MARYLAND ASSOCIATION OF COUNTIES, INC.

BILL NO.:	House Bill 1289
TITLE:	Economic Development – Qualified Distressed Counties – One Maryland Economic Development tax Credit
POSITION:	**SUPPORT**
DATE:	April 5, 2012
COMMITTEE:	Budget and Taxation
CONTACT:	Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** House Bill 1289. This bill would expand the definition of "qualified distressed county" and allow a business to receive a prorated share of the One Maryland Economic Development Tax Credit as long as the business maintains a certain number of qualified positions for a specified time frame.

Under current law, one metric used to qualify as a "qualified distressed county" is the county's average unemployment rate. The average unemployment rate must exceed 150% of the State average during the preceding 24 month period. HB 1289 changes this metric to include counties whose average unemployment rate for the preceding 24 month period exceeds the average rate of unemployment for the State during that period by at least 2 percentage points.

A county designated as a "qualified distressed county" benefits from a number of economic development programs such as the Maryland Economic Development Assistance Authority and Fund, and the One Maryland Economic Development Tax Credit. These programs work in tandem to provide tax credits for business and financing assistance for economic development opportunities in qualified counties. HB 1289 would assure that the current "qualified distressed counties" (Allegany, Caroline, Dorchester, Garrett, Somerset, and Worcester and Baltimore City) continue to benefit from these types of programs, as well as bring in two additional counties, Washington and Cecil.

For this reason, MACo **SUPPORTS** HB 1289 and urges the Committee to give the bill a **FAVORABLE** report**.**

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