



**LEGISLATIVE POSITION:**

**Unfavorable**

**House Bill 1117**

**Economic Development – Enterprise Zone Program - Alterations**

**House Ways and Means Committee**

**Thursday, March 5, 2020**

Dear Chairwoman Kaiser and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

HB 1117, as introduced, prohibits the Secretary of Commerce from designating a new enterprise zone or expanding an existing enterprise zone under certain conditions. The bill also requires the collection of formal metrics and data relating to the enterprise zone program and reporting those findings to the Governor and General Assembly.

The membership of the Maryland Chamber of Commerce is particularly concerned with the arbitrary nature of some of the new bill language. Examples of this new language include limiting the Secretary of Commerce's ability to designate a new enterprise zone if there is reasonable anticipation that the amount of property tax credit that may be claimed exceeds \$50,000,000. The bill goes on to further limit the Secretary's enterprise zone expansion powers by capping the expansion of an existing enterprise zone to not more than 100 acres in a calendar year.

These new limitations outlined by HB 1117 do not seem to correlate with any type of broader policy objective beyond simply seeking to limit the effectiveness of the enterprise zone program. HB 1117, however, does lay out data collection efforts which could provide helpful insight in these types of policy and programmatic limitations. The Maryland Chamber of Commerce would welcome additional data providing context and reasons for limitations of the enterprise zone program. However, as introduced, HB 1117 places limitations and undue administrative burden on an economic development incentive without supporting data.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on House Bill 1117.