



## CITY OF TAKOMA PARK, MARYLAND

### HB 150

### Support with Amendment

### House Ways and Means Committee

House Hearing: March 6, 2019

### HB 150: More Opportunities for Marylanders Act of 2019

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The City of Takoma Park supports the More Opportunities for Marylanders Act of 2019 (HB 150). However, we request an amendment to the definition of “business entity” so that retail businesses are not excluded, a change which we believe will ensure that the bill meets its goal of expanding the More Jobs for Marylanders Tax Credit Program to promote job growth within Opportunity Zones.

I am fortunate to represent residents in the City of Takoma Park’s Takoma Langley Crossroads area. The Takoma Langley Crossroads is a vibrant shopping district with over 200 shops and restaurants offering a unique shopping experience with an international flair. Many of the businesses are retail establishments. The area is also in an Opportunity Zone. Despite the potential benefits of being in an Opportunity Zone, businesses in this area face a number of challenges, including the impact of Purple Line. Thus, we appreciate bills such as HB 150/ SB 174 that strive to promote economic development by creating the financial incentives businesses in the City of Takoma Park desperately need.

The More Jobs for Marylanders Act of 2017 provides tax incentives to new or existing Maryland manufacturers, promotes job growth in the manufacturing sector, and encourages new manufacturing businesses to locate in areas that need them most. HB 150 would expand the More Jobs for Marylanders Act of 2017 to include businesses in Opportunity Zones beyond those in the manufacturing sector. **The City of Takoma Park supports this expansion. However, we are concerned that HB 150 does not extend the incentives to new or existing retail businesses in Opportunity Zones.**

Businesses engaged in retail activities that meet the definition of a “qualified opportunity zone business” should also be considered a “business entity” under HB 150/ SB 174 and be eligible for its incentives. Under the Tax Cuts and Jobs Act of 2017, a “qualified opportunity zone business” is an active trade or business in which substantially all of the tangible property owned or leased by the taxpayer is a qualified opportunity zone business property. But, the following businesses are excluded: golf courses, country clubs, massage parlors, hot tub facilities, suntan facilities, racetracks or other facilities used for gambling, or any store the principal business of which is the sale of

alcoholic beverages for consumption off premises. Retail businesses in general are not excluded. Therefore, **we request that the “primarily engaged in retail activities” language be removed from the bill.**

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“Business entity” does not include:

(1) a refiner, as defined in § 10-101 of the Business Regulation Article;

(II) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS THAT IS:

1. PROVIDING ADULT ENTERTAINMENT, AS DETERMINED BY THE DEPARTMENT;

**[2. PRIMARILY ENGAGED IN RETAIL ACTIVITIES;] OR**

~~2.~~ [3.] PRIMARILY ENGAGED IN THE SALE OR DISTRIBUTION OF ALCOHOLIC BEVERAGES.

The Takoma Langley Crossroads is one of the City of Takoma Park’s major commercial districts. Thus, State policies regarding Opportunity Zones are critically important to ensuring the viability of our commercial district as well as our ability to address the City’s housing and economic development priorities.

In sum, the City of Takoma Park supports HB 150/SB 174 and urges a favorable consideration of the bill but would like to see the amendment proposed above.