



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

March 5, 2026

TO: The Honorable Pamela Beidle
Chair, Finance Committee

FROM: Marc Elrich
County Executive

RE: Senate Bill 455: *Economic Development – Transformational Project Financing Program – Establishment*
Support

Senate Bill 455, *Economic Development – Transformational Project Financing Program – Establishment*, creates a new program within the Maryland Economic Development Corporation that would authorize the State to partner with counties and municipalities to develop, redevelop, or revitalize an area designated as a State-supported development district. The bill describes the purpose of the program, which is to support development districts approved by the Maryland Economic Development Corporation as State-supported development districts. This opportunity is created when the governing body of the political subdivision approves a Tax Increment Financing (TIF) plan to pledge its net new property tax revenues attributed to the new project and the State does the same, by pledging net new sales tax and/or income tax revenue to support the issuance of bonds. The legislation details the development district approval process and a system for applying displacement adjustments, among other provisions to operationalize the program.

I strongly support Senate Bill 455. If enacted, it will unlock development opportunities through infrastructure investment that could be a game changer for the State and its counties, many of which already utilize TIFs as a valuable tool to stimulate economic development. For the first time ever, Montgomery County will be utilizing tax increment financing to build out some of the infrastructure that will allow the Viva White Oak development in the east part of the County to finally move forward. The package will be before the County Council this week for approval. I would welcome State participation in some other similar redevelopment projects that have been on the County's list for a number of years, waiting for the dynamics to change.

Reversing the course of an economy in Maryland that has significantly slowed will not happen overnight. But, enabling the State to participate in worthy projects that have struggled to get off the ground or just require a level of funding that an individual county is not able to support through traditional means or a TIF could make a real difference. Senate Bill 455 sets the ground rules for that to happen, which is why I urge the Committee to consider the opportunity it presents, and vote the bill out favorably.

cc: Members of the Finance Committee