

PRESS RELEASE

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SENATE PRESIDENT AND HOUSE SPEAKER ANNOUNCE JOINT LEGISLATIVE BUSINESS AND ECONOMIC DEVELOPMENT AGENDA FOR 2014 SESSION

In a time of global competition in the innovation economy, Maryland is "in it to win it"!

ANNAPOLIS, MD – Senate President Thomas V. Mike Miller, Jr., and House Speaker Michael E. Busch, alongside legislative leadership, university and business leaders from the Maryland Chamber of Commerce, Greater Baltimore Committee and Greater Washington Board of Trade, today announced an agenda to support increased business and economic development in the State of Maryland. This agenda will be a focus of the 2014 legislative session.

“The State of Maryland is uniquely situated to compete in the global innovation economy of the future,” said **President Miller**. “We have tremendous institutional assets in Maryland and I am pleased to be able to work jointly with leaders in the Senate and the House and with the Governor and Lieutenant Governor to maximize these assets to take our economy to the next level while also generating economic development and community revitalization.”

“As we come out of the worst economic recession since the Great Depression, we need to rebuild private sector confidence to invest and expand in Maryland’s economy,” said **Speaker Busch**. “Governor O’Malley has continued to make strategic economic development investments during this time to enable us to think more broadly about the future. We benefit from a strong system of public and higher education institutions which enable us to better leverage State investments to build the innovation economy. This agenda will be a priority for the House this year and set the stage for continuing economic prosperity into the future.”

The Joint Legislative Business and Economic Development Agenda includes:

- **Private Sector Commission to review State’s Economic Development Support and Business Climate** – There are few states that can compare with Maryland in terms of education, research, science and innovation -- in ranking after ranking, the investments Maryland has made in these areas is clearly paying off. At the same time, the competition of the future is a global one and we need to evaluate those things about our State which could hinder the success of existing businesses as well as the development of new economic opportunities. A private sector- led commission will be announced in the next two weeks to focus on the State’s economic development structure and incentive programs to make recommendations to the presiding officers by the end of this year.

The Commission will be chaired by **Norman Augustine**, former Acting Secretary of the Army, president of Lockheed Martin, and Chairman and Principal Officer of the American Red Cross. He served for 16 years on the President’s Council of Advisors on Science and Technology under both Republican and Democratic presidents.

- **Reduced Tax Zones to support investment around Anchor Institutions (RISE Districts)** – The Regional Institution Strategic Enterprise District Program will strengthen ties between key State, federal and higher education institutions and their surrounding communities to ultimately foster increased economic development and neighborhood revitalization. The legislation will utilize enhanced property and income tax credits and accelerated depreciation schedules to spur significant financial investments in designated “RISE districts.” *(Sponsored by Senator Pugh and Delegate Walker)*
- **Recoupling the Estate Tax** – Fourteen states and the District of Columbia currently impose estate taxes, while 7 states have inheritance taxes. Maryland and New Jersey are the only states that impose both estate and inheritance taxes. The proposed legislation would gradually “recouple” Maryland’s estate tax to the federal tax over a four-year period to establish a more equitable tax policy across state lines and positively impact small businesses in Maryland. *(Sponsored by The President and The Speaker)*
- **New Cyber Seed Investment Fund** – A seed fund making investments in pre-revenue cyber companies would fill an existing need in the market. Modeled after TEDCO’s successful Technology Commercialization Fund, the cyber fund would make investment of up to \$100,000 into seed/early-stage cyber security and privacy companies developing products for both government and commercial markets. Private sector investors would receive tax credits for investing in the Fund that would in turn, invest in new cyber companies in Maryland. Since January 1, 2013, cyber companies have represented approximately 1/3 of the applications and investments in TEDCO’s Technology Commercialization Fund, which is known to be technology agnostic. *(Sponsored by Senator DeGrange and Delegate Beidle)*
- **Leveraging public and private sector capital for higher-education research endowments (Maryland E-nnovation)** – Building on InvestMD, the Maryland E-nnovation Initiative will allow for the auctioning of varied tax credits to the private sector to match higher education funding to attract the best and brightest talent to Maryland universities. The purpose of the Maryland E-nnovation Initiative is to create globally recognized research and development programs that maximize Maryland’s State and federal assets and result in significant private sector industry investment, opportunities, and jobs. With matching State funds, Maryland universities will seek private sector funds to co-fund endowed chairs in targeted areas of science and technology research: the exact areas of critical economic opportunity for Maryland. The endowed chairs must have a regional relationship created by working one day a week in a federal installation in the State or through a joint appointment with another institution of higher education in the State. *(Sponsored by Senator Miller and Delegate Bohanan)*
- **Programs to Improve Customer Service** – The private sector often utilizes customer service training for front-line workers to ensure a positive customer experience and receives crucial feedback through customer satisfaction surveys. This proposal would allow key agencies that frequently engage with the private sector to take advantage of additional customer services training opportunities and to receive feedback through customer satisfaction questionnaires.
- **Improved Transparency on Tax Forms** – Marylanders should know what programs their tax dollars are invested in. Legislation would require the Comptroller to include a graphic with each Maryland tax return of how tax dollars are being spent. *(Sponsored by Senator Manno and Delegate Clagett)*
- **Entrepreneur support and skill development** – Entrepreneurs are often young and occasionally scientists or engineers, and often do not have all of the skills needed to grow and manage a fast-paced technology company. Incubators provide the initial support for these entrepreneurs, but as the

companies mature and graduate from an incubator, further support is still needed. A program that provides in-depth, sustained executive support will provide the missing management skills that are needed for company growth, direct one-on-one mentoring of the current management and credibility with investors so that additional capital will be more accessible.

The Commission will begin work this session, once the members are announced, and will report back in December of 2014. All other legislative proposals will be introduced over the course of the next week.

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