



# Washington County

DEPARTMENT OF BUSINESS DEVELOPMENT

January 27, 2023

The Honorable Vanessa Atterbeary, Chair  
Ways and Means Committee  
House Office Building, Room 131  
6 Bladen Street  
Annapolis, MD 21401

Re: House Bill 148 – Economic Development – Enterprise Zone Program – Alterations: OPPOSE

Dear Madam Chair and Distinguished Committee Members:

On behalf of Washington County, I am writing in strong opposition of House Bill 148. The bill will alter the circumstances under which the Secretary of Commerce may designate an area as an enterprise zone; prohibit the Secretary from designating a new enterprise zone or granting an expansion of an existing enterprise zone if the Secretary reasonably anticipates the aggregate amount of property tax credits claimed for the immediately preceding fiscal year may exceed \$60,000,000; and terminating the Program on January 1, 2031, except under certain circumstances.

Hagerstown/Washington County relies heavily on the Enterprise Zone to remain competitive in a geographic area tightly sandwiched between the states of Pennsylvania, West Virginia, and Virginia. Washington County must remain competitive, and the current Enterprise Zone is a valued tool we use to create economic development opportunities. Between 2021 and 2022, Washington County was successful in expanding its Hagerstown-Washington County Enterprise Zone to include additional acres in an area that experienced a downturn in economic vitality with the loss of a major employer. Modifying the existing enterprise zone program with the proposed language will eliminate more than 65% of the approved area from development/redevelopment and will cause vital areas in the community to further deteriorate.

In 2022, Washington County was successful in attracting more than \$138 Million in capital investment, creating more than 1,110+ new jobs, while retaining many more jobs. In fact, construction and renovation of more than 1.6 million square feet of new and/or existing space was realized. None of that would have occurred without the existence of the current Enterprise Zone program as it is currently implemented.

House Bill 148 will eliminate growth opportunities for struggling areas of our community by making the Enterprise Zone inaccessible, reducing economic development, and creating a drain on the tax base thwarting redevelopment initiatives. The proposed alterations will negatively impact distressed census tracts by limiting growth to existing zones.

We strongly encourage you to reject this bill. Please consider the well-paying jobs these projects stand to create. The Enterprise Zone Tax Credit Program and pro-business environment offered by Maryland is welcoming. We view this bill as degrading our **Open for Business** climate; in contrast, we

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offer you the success stories of those in Washington County as evidence that the current implementation of the enterprise zone is working and should continue without alteration.

Respectfully,

A handwritten signature in blue ink that reads "Jonathan Horowitz". The signature is fluid and cursive, with the first name being the most prominent.

Jonathan Horowitz, Director