



**Rural Maryland Council (RMC)
Ad Hoc Executive Committee Meeting
January 21, 2021 – 3:00 pm to 4:00 pm
*Zoom Teleconference***

Agenda

Participants: RMC Executive Committee Members and RMC Staff

- A. Welcome and Agenda Overview John Hartline, Chair
- B. Legislative Bill Tracking
 - a) HB97/SB66 – Department of Housing and Community Development – Office of Digital Inclusion – Established
 - b) HB43- Department of Information Technology – Office of Broadband and Joint Committee on Broadband
- C. 2021 Legislative Priorities Approval
- D. Adjourn

Next Executive Committee Meeting: Friday, March 26, 2021, 12p – 2 pm
Location: TBD



Rural Maryland Council 2021 Legislative Priorities

The Rural Maryland Council (RMC), an independent state agency, brings together rural leaders, government officials at all levels, and the representatives of the non-profit and for-profit sectors to develop public policy solutions to the challenges unique to rural Maryland. Ultimately, our mission is to improve the quality of life while preserving the cultural heritage of Maryland's rural communities.

According to the Maryland Department of Legislative Services:

Fiscal 2020 General Fund revenues were below estimates by \$102 million or .5%. This under attainment was driven primarily by the sales tax which was under the estimate by \$317 million (6.4%) and fell 3.7% from Fiscal 2019. Retail sales, especially at restaurants and bars, were most directly impacted by the pandemic. **Overall, General Fund revenues are projected to rebound in Fiscal 2022, as the pandemic fades and economic growth continues to accelerate. Under the official forecast, Fiscal 2021 is expected to close with a \$547 million fund balance and Fiscal 2022 with a deficit of \$855 million. Structural deficits are forecast through Fiscal 2026.** The Legislature's Spending Affordability Committee recommended utilizing Rainy Day funds while capping the structural deficit at \$700 million.

Rural Maryland Prosperity Investment Fund (RMPIF): The rural areas of the state continue to struggle to recover economically as reflected in unemployment and poverty rates. **To address these disparities, funding of the Rural Maryland Prosperity Investment Fund (RMPIF) remains a top priority.** Obtaining this critical support in the amount of \$6 million in funding for RMPIF would encourage necessary economic development and support necessary services. Given the state's fiscal condition due to the COVID-19 pandemic, we expect a 10% decrease in funding for a total of \$5,560,000 in FY 2022.

The RMC strongly supports continued state support of:

- **RMC Operating Expenses - (\$463,391)**
- **Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) - (\$150,000)**
- **Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO) – (\$2.735 million)**
- **Next Generation Farmland Acquisition Program – (\$2.5 million)**

The RMC also strongly supports maintaining the current funding of the State's five regional councils at the historical legislative intention of \$200,000 each.

For the Maryland General Assembly's 2021 Legislative Session, the Rural Maryland Council supports the following legislative priorities:

Broadband and Infrastructure: Infrastructure improvements remain a key piece of place-making strategies in creating and retaining vibrancy in our rural communities including rural broadband expansion. The Council supports the Governor's FY 2022 Capital Budget Appropriation of approximately \$10 million for the Local Government Infrastructure Fund in the Maryland Department of Housing and Community Development. Other regulatory efforts such as adoption

of a “dig-once” policy and codifying the Office of Rural Broadband should be considered. In the Fall 2020, the Council surveyed their membership and found the lack of broadband to be greatest concern in rural Maryland.

RMC also supports the distribution of transportation funding for Local Governments and expansion of heavy rail for commerce, transit, and tourism-related purposes.

Rural Economic Development: The Council supports efforts to encourage rural economic development in the form of tax credits to new or expanding businesses in rural Maryland. This includes tax credits for broadband expansion, services and a sales tax exemption of broadband equipment, and income tax credit for angel investments. These initiatives will attract and expand industry sectors other than cyber and biotechnology to all jurisdictions across the state, in part encouraging needed investment in the rural counties of Maryland.

Viable Agriculture, Aquaculture, Forestry & Rural Communities: Agriculture remains Maryland’s largest commercial economic sector and is incredibly important to our rural areas. Agriculture contributes approximately \$3.3 billion to the state economy supported 23,878 jobs and added nearly \$110 million in combined state and local tax revenue. The total economic impact of resource based industries in 2015 equaled \$23.3 billion, supported over 94,500 jobs, and generated nearly \$902 million in state and local tax revenue. RMC supports programs and policies that will sustain and enhance agricultural production and agritourism. RMC also supports policies that build strong rural communities:

- Adequate funding to ensure the retention and placement of University of Maryland Extension (College Park and Princess Anne) agricultural agents in each county and provide for appropriate agricultural research;
- Adequate funding for the Chesapeake Bay Trust Fund;
- Land preservation programs such as Program Open Space which funds Rural Legacy and the Maryland Agriculture Land Preservation Foundation;
- Expanding the Earned Income Tax Credit to ensure low-income workers and families access to basic necessities and providing an economic boost to neighborhood businesses;
- Core Smart Growth programs such as the Maryland Heritage Structure Rehabilitation Tax Credit, Maryland Heritage Area Grants and the Community Investment Tax Credit;
- Expanded funding for the Department of Housing and Community Development’s Community Legacy, Strategic Demolition and Smart Growth Impact Fund; Neighborhood Business Works and Rental Housing Works programs;
- Energy policies that promote long-term, locally generated, renewable energy.

RMC is also interested in nutrient management regulations and land use decisions that may adversely impact agriculture production, particularly in regards to the expansion of utility-scale solar arrays without local input. The Council opposes any tax or fee imposed on agricultural products such as poultry.

Public Safety: Small rural volunteer fire and emergency agencies find it difficult to recruit and retain qualified trainees and employees. Efforts should be considered that allows rural emergency services access to workforce development tools.

Rural Health: Rural Maryland currently experiences a shortage of health care providers particularly in specialty areas, mental health and dental care. Moreover, rural populations are also overall older and in worst health than their suburban counterparts. RMC supports efforts to enable and expand telehealth to provide access to preventative and critical care services in rural areas.

For more information, visit the RMC’s website at: rural.maryland.gov

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