

2025 GBCC SB 488 Support.pdf

Uploaded by: Ashlie Bagwell

Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Support of
Senate Bill 488—Manufacturing Business Personal Property Tax--Exemption
March 5, 2025
Senate Budget and Taxation Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 600 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 488—Manufacturing Business Personal Property Tax--Exemption.

Senate Bill 488 proposes exempting all personal property of individuals engaged in small or medium-sized manufacturing enterprises from personal property tax. Small and medium-sized manufacturing businesses are vital to Maryland's economy, driving innovation, providing employment opportunities, and contributing to the state's economic growth. However, these businesses often face significant financial challenges, including the burden of personal property taxes on essential equipment and machinery. By exempting such property from taxation, SB 488 would offer much-needed financial relief, enabling these businesses to reinvest in their operations, expand their workforce, and enhance their competitiveness.

The proposed exemption aligns with Maryland's goal to expanding the tax base by supporting the growth of local businesses and industries. For these reasons, we respectfully a favorable report on Senate Bill 488. We appreciate Senator Jennings' commitment to small businesses and appreciate his leadership on this important issue.

SB0488 -- Manufacturing Business Personal Property

Uploaded by: Brian Levine

Position: FAV



Senate Bill 488 -- Sales and Use Tax - Tax-Free Day - Veterans' Day
Senate Budget and Taxation Committee
March 5, 2025
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 488 -- *Manufacturing Business Personal Property Tax - Exemption*.

Senate Bill 488 exempts all personal property of a person engaged in a manufacturing business that is a small or medium-sized enterprise from the personal property tax. Manufacturing is defined as the process of substantially transforming, or a substantial step in the process of substantially transforming, tangible personal property into a new and different article of tangible personal property by use of labor or machinery.

MCCC strongly supports policies aimed at diversifying the economy and fostering the growth of various industries. In the Metro Maryland region and across the State, offering incentives for manufacturing can create jobs and expand economic opportunities. This is particularly true for advanced manufacturing, an industry with immense potential that should be a key focus of economic development.

Maryland's policymakers can play a crucial role by providing incentives for advanced manufacturing, enhancing local competitiveness. Supporting small and medium-sized manufacturers with these incentives will bolster the industry's viability and further diversify Maryland's economy.

For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 488 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

*Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
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SB0488_FAV_MTC_Manufacturing Bus. Pers. Prop. Tax

Uploaded by: Drew Vetter

Position: FAV



Senate Budget and Taxation Committee

March 5, 2025

Senate Bill 488 – *Manufacturing Business Personal Property Tax – Exemption*

POSITION: SUPPORT

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of support for Senate Bill 488.

This bill would exempt personal property in the possession of a person engaged in a manufacturing business that is a small or medium-sized enterprise from the property tax. Incentivizing manufacturing activity is a key strategy for helping to grow Maryland's innovation ecosystem. Companies engaged in research and development; identification, design, or genetic engineering of biological materials for research and manufacture; and the design, development, or creation of computer software could benefit from this change. The research and development of new products is costly, and Maryland is generally a costly place to do business. We applaud the bill sponsor for introducing a policy that will help reduce the tax burden for Maryland's small and medium-sized manufacturing businesses and create an incentive to continue to innovate.

We urge a favorable report.

For more information call:

Andrew G. Vetter

Pamela Metz Kasemeyer

J. Steven Wise

Danna L. Kauffman

Christine K. Krone

410-244-700

Testimony SB0488 - Julie Verratti 3_5_25.pdf

Uploaded by: Julie Verratti

Position: FAV

Testimony in support of SB0488 by Julie Verratti

3/5/25

Thank you Chair Guzzone, Vice Chair Rosapepe, and members of the committee. And, thank you Senator Jennings for sponsoring SB0488.

My name is Julie Verratti and I am one of the Founders of Denizens Brewing Company in Riverdale Park. We are a small, woman and family owned and operated manufacturing company, and have been in business for more than 10 years. We currently employ about 20 people on our team.

I submit this testimony in strong support of SB04888, which will allow small manufacturing businesses like ours to be exempt from being charged property taxes on manufacturing equipment and inventory at the municipal level. This is the second year I have submitted testimony on this bill, and I am hoping the committee will pass it this year.

Each year we pay thousands of dollars to the county for property taxes, even with manufacturing equipment and inventory being exempted.

However, our municipal government has not exempted those categories. In the less than six years we have operated in Riverdale Park, they have charged us more than \$60,000 in property taxes alone. What is most unfair about this is that small manufacturers located in other municipalities aren't charged any taxes for their manufacturing equipment or inventory. And if we were located just a half mile north, we would be in a different municipality and would be charged closer to \$50,000 for that same equipment and inventory. (To be clear, that is still an astronomically high number.) The different property tax rates charged (or not) on small manufacturing businesses is anti-competitive and disincentivizes business growth, especially at a time when Maryland needs to increase its business activity. It also doesn't make sense that a local municipality is charging small businesses for their annual property taxes at a rate that is more than 5x what the county is charging.

When we opened our operations in Riverdale Park in 2019, we had to personally guarantee debt just shy of \$3 million dollars to build out our facility and purchase all of the necessary manufacturing equipment. We are still paying down the loan we took out to purchase this manufacturing equipment. Being taxed at this level is blocking our ability to pay down the almost \$2 million we still owe.

There are real world consequences to taxing small businesses like this. It's the difference between hiring another person or giving our current employees a raise. It disincentivizes us from purchasing more equipment, which means we are not growing, not adding more jobs, nor generating more activity in the local economy. This is not sustainable, and the annual depreciation is not fast enough on its own to drive down this astronomical tax.

At the most drastic level it could mean having to close our doors because we can't afford to exist anymore, or because no matter how hard we try, or how much we cut costs, or raise prices, the ability to make a profit is no longer possible. And once that happens, owning a business just doesn't make sense anymore.

I am asking for this committee to please vote in favor of SB0488 and help small manufacturers succeed in this state.

Thank you,
Julie Verratti
julie@denizensbrewingco.com

Support For SB 488.pdf

Uploaded by: Kenneth Sanchez

Position: FAV



February 10, 2025

The Honorable Guy J. Guzzone, Chair
Senate Budget and Taxation Committee
Maryland State Senate
Miller Senate Office Building
11 Bladen St., Annapolis, MD 21401

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee,

I am writing to express my fervent support for Senate Bill 488, which is currently before your committee, and proposes to exempt personal property in the possession of small and medium-sized manufacturing businesses from property tax. As the CEO of Chesapeake Specialty Products Inc. (CSP), a company that has been a cornerstone of the local economy for almost four decades, I can attest to the direct benefits this legislation would bring to our business and community.

At CSP, we specialize in the production of high-quality metal abrasives and sand additives for various industries including automotive, aerospace, and construction. Our operations involve significant investment in machinery, tools, and inventory, all of which have/would qualify under the new definition provided by this bill. The proposed tax exemption would provide much-needed financial relief for manufacturers in the state who do not already have this benefit and allowing us all to reinvest the savings into our operations.

Here's how this bill positively impacts our business:

1. **Job Creation and Retention:** With the financial savings from this tax relief, we can consider expanding our workforce or at least maintain current employment levels amidst economic fluctuations. This is particularly crucial in an era where manufacturing jobs are often at risk of moving to regions with lower operational costs.
2. **Capital Investment:** The tax savings would enable us to update our aging machinery, invest in new technology, or expand our facilities. This not only increases our efficiency and competitiveness but also supports local suppliers and service providers who would be involved in such projects.
3. **Economic Growth:** By fostering an environment where small and medium-sized enterprises (SMEs) can thrive, this bill indirectly boosts the local economy. Companies like ours contribute significantly through taxes on income, sales, and other business activities, not to mention the multiplier effect of employee spending within the community.
4. **Environmental Impact:** Modernizing equipment often leads to more energy-efficient operations, thus reducing our carbon footprint. This aligns with Maryland's environmental goals and supports the broader community's well-being.

The current property tax structure in certain jurisdictions places an undue burden on local manufacturers, especially when competing with states that offer similar tax incentives. Senate Bill 488 levels the playing field, encouraging businesses to stay and grow in Maryland, thereby stabilizing and enhancing our local manufacturing base.

I urge you to support this bill for the immediate and long-term benefits it promises not just for CSP, but for all SMEs in the manufacturing sector across Maryland. Thank you for considering this vital legislation.

Sincerely,

Ken Sanchez
President/CEO
Chesapeake Specialty Products, Inc.

SB 488 Support - Testimony.pdf

Uploaded by: Matthew Bohle

Position: FAV



February 18, 2025

Re: SUPPORT SB 488

Chair Guzzone and Members of the Budget and Tax Committee –

Maryland’s craft beverage industry has grown significantly in recent years, reinforcing its role as a key driver of the state’s economy. In 2024, Maryland was home to **121 wineries, 148 breweries, and 48 distilleries**. These businesses not only produce a diverse range of beverages—including beer, wine, spirits, cider, and mead—but also serve as tourism destinations that attract thousands of visitors annually. The industry’s impact extends beyond production, supporting local agriculture, hospitality, and rural economic development.

The economic contribution of Maryland’s wineries, breweries, and distilleries is substantial. In 2019, their combined impact was estimated at **\$3.47 billion**, supporting tens of thousands of jobs and generating millions in state and local tax revenue. With the increase in craft beverage producers since then, the industry’s financial influence has only grown.

Yet, due to the increased costs of doing business, stalled recovery coming out of COVID-19 and supply chain disruptions, the industry has been met with a plethora of recent closures and large scale manufacturing operations that have been moved out of state to scale efficiencies.

SB 488 seeks to provide a tool in the toolbox for manufacturers that are struggling in this business climate. Notably, HB168 seeks to mandate a statewide personal property tax exemption across all local jurisdictions on manufacturing equipment for small and medium sized businesses. To date, there are several municipalities across Maryland that collect property tax on the very equipment used to manufacture the products that help keep the business afloat. And in the case of breweries, distilleries and wineries, this equipment is the very lifeline for their businesses – attracting customers from near and far – generating significant tax revenue for the state and local jurisdictions. The tax burden on these manufacturing businesses is already significant. **Therefore, we urge this committee to alleviate this property tax liability and move favorably on SB 488.**

For more information contact: Brad Rifkin or Matt Bohle from RWL – 410.269.5066

RMI Letter Supporting JB Jennings Bill SB0488.pdf

Uploaded by: Michael Galiazzo

Position: FAV



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Anita Kassof
Baltimore Museum of Industry

Neill Christopher
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Chesapeake

Benjamin McGlaughlin
Maryland Department of
Commerce

Jonathan Sachs
Baltimore County Economic &
Workforce Development

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March 3, 2025

To: Senator Guy Guzzone and members of the Budget and Taxation Committee

From: Dr. Michael Galiazzo, President, Regional Manufacturing Institute of Maryland

Re: SB0488 Favorable Vote

On behalf of the private sector members of the Regional Manufacturing Institute of Maryland (RMI), I am writing in support of SB0488, exempting all personal property in the possession of a person engaged in a manufacturing business that is a small or medium sized enterprise from the personal property tax. Manufacturing is an economic engine that brings work, wages, and wealth to Marylanders. Maryland's manufacturing industry consists mainly of small to medium sized companies, including a growing number of women and minority owned companies. This bill, by Senator Jennings, ensures that small to medium sized manufacturing companies in municipalities will be granted personal property tax exemptions. SB0488 promotes business and economic growth at a time when we need to grow a more vibrant economic engine. Governor Moore and Comptroller Lierman have stated that we must build an economic engine that produces more for Maryland and Marylanders. This bill does that.

Template for Partner written testimony Final.pdf

Uploaded by: Renate Gravers

Position: FAV

Template for Partner written testimony:

Name: Renate Gravers, Director

Organization: The Latvian Museum

Issue: SB0980/HB1327

Position: Favorable

Date: February 24, 2025

Senate Budget and Taxation Committee, March 4, 2025

House Environment and Transportation, March 5, 2025

I am writing in support of SB0980/HB1327, legislation that will open the possibility of a greater share of the restricted Program Open Space fund for the Maryland Heritage Areas Authority (MHAA). The statute will allow for up to \$12 million to be appropriated for MHAA. Most of the MHAA budget is awarded in grants to nonprofits and government units, for projects that contribute to preservation and place-based heritage tourism. The impact of MHAA grants is already well documented, and it will grow as the MHAA budget grows.

As a partner of the Heritage Montgomery Heritage Area (HM), I am proud of HM's contributions to the statewide heritage area program's impact: \$2.4 billion in economic contribution, 40,000 jobs supported and sustained, and \$320 million in local and state tax revenues generated annually.

The entire community of The Latvian Museum is very grateful to the assistance we were granted. Our mission of acquainting the world with the history and culture of Latvia, a small but strategically located country in northern Europe. The history of Latvia is a reminder of the tragedies that can ensue if we do not learn from past mistakes. Your help in our developing a vibrant and interesting museum for all to see is very important to all nationalities and all countries.

I urge you to support SB0980/HB1327, which will make way for up to \$12 million in POS funds to be transferred to the Maryland Heritage Areas Authority.

Thank you for your steadfast support of Maryland's Heritage Areas. For the sake of all Marylanders, please give SB0980/HB1327 your favorable vote.

Respectfully submitted,

Renate Gravers, Director

The Latvian Museum

MML - SB488 - UNF.pdf

Uploaded by: Justin Fiore

Position: UNF

TESTIMONY

March 5, 2025

Committee: Senate Budget and Taxation Committee

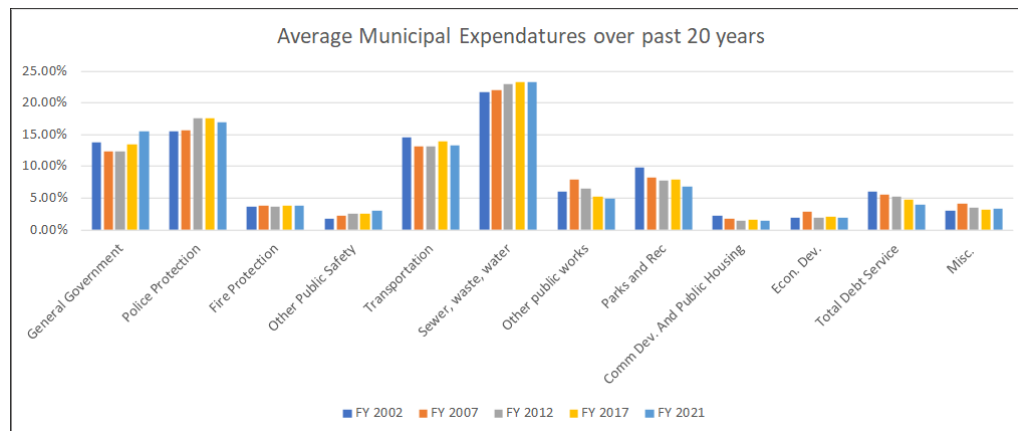
Bill: SB 488 – Manufacturing Business Personal Property Tax – Exemption

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes Senate Bill 488, which would exempt all personal property in the possession of a person engaged in a manufacturing business that is a small or medium-sized enterprise, including any special taxing district property tax.

Municipalities need more revenue options, not fewer. Looking at average municipal expenditures, it's clear that current revenues go almost exclusively to fund critical services, and there is little funding left over for other important place-making initiatives like community development, economic development, and housing. This means local governments would likely need to raise property taxes on the general public to provide a tax break for these businesses while maintaining services.



Without definitions for small and medium-sized enterprise or “a person engaged in a manufacturing business,” it is not clear how many municipalities would be impacted. Likely, this would be well in excess of last year’s HB 1018 which carried a \$4.8 million fiscal note across 57 municipalities.

For some towns, the revenues represent a tiny fraction of their budgets. For others, it may play a more important role. For example, the Town of Smithsburg in Washington County collected \$21,205 last year in manufacturing personal property taxes, and Walkersville in Frederick County collected \$43,939. Those revenues move the needle on important projects in small Maryland towns.

One of MML's priorities this year is to reduce municipal dependency on property taxes by creating new streams of revenue. If we can accomplish that, then the remaining municipalities that use personal property taxes to help balance their budgets will have the flexibility needed to make these considerations viable at the local level.

For these reasons, the Maryland Municipal League respectfully requests an ***unfavorable*** report on Senate Bill 488. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunicipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 161 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

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(410) 295-9100 www.mdmunicipal.org

SB0488-BT_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



Senate Bill 488

Manufacturing Business Personal Property Tax - Exemption

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 5, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** SB 488. This bill exempts from the property tax all personal property in the possession of a person engaged in a manufacturing business that is a small- or medium-sized enterprise.

Counties are amenable to working with state policymakers on efforts to reduce the burden on manufacturing businesses. However, MACo opposes this bill because it will undermine county revenue structures and deplete limited local funds for public health, schools, public safety, roadway maintenance, and other essential public services.

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the State's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives but resist state-mandated changes that preclude local input.

Accordingly, MACo urges an **UNFAVORABLE** report on SB 488.

SB468 Public Middle, High, Charter Schools Start t

Uploaded by: Angela R Jones

Position: INFO

JOANNE C. BENSON
Legislative District 24
Prince George's County

MAJORITY WHIP

Budget and Taxation Committee

Subcommittees

Education, Business, and Administration

Pensions

Chair, Procurement

Joint Committees

Audit and Evaluation Committee

Children, Youth, and Families

Ending Homelessness

Fair Practices and
State Personnel Oversight



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony
Senator Joanne C. Benson
Support of SB468:
Public Middle, High, and Charter Schools - Start Time for Instruction

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee. I am here not just to testify, but to show my unwavering support of Senate Bill 0468, which addresses the start times for public middle, high, and charter schools.

As a Long-term Legislator, former Principal, and former Educator. I can honestly testify that I have witnessed firsthand the profound impact of early school start times on students' overall well-being and academic performance. SB0468 is a critical piece of legislation that aims to improve the health and academic success of our students by mandating later start times for schools. Beginning in the 2027-2028 school year, this bill requires all public middle schools to start no earlier than 8:00 a.m. and all public high schools to start no earlier than 8:30 a.m.

Research has consistently shown that later start times align better with the natural sleep patterns of adolescents, leading to improved mental and physical health, better academic performance, and reduced absenteeism. In my experience, I have seen how chronic sleep deprivation can negatively impact students' ability to concentrate, retain information, and engage in classroom activities. By implementing later start times, SB0468 will help ensure that our students are well-rested and ready to learn, ultimately leading to a more successful and productive educational experience.

Moreover, this bill initiates a vital public service campaign to spotlight the critical need for sufficient sleep and the newly established school start times. By educating parents, students, and the community about the lasting benefits of this change, we can foster a smoother transition and promote a healthier future for our children.

In conclusion, I urge the committee to support SB0468 and take this important step towards improving the health and academic success of our students. Thank you for your time and consideration.