



Senate Bill 388

Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation and
Finance Committees

Date: February 18, 2026

From: Karrington Anderson & Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 388 **WITH AMENDMENTS**. This bill continues the State's efforts to modernize Maryland's economic development strategy and strengthen its competitive position in key industries. Counties share the goal of advancing a forward-looking, resilient economy and appreciate the continued collaboration between the Maryland Department of Commerce and local economic development leaders.

As the State advances its economic development strategy, counties urge continued recognition that Maryland's regions are not one-size-fits-all economies. Strategies that strengthen one area may not produce the same results elsewhere, and a diversified approach that reflects regional strengths, workforce realities, infrastructure capacity, and existing industry clusters will better position the State for long-term resilience. While targeted investments in high-growth sectors can drive progress, many counties rely on a broad mix of industries, including manufacturing, agriculture, hospitality, logistics, healthcare, and small businesses. Ensuring that State strategies allow for regional flexibility will help avoid unintentionally narrowing opportunity in communities whose economic strengths may differ from statewide priorities.

SB 388 transfers oversight and administration of a few economic development programs from the Maryland Department of Commerce to the Maryland Economic Development Corporation (MEDCO). While counties have a strong and productive working relationship with MEDCO and value its responsiveness and expertise, the expanded role contemplated under this legislation makes clear, structured coordination even more important.

As MEDCO assumes greater responsibility, counties request amendments to ensure ongoing consultation with counties and local economic development directors so that program implementation, project selection, and funding allocations remain aligned with regional needs and on-the-ground economic realities.

MACo appreciates the Maryland Department of Commerce's collaboration with counties to retain and enhance several high-priority incentive programs that are critical to business expansion and workforce development statewide. SB 388 revamps the Maryland Economic Development Assistance Authority

and Fund (MEDAAF/Advantage Maryland Program) by increasing available funding from \$5 million to \$7.5 million and removing the requirement that local governments must contribute at least 10% of a project amount provided by the State, thereby offering greater local flexibility. The bill also extends the sunset date from 2027 to 2032 for the Job Creation Tax Credit (JCTC) and the Employer Security Clearance Costs Tax Credit.

Preserving and strengthening these programs provides continuity, certainty, and flexibility for both the State and local jurisdictions to attract, retain, and grow businesses across Maryland. SB 388 reflects a continued commitment to strengthening Maryland's economic development framework. With consideration of regional flexibility, local input, and continued collaboration, this bill can better support balanced, statewide growth.

For these reasons, MACo requests a **FAVORABLE WITH AMENDMENTS** report for SB 388.