



## House Bill 1580

### *Economic Development - Maryland Enhanced Tax Increment Financing (TIF) Districts*

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: March 5, 2026

From: Karrington Anderson & Charlotte Fleckenstein

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1580. This bill authorizes the Maryland Economic Development Corporation (MEDCO), with approval of the Board of Public Works, to issue bonds for the development of a Maryland Enhanced Tax Increment Financing (TIF) District in areas where a local jurisdiction has already approved a TIF plan.

A TIF is a public financing tool that allows a county to fund infrastructure improvements, such as roads, utilities, structured parking, and site preparation, by leveraging the future increase in property tax revenues generated by new development. HB 1580 builds on this proven, locally driven model by authorizing MEDCO to participate in large-scale projects that meet clearly defined criteria and have already secured local approval.

Under the bill, a “Maryland Enhanced TIF District” must include a development project or plan that: (1) includes a convention center or is located within one-half mile of a transit station in the state; (2) exceeds \$500 million in total project costs; and (3) has received local approval for TIF financing. These guardrails ensure that the program targets major, catalytic projects capable of generating substantial economic activity and long-term revenue growth.

On the recommendation of MEDCO, the Board of Public Works may authorize the pledge of alternative State revenues, such as incremental sales and income taxes generated within the district, to support bond financing. This approach layers State participation on top of local investment, helping to close funding gaps for projects that otherwise may not move forward. By leveraging net-new State revenues tied directly to project performance, HB 1580 establishes a structured and accountable partnership model.

As counties continue to prioritize pro-housing strategies and strategic economic development, this enhanced financing mechanism offers a meaningful way to unlock transformative projects while expanding the tax base for both the State and local governments.

For these reasons, MACo urges a **FAVORABLE** report on HB 1580.