



House Bill 161

*Department of Commerce – Maryland Economic Development Assistance
Authority and Fund - Renaming and Restructuring*

MACo Position: **SUPPORT**

To: Economic Matters Committee

Date: February 8, 2017

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 161. This bill provides the Department of Commerce more flexibility in providing economic development assistance.

Specifically, HB 161 renames the Maryland Economic Development Assistance Authority and Fund the Advantage Maryland Fund Authority and Advantage Maryland Fund. It also simplifies the conditions to afford the Department of Commerce more flexibility in granting financial assistance to businesses, local governments, and others who expand employment opportunities in the state and expands the Secretary of Commerce's ability to provide larger grants and loans to counties and other eligible recipients.

Counties and local economic development leaders appreciate the economic development benefits that this program provides. This program funds grants, loans, and investments to support economic development initiatives, including business attraction and retention, infrastructure support, brownfield redevelopment, and local strategic planning.

Most recently, the program provided a \$1.2 million loan for a new Amazon distribution center in Cecil County, which the County Council approved unanimously. The project is anticipated to bring 700 jobs to the County. Harford County is also partnering with Commerce to provide a package to Maines Paper & Food Service Inc. Their agreement is conservatively anticipated to generate approximately \$20,000 in additional local income tax revenues alone from new full-time hires residing within Harford County. This program also contributed to the incentive package which ultimately led to Marriott International's decision to remain in Maryland – which Montgomery County anticipates will produce \$1.8 billion in economic activity over 20 years.

Economic development projects such as these promote diverse and vibrant business communities within our counties. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for Maryland families and businesses. For these reasons, MACo **SUPPORTS** HB 161 and urges a **FAVORABLE** report.