recruiting and retaining skilled staff to manage projects; fewer social and professional networks to support collaboration; and aging populations coupled with the outmigration of younger residents. Without targeted capacity-building support, these barriers contribute to persistent disparities in healthcare access, educational opportunity, infrastructure investment, and economic growth across rural Maryland.

The Rural Readiness Program is designed to address these challenges by providing early-stage planning support that helps communities become better positioned to compete for state, federal, and philanthropic funding. The program would operate as a pilot reimbursement grant program administered by the Rural Maryland Council, offering grants of up to \$50,000 per community. Through direct Council staff assistance, community assessments, and flexible planning funds, participating communities would be able to develop strategic plans, feasibility studies, market analyses, and other foundational work necessary to advance high-quality projects.

Eligible applicants under HB 461 include tax-exempt organizations, local units of government, state-recognized Tribes, institutions of higher education, and regional planning, economic, or workforce development organizations. State agencies and for-profit entities seeking operational staffing support or proposing non-rural projects are not eligible. By focusing resources on rural communities with demonstrated need, the program ensures that limited funds are directed where they can have the greatest impact.



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*Susan O'Neill, Chair*

*Charlotte Davis, Executive Director*

By strengthening local capacity and prioritizing readiness, House Bill 461 will improve the quality, competitiveness, and long-term success of rural development projects. This investment will help rural communities plan more effectively, leverage additional funding, and implement initiatives that support economic growth, job creation, and improved quality of life across rural Maryland.

The Rural Maryland Council respectfully requests your favorable support of House Bill 461.