



Senate Bill 1066

*Economic Development – BRAC Revitalization and Incentive Zones –
Extraordinary Development Districts*

MACo Position: **SUPPORT**

Date: March 17, 2016

To: Budget and Taxation Committee

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** SB 1066. This bill builds upon existing revitalization zones to maximize economic development for targeted federal projects, as initiated by local governments.

SB 1066 authorizes the creation of Extraordinary Development Districts within BRAC Revitalization and Incentive Zones. These districts can serve as a tool to encourage federal law enforcement agencies to locate in Maryland. These agencies can help generate jobs and support local businesses in areas already targeted for focused growth.

The bill would authorize the Secretary of Commerce, upon an application from a local government and with recommendation from the Smart Growth Commission, to designate a District. The District must be approved by resolution, contain at least 50 acres of land, and have a federal law enforcement agency located within the boundaries.

To increase the attractiveness of the Districts, BRAC Zones containing a District would be effective for 20 years. Standard BRAC zones are only effective for 10 years. The District also would offer property tax incentives for federally-related development and improvements, funded jointly by the State and county.

The Districts build upon, rather than take away from, the benefits provided by BRAC Zones. Currently, the state appropriation to be paid to all local jurisdictions with BRAC Zones is \$5 million. SB 1066 would raise that cap to \$10 million to account for the additional Districts. It would also increase the number of BRAC Zones a county may have from two to three, but only if one of those zones contains a District.

MACo believes Extraordinary Development Districts will serve as an incentive tool for federal agencies to locate in the state. Local communities would benefit from the economic opportunities the agencies provide. For these reasons, MACo urges a **FAVORABLE** report on SB 1066.