



House Bill 613

Sustainable Communities – Designation and Financing

MACo Position: **SUPPORT**

Date: April 2, 2013

To: Budget and Taxation Committee

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** HB 613. This bill would expand the financing options available to local governments with designated sustainable communities.

Sustainable communities are areas that have been designated for reinvestment by a local government and approved by the Department of Housing and Community Development (DHCD). Sustainable communities may also include Base Realignment and Closure (BRAC) reinvestment zones and Transit Oriented Development (TOD) districts.

As governments at all levels have struggled with fiscal crisis, they have also employed creative thinking to fund critical infrastructure projects. HB 613 follows this trend by providing broader financing options and expanding the uses of these options within sustainable communities to include those employed in TODs and the use of tax increment financing (TIF). The bill also expands the uses of TIF bond proceeds to include 1) historic preservation or rehabilitation; 2) environmental remediation, demolition, and site preparation; 3) parking lots, facilities, or structures of any type whether for public or private use; 4) highways or transit service that support sustainable communities; 5) schools; and 6) affordable or mixed-income housing.

This type of infrastructure is critical to improving these areas across the state. HB 613 puts one more tool in the tool box for local governments to carry out these projects.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 613.