



Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

FAVORABLE:

SB 803 – Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment

**Budget and Taxation Committee
February 24, 2021**

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support of **SB 803 – Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment.**

As a participant on the Task Force on the Economic Future of Western Maryland, the Garrett County Chamber of Commerce fully supports all of the recommendations included in the interim report, including the creation of the Western Maryland Economic Future Investment Board and Fund. Through the review and analysis of economic and demographic data, it became evident that Western Maryland's population (Garrett, Allegany and Washington Counties) is declining and aging. Over the last 10 years, the population of Western Maryland has declined by .9% where Maryland's population has grown by 4.4%. Reductions in population result in workforce shortages and reductions in demand for goods and services, and ultimately leads to economic declines.

Western Maryland has suffered a much different fate than the rest of the State. Another critical data point in the Interim Report is the number of businesses in a region. The number of businesses has shrunk in Western Maryland in recent years, even while the total number of businesses in Maryland has increased. According to the report, "From 2010 to 2018, each of the three counties in Western Maryland experienced a drop in the total number of businesses."

It is imperative that the Legislature take action now to prevent further decline and nurture the growth of this part of the State. The State must move away from its one-size-fits-all approach with economic development programs and recognize that different areas of the State have different needs.

The Western Maryland Economic Future Investment Fund (WMEFIF) will spur economic development in Garrett, Allegany and Washington Counties by creating a new program specifically designed for this region. It provides funding for capital infrastructure and business development projects that must lead to improved economic conditions in Western Maryland. The projects would include 10%-20% match and must meet certain metrics including: creation/retention of jobs, number of new/retained businesses, increased wages, or new state and local tax revenue.





The fund would be administered by the WMEFIF Board as outlined in the bill and will enforce that all projects meet the requirements or the project will be required to return the funding. An initial pilot period of five years for the program has been outlined in the bill with a \$20 million annual budget allocation. This is a minimal request to save a portion of the State.

Maryland must take action to prevent further declines in the economic conditions of Western Maryland. Efforts to increase economic dynamism in Western Maryland ensure that the economy will grow into the future.

The Chamber respectfully requests a **FAVORABLE REPORT on SB 803.**

Sincerely,

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