

ORAL TESTIMONY

House Bill 1580

Economic Development – Maryland Enhanced Tax Increment Financing (TIF) Districts

House Ways and Means Committee

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Position: FAVORABLE

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[Approximately 2 minutes]

Good afternoon, Chair Atterbeary, Vice Chair Wilkins, and distinguished members of the Ways and Means Committee. I am Otis Rolley, President and CEO of the Baltimore Development Corporation, Baltimore’s economic development agency. Thank you for the opportunity to testify in support of House Bill 1580.

Maryland’s cities and communities are at an inflection point. Across the state, we face the convergence of a commercial real estate crisis driven by the post-pandemic shift in how Americans work, and a generational opportunity to make transformative investments in transit-oriented development. In Baltimore alone, downtown has experienced over \$647 million in assessed property value losses, with office vacancy rates exceeding 24 percent. But this challenge is not unique to Baltimore—jurisdictions across Maryland are grappling with the same dynamics.

HB 1580 provides a critical tool to turn this challenge into opportunity. By creating Maryland Enhanced TIF Districts, the bill enables the state to partner with local jurisdictions on large-scale, catalytic projects—those exceeding \$500 million in total costs, located near transit stations or anchored by convention centers—by pledging incremental state sales and income tax revenues generated within the district. Let me be clear: this is not a diversion of existing state revenues. These are net-new tax dollars that would not exist without the development these TIF districts make possible.

The bill's structure includes strong guardrails. Projects must first receive local TIF approval, ensuring local accountability. The Maryland Economic Development Corporation issues the bonds and makes recommendations, and the Board of Public Works provides final authorization. This layered oversight protects the state's fiscal interests while giving communities the tools to compete for transformative investment.

Cities across America—from San Francisco to Dallas to Charlotte—have used state-enhanced TIF mechanisms to unlock billions in private investment around transit infrastructure. Maryland should not be left behind. HB 1580 positions our state to capture the economic benefits of transit-oriented development, generate sustainable job creation, and revitalize communities that have borne the brunt of economic disruption.

On behalf of the Baltimore Development Corporation, I respectfully urge a favorable report on House Bill 1580. I am happy to answer any questions.