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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
House Bill 002 Income Tax – Work Opportunity Tax Credit
House Ways and Means Committee
January 26, 2022

The Rural Maryland Council supports House Bill 002 - Income Tax – Work Opportunity Tax Credit. The Bill intends to increase job opportunities for those who are facing significant barriers to employment by creating a nonrefundable credit against the State income tax for up to 100% of the federal Work Opportunity Tax Credit (WOTC) claimed by an employer.

By creating a tax credit against the State income tax for the WOTC claimed by the employer, it will encourage more businesses to hire people that fall under the targeted groups that face significant barriers to employment. Currently, some of the targeted groups for the credit include individuals whose families are recipients of Supplemental Nutrition Assistance Program; individuals experiencing long-term unemployment; residents of an empowerment zone or rural renewal county; veterans; the formerly incarcerated or those convicted of a felony; and supplemental Social Security income (SSI) recipients. According to the U.S Department of Labor, there were more than 2 million WOTCs the United States in Fiscal Year 2021, Maryland accounted for just above 50,000 of those WOTCs

The WOTC provides an incentive to hire those who are less likely to find employment and are often individuals who need a job the most. This includes someone facing economic hardships that needs to provide for their family; someone who has been incarcerated or is a convicted felon but has since done their time and wants to better their lives and re-enter society; and those receiving SSI who are over 65 or have a disability and are under certain income and resource levels. The group that is the most likely to be employed are those whose families receive SNAP, making up 35,000 of the approximately 50,000 Maryland WOTC credits. Meaning many of these credits are being used towards those who are providing for more than just themselves. According to the Center on Budget and Policy Priorities, in Fiscal Year 2019 over 62% of Maryland SNAP participants were in families that had children, and 38% were in families with elderly or disabled family members.

The Rural Maryland Council respectfully requests your favorable support of House Bill 002 - Income Tax – Work Opportunity Tax Credit.

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sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.



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Testimony in Support of
House Bill 006 - Maryland Medical Assistance Program – Dental Coverage for Adults
House Health and Government Operations Committee
February 09, 2022

The Rural Maryland Council supports House Bill 006 - Maryland Medical Assistance Program – Dental Coverage for Adults. This will require the Maryland Medical Assistance Program, beginning January 1, 2023, and subject to certain limitations, to provide certain dental care for adults whose annual income is at or below 133 percent of the federal poverty level.

Providing dental care is crucial to an individual's overall health, and it is important that preventative measures are taken to assure that long-term complications do not occur. When someone does not have the financial capabilities to attend dentist appointments for routine cleaning and checkups, it leads to a decrease in dental health and higher risk of developing more serious complications such as cavities or abscess teeth. The individual is then forced to pay for expensive treatment or suffer through the pain because they are unable to afford treatment. According to Data USA, in 2018 St. Mary's had a population of 111,531 citizens, of which 8.3% had incomes at or below the federal poverty level, 5.8% had no health or dental insurance, and 11.8% were covered by Medicaid.

Rural Marylanders tend to be older, in worse health and have lower incomes compared to their suburban counterparts. These factors can negatively affect oral health. The Center for Disease Control (CDC) lists disparities in oral health, including income. According to the CDC's *Disparities in Oral Health* webpage, 17% of children aged 2 to 5 from low-income households have untreated cavities in their primary teeth, which is three times the percentage of children from higher-income households; and that 23% of children aged 2 to 19 from low-income households have untreated cavities in their permanent teeth, which is twice that of children from higher-income households. It also states that adults between 20 to 64 that are low-income or uninsured are twice as likely to have one to three untreated cavities and three times as likely to have four or more untreated cavities compared to those of higher incomes or have private insurance. Because of the current historic State surplus, now would be an appropriate time to add additional funding that would change the overall dental health and lives of those that cannot currently afford to do so.

Income should not determine an individual's access to dental care - the Rural Maryland Council respectfully requests your favorable report of House Bill 006

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Testimony in Opposition of
House Bill 11 - Renewable Energy Portfolio Standard – Tier 1 Renewable Source – Alterations (Reclaim
Renewable Energy Act of 2022)
Economic Matters Committee
March 04, 2022

The Rural Maryland Council opposes House Bill 11 - (Reclaim Renewable Energy Act of 2022).

The passage of this bill will impact rural and agricultural parts of the State by removing several of the current sources that are considered Tier 1 renewable resources in the State Renewable Energy Portfolio (RPS). The exclusion of these materials will result in more waste materials that could be used for clean renewable energy and also negatively impact the individuals, businesses, and farmers that take advantage of the materials that are currently listed as Tier 1 renewable resource.

The removal of food waste would result in more wasted food going to landfills. In 2015, the US Environmental Protection Agency and the US Department of Agriculture announced a national goal to reduce food waste by 50% by 2030. According to the Maryland Department of the Environment, over nine hundred thousand tons of food waste is generated annually and only a small portion is recycled while a majority is disposed of in landfills or incinerated. Food waste as a renewable fuel source can provide significant contributions towards on farm energy use, revenue generation, and climate change mitigation. An example of this is a partnership between West Nottingham Academy and Kilby Farm Creamery located in Cecil County, Maryland. In partnership, the school diverts nearly 7 tons of food waste annually from their dining hall to the farm digester where it becomes compost and energy to run the farm.

The Maryland Department of Agriculture currently works to fund the construction of anaerobic digesters in Maryland. The construction of the Bioenergy Devco facility at the Maryland Food Center Authority was just completed in 2021. According to Bioenergy Devco's website, the facility is capable of recycling 115,000 tons of organics annually to produce approximately 265,000 MMBtu of renewable natural gas and 20,000 tons of soil amendment for agricultural and other land use. The resulting greenhouse gases prevented from being released into the atmosphere has the equivalent environmental impact of a 47,000-acre forest, or 56 times the size of Central Park.

The bill's removal of poultry litter could also significantly impact Maryland's poultry farmers. CleanBay Renewables recently announced the construction of CleanBay's Westover bio-refinery which, using anaerobic digestion (AD), will recycle more than 150,000 tons of chicken litter annually and convert it into renewable natural gas and a nutrient-rich fertilizer product. By repurposing a potential source of excess nutrients, CleanBay can generate 765,000 MMBTUs of sustainable renewable natural gas, which it will sell to Chesapeake Utilities.

The State of Maryland also recently invested in an anaerobic digester as part of the natural gas pipeline to the University of Maryland Eastern Shore and the Eastern Correctional Institute. This digester and pipeline will provide a cleaner and cheaper energy resource to a minority and low-income area.

The current Tier 1 renewable resources provide positive economic and environmental impacts to Maryland. The Rural Maryland Council respectfully requests your opposition of House Bill 11.



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January 24, 2022

The Honorable Kumar P. Barve
Chair of Environment and Transportation Committee
251 Taylor House Office Building
6 Bladen Street, Annapolis, MD 21401

Dear Chair Barve:

The Rural Maryland Council supports House Bill 147 - Maryland Farms and Families Fund, Maryland Food and Agricultural Resiliency Mechanism Grant Program, and Maryland Farm-to-School Meal Grant Pilot Program – Alterations and Establishment. The bill will provide more opportunities to those who do not know where their next meal will come from as it raises the amount of the Maryland Farms and Families Fund from \$100,000 to \$300,000 in FY2024. This significant increase will allow more families to buy fresh produce and healthy foods and double their spending power at farmers markets and farm stands. Additionally, it will encourage consumers to buy local products that will benefit local farmers and local small businesses. Lastly, it will strengthen the food distribution program and will ensure there are no empty shelves during an emergency, and it will incentivize local foods in school meals by awarding grants to eligible school districts.

The Maryland Farms and Families Fund was signed into law in 2017 and has been helping provide families with meals ever since. The program allows double the purchasing ability for families using the Farmers Market Nutrition Program (FMNP), Supplemental Nutrition Assistance Program (SNAP), and Women Infants, and Children (WIC) at farmers markets. These are families that are often struggling financially and need assistance with purchasing food. According to USDA data, as of October 2021 there are 864,649 Marylanders participating in the SNAP program, a 24% increase from October 2020.

Maryland Food and Agricultural Resiliency Mechanism Grant Program and Fund (MD FARM) will award grants to food banks and charitable emergency food providers to alleviate food insecurity. These grants will be for the procurement of surplus, seasonal, or contractual agricultural food products; the processing and preparation of agricultural food products for distribution; and the transportation of agricultural food products. Additionally, the grant money may only be used for food products and services sourced from the State. This program would provide more opportunities for those who do not know where their next meal will come from. According to the *2019 Maryland Food System Map Data Summary*, in 2017, just under 11% of Maryland adults and just above 15% of children were food insecure.

Maryland Farm to School Meal Grant Pilot Program would incentivize local foods in school meals by awarding grants to eligible school districts. Allowing for the purchase, processing, procurement, staffing, or infrastructure investments needed to provide these meals. This program will incentivize the introduction of local foods into schools that will provide healthier foods for children and increase revenues for farmers.

The Rural Maryland Council respectfully requests your favorable support of House Bill 147.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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February 22, 2022

The Honorable Shane E. Pendergrass
Chair of Health and Government Operations Committee
241 Taylor House Office Building
6 Bladen Street, Annapolis, MD 21401

Dear Chair Pendergrass:

The Rural Maryland Council **supports** House Bill 178 - Public Health – Cottage Food Businesses – Annual Revenues. The purpose of the bill is to alter the definition of "cottage food business" for the purpose of increasing from \$25,000 to \$100,000 the cap on the annual revenue from the sale of cottage food products that a cottage food business may earn. Allowing the annual revenue cap to be raised to \$100,000 will encourage more cottage food businesses and entrepreneurship in our rural areas.

Cottage food businesses are businesses that produce or package cottage foods from a residential kitchen. These foods are quite specific and include items such as hot filled high-acid fruit jams, jellies, preserves, and butters made only with fruits with a natural pH of 4.6 pH or less; hard candy; chocolate confections made from commercially manufactured chocolate (e.g., chocolate covered pretzels); and non-potentially hazardous snacks (such as popcorn balls, kettle corn, popcorn, and nuts).

Those who operate cottage food businesses are doing so from a residential kitchen, meaning these cottage foods are being made in their homes and being sold directly to a consumer from a residence, at a farmers market, at a public event, by personal delivery or mail delivery, or directly to a retail food store. The current cap does not allow the cottage food business to grow past \$25,000, although they are still operating residentially and not out of a commercial grade kitchen. The recommended cap raise will allow cottage food businesses to properly grow, and financially help the individuals and families operating them.

The Rural Maryland Council respectfully requests your favorable support of House Bill 178 - Public Health – Cottage Food Businesses – Annual Revenues.

Sincerely,

Charlotte Davis
Rural Maryland Council
Executive Director



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Testimony in Support of
House Bill 238 - State Designations - State Spirit - Maryland Rye
House Health and Government Operations Committee
March 15, 2022

The Rural Maryland Council supports House Bill 238 - State Designations - State Spirit - Maryland Rye. Maryland was once renowned for its rye whiskey production surpassing all states except Kentucky and Pennsylvania. In 1911, Maryland produced 5.6 million gallons of distilled spirits – most of it rye. Unfortunately, those distilleries disappeared after World War II when American whiskey production consolidated in Kentucky. By establishing a State Spirit, like the establishment of Smith Island Cake as the State Dessert, the State could incentivize rye production, resulting in more value-added agriculture production and an increase of customers to Maryland’s distilleries.

Maryland has a growing craft beverage market that contributes greatly to the State economy. According to Grow & Fortify’s *Value Added Agriculture in Maryland* report, Maryland’s craft distilleries had a value added impact of over \$179 million, supported almost 1,000 jobs, and added more than \$13 million in state and local tax revenues. The addition of a state rye would give an opportunity to these distilleries to produce and sell this spirit, encouraging customers from in and out of the State to try Maryland’s State rye. The Maryland Rye could also encourage the purchase of more locally grown products. Maryland farmers could grow and sell the barley and corn used to produce the rye.

The Council supports and encourages value added agriculture and the benefits it brings to both farmers and the State economy. The Rural Maryland Council respectfully requests your favorable support of House Bill 238.

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Testimony in Support of
House Bill 252 Income Tax - Return Preparation Assistance Program for Low-Income Families
House Ways and Means Committee
February 2, 2022

The Rural Maryland Council **supports** House Bill 252 Income Tax - Return Preparation Assistance Program for Low-Income Families. The bill would establish the Income Tax Return Preparation Assistance Program for Low-Income Families, which would require certain income tax returns and amended income tax returns for certain eligible taxpayers who may be eligible for but failed to claim the State earned income tax credit. This bill would give tax breaks to low-income families that missed out on the opportunity to take advantage of the tax break that they were eligible for.

The Earned Income Tax Credit (EITC) is highly underutilized and is beneficial to low-income families by reducing the amount of income tax owed. The EITC is a benefit for working people with low to moderate income. Those who qualify for the federal EITC and claim it on their federal return, may be entitled to a Maryland EITC on the state return equal to 50% of the federal tax credit. Allowing these tax returns to certain low-income individuals who missed out on the opportunity would lift many individuals out of financial hardships or assist them in a time of need, and increase the utilization of the EITC. The tax credit also encourages work because of the larger tax return. This benefits Maryland's rural areas because of the higher rates of poverty in rural areas compared to their urban and suburban counterparts.

The program established by this bill will also be cost effective as it utilizes the EITC which is the cheapest and most effective anti-poverty program.

This program is beneficial to low-income families – The Rural Maryland Council respectfully requests your favorable support of House Bill 252 Income Tax - Return Preparation Assistance Program for Low-Income Families

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Testimony in Support of
House Bill 300 - Budget Bill (Fiscal Year 2023)
House Transportation and the Environment Subcommittee
February 23, 2022

The Rural Maryland Council supports the Governor's Fiscal Year 2023 Appropriation. (House Bill 300 - Budget Bill Fiscal Year 2023). This funding will be highly beneficial to those who live, work, and visit the many great rural areas of our State. The RMC administers two grant programs, the Rural Maryland Prosperity Investment Fund (RMPIF) and the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF). This additional funding will provide more resources and opportunities in our rural areas and improve the lives of the Marylanders who live there. The RMPIF and MAERDAF grant programs have provided substantial amounts of needed opportunities and resources to our rural communities.

In Fiscal Year 2021, almost 1.7 million (1,683,640) people were served, trained, or reached through the projects funded. Additionally, over \$12 million (\$12,021,692) in private sector dollars were leveraged for rural development projects in Maryland. The grant programs have been a great success and are growing in demand each year.

On average, in Fiscal Years 2019, 2020, and 2021, our grant programs have had 169 applicants requesting \$10,459,768.30. With our past funding, the RMC has funded on average 73 applicants at \$6,173,836.67 per year. In FY 2021, the Council received 179 Applications requesting \$14,679,005. The RMC does not have the funding capabilities to fund all requests, causing the grant board to turn away many quality projects each year. With the additional funding the RMC could provide more grants that will help rural communities and Marylanders in return.

Rural areas always see a delay in the impact and recovery of economic impacts and events. Our rural areas have not fully recovered from the last economic recession when the recent pandemic hit. It is important that rural areas receive the investments they need to recover at the same rate as the rest of Maryland.

The strength of our impact is dependent on the resources provided to us through the State's operating budget. The Council members and rural non-profit community leverage these funds with local and federal funds to improve the lives of rural Marylanders. RMPIF funding allows many rural organizations to provide innovative programming that creates jobs, educational opportunities, and enhances the quality of life in our rural communities. For many nonprofit organizations and stakeholders, RMPIF provides the critical support needed to fuel healthy, resilient rural communities.

With the State's investment, an additional \$67 million in federal, local, and private funding has been directed into our rural areas. Overall, the RMPIF program between 2018 and 2021 has resulted in \$124 million in economic impact and \$40.9 million in employee compensation according to a study by the Regional Economic Studies Institute with Towson University. The MAERDAF program has provided \$12.1 million in additional economic impact and \$4.4 million in employee compensation.

Past grant recipient projects have had significant outcomes such as improved educational outcomes of at risk, minority children by providing educational summer enrichment programs; building the capacity and quality of smalltown drinking water; expanding broadband internet connections to new homes; and providing medical transportation, personnel, and services to those in need. The FY2023 funds will expand the reach of our grant programs, allowing for even more positive impacts across rural Maryland as the rural areas recover from the negative economic effects of COVID-19.

The Rural Maryland Council respectfully requests your support of the Governor’s appropriation included in House Bill 300.

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Testimony in Opposition of
House Bill 387 -Pesticide Regulation – Transfer to Department of the Environment
House Environment and Transportation Committee
February 09, 2022

The Rural Maryland Council **opposes** House Bill 387 -Pesticide Regulation – Transfer to Department of the Environment. The bill seeks to transfer the regulation of pesticides, plant diseases, and mosquitos in the State from the Department of Agriculture to the Department of the Environment. By removing these regulations from the Department of Agriculture, it will consequently remove the Department that is familiar with these regulations, and those in the agricultural workforce. This transfer will also result in unnecessary expenses.

The Maryland Department of Agriculture has been handling the regulation of pesticides for many years and has gained the knowledge and expertise to control and oversee these regulations. One of the reasons this expertise is important, is that the Department of Agriculture understands the process of using these pesticides, and the farmers and agricultural workers that use them. If pesticides are regulated in the wrong manner, it will result in those who use pesticides to switch to similar chemicals for pesticide use that will have negative effects on the environment. While the bill has positive intention by wanting to mitigate and reduce the damages done to the environment by pesticide use, the opposite outcome could come from the attempts to do so.

Additionally, the transfer of these regulations from the Department of Agriculture to the Department of the Environment would also result in additional spending from the process of moving materials and personal from the Departments.

The Rural Maryland Council respectfully requests that you vote unfavorably on House Bill 387 Pesticide Regulation – Transfer to Department of the Environment.

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Testimony in Support of
House Bill 403 - Income Tax - Subtraction Modification - Employee-Owned Businesses
House Ways and Means Committee
February 09, 2022

The Rural Maryland Council supports House Bill 403 - Income Tax - Subtraction Modification - Employee-Owned Businesses. This bill creates a subtraction modification against the State individual and corporate income tax for any income from a qualified transfer of stock or membership interest of a Maryland corporation or limited liability company (LLC). If the qualified transfer is to a direct share ownership plan, the subtraction is limited to the lowest amount of stock or membership interest transferred to any tenured employee during the taxable year multiplied by the number of all tenured employees.

Much of rural entrepreneurship exists of family owned and operated businesses. As our rural population is aging, succession and exit planning for family businesses are vital to ensure the businesses' future continuation and vitality. Succession and exit planning will help ensure that these businesses do not cease to exist when the owners decide to retire or move on to other endeavors.

In Fiscal Year 2017, the Rural Maryland Council awarded a grant to Frostburg State University Office of Research Sponsored Programs to conduct a feasibility study to investigate the need for business succession and exit planning strategies in Western Maryland. The University investigated two business succession and exit planning programs; one in Kansas and another in Pennsylvania. As a part of the grant scope of work, the University interviewed 20 businesses regarding succession planning and identified 5 alumni interested in pursuing such opportunities. While it determined that there is a need to offer succession and exit planning services, there were not enough alumni interested in taking over such businesses. Employee stock ownership plans are a viable alternative to ensuring the retention of our rural small businesses and their continued vitality.

The Rural Maryland Council respectfully requests your favorable support of House Bill 403

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Testimony in Support of
House Bill 410 - Transportation – Highway User Revenue – Distribution
House Environment and Transportation Committee
March 10, 2022

The Rural Maryland Council supports House Bill 410– Transportation – Highway User Revenue – Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to 13.5%. The Rural Maryland Council supports efforts to return the restoration of Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the state shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and HB-410 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver’s community. The Rural Maryland Council respectfully requests your favorable support of House Bill 410.

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Testimony in Support of
House Bill 414 - Economic Development - Project Restore Program and Fund
House Ways and Means Committee
February 23, 2022

The Rural Maryland Council supports House Bill 414 - Economic Development - Project Restore Program and Fund. This bill helps revitalize communities across the state of Maryland while also incentivizing the growth of small businesses. The bill will accomplish this by awarding rental grants of \$2,500 a month for no longer than 12 months, and business operation grants of no more than \$250,000 for a 12-month period to small businesses and commercial developers that locate in vacant properties. Additionally, these businesses must have less than 50 employees, further promoting the growth of small businesses.

By incentivizing businesses to come into these vacant areas, it is promoting small businesses, creating jobs, and creating vibrant communities. As we recover from the pandemic, many business owners are cautious to move locations or expand to new areas. Many small businesses were forced to close during the lockdown and were never able to financially recover, leading to their permanent closure. Additionally, many individuals became more comfortable with ordering products online that come from out of the State. Project Restore will give an incentive to these businesses to locate in vacant properties that are negatively impacting the value of communities across the State. When communities lose the businesses that make up the main streets and downtowns, the area loses value and desirability. This causes new homeowners and new businesses to locate elsewhere, and consequently the jobs and resources as well.

Rural areas and other underserved areas are hit the hardest by these vacancies. For example, the National Association of Realtors lists the Cumberland area as having a vacancy rate of 6.2% as of October 2021, while the national average is 4.8%. Rural communities are slower to recover from economic tragedies, making it necessary to make sure all of Maryland can recover from this pandemic properly.

The Rural Maryland Council respectfully requests your favorable support of House Bill 414.

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Testimony in Support of
House Bill 418 - Economic Development – More Jobs for Marylanders Program – Extension and Alterations
House Ways and Means Committee
March 02, 2022

The Rural Maryland Council supports House Bill 418 - Economic Development – More Jobs for Marylanders Program – Extension and Alterations. The bill will alter the circumstances and period of time the Department of Commerce may provide a qualified business a certificate certifying that an eligible project is enrolled in the Program. The bill will also transfer, from the More Jobs for Marylanders Tax Credit Reserve Fund to the General Fund, an amount equal to the amount stated in the final tax credit, rather than that stated in the initial tax credit certificate. HB-418 will allow more businesses to qualify for the tax credit, encouraging more businesses to locate in or remain in the State and provide more jobs to Maryland residents.

Rural areas recover from economic disasters at slower rates than urban and suburban areas, adding on to the already higher rates of unemployment and poverty. The Great Recession's hardest hit regions of Maryland had not fully recovered before being hit by the pandemic in 2020. The Eastern Shore and Western Maryland, once manufacturing hubs, have seen higher than state average rates of unemployment. The Eastern Shore has seen a loss of business establishments, and Western Maryland has seen a decrease of the manufacturing jobs that once made up a large portion of the area's employment. According to the Federal Reserve, Maryland reported 103,000 manufacturing jobs in 2014, an industry low from a high of 200,000 in 1992. Until the COVID-19 pandemic, manufacturing jobs rebounded to 114,100 in 2019.

The More Jobs for Marylanders Act offers a powerful incentive to strengthen local economies and increase employment opportunities in the hardest hit regions of Maryland. According to the *Evaluation of the More Jobs for Marylanders Program* compiled by the Department of Legislative Services, the 42 projects that received a first business year tax credit between October 2018 to May 2020 reported creating almost 1,000 jobs. HB-418 will increase the number of eligible projects, ultimately increasing the number of good paying jobs.

The Rural Maryland Council respectfully requests your favorable support of House Bill 418.

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"A Collective Voice for Rural Maryland"



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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
House Bill 420 - Retirement Tax Elimination Act of 2022
House Ways and Means Committee
February 23, 2022

The Rural Maryland Council supports House Bill 420 - Retirement Tax Elimination Act of 2022.

The bill will allow a tax subtraction for those receiving old age or survivor benefits from social security and those over 65 that are not fully employed. This subtraction will encourage Marylanders to stay in the State after retirement and bring retirees from other states to Maryland. The subtraction will also help the elderly who are living in poverty and struggling to pay their bills.

The tax elimination will benefit many retirees in Maryland's rural and underserved areas. Rural Maryland has an older and poorer population compared to the urban and suburban parts of the State, meaning that taxes effect this population more than others. Since many older Marylanders are retired from their careers, they now rely heavily on the income received from Social Security, but many must still acquire additional income to make ends meet. These Marylanders have already worked most of their lives but still cannot afford to live out the rest of their lives comfortably. The state tax elimination will allow these lower income elderly Marylanders to live more comfortably as they age instead of worrying about how they will afford to pay their bills or provide for themselves.

The tax elimination will also bring new residents to Maryland to retire and keep current residents in the State after they retire instead of moving to other states where they may live out cheaper retirements. Maryland has both beaches and mountains that make for great retirement locations, unfortunately, many retirees avoid Maryland because of the high rate of taxes that they would pay if they chose to move here. Consequently, the same goes for Marylanders moving out of the State after retirement.

The Rural Maryland Council respectfully requests your favorable support of House 420.

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Testimony in Support of
House Bill 421 Out-of-State Health Care Practitioners – Provision of Behavioral Health Services via
Telehealth – Authorization
House Health and Government Operations Committee
February 10, 2022

The Rural Maryland Council supports House Bill 421 - Out-of-State Health Care Practitioners – Provision of Behavioral Health Services via Telehealth – Authorization. This bill allows a health care practitioner who is not licensed in the State to provide behavioral health services via telehealth to a patient. The bill will allow Marylanders to have more access to behavioral health practitioners that certain parts of the State, specifically rural, are lacking. The bill will not only expand the number of behavioral health practitioners, but also allow patients who cannot travel to their offices to be able to access them virtually.

Rural Marylanders are often in worse health than that of their urban and suburban counterparts, and lack access to medical facilities and practitioners, especially specialty care such as mental health. SB-400 will allow more practitioners to provide behavioral services in the State, allowing for the Marylanders who do not currently have access to behavioral health services the option of visiting with a practitioner from another state through telehealth. According to Mental Health America, in 2019, nearly 50 million (20 %) of adults in the U.S experienced a mental illness, and more than half of these adults go without treatment.

Allowing for more behavioral health options through telehealth will also help those who would have to travel far distances, or those who lack transportation to have access to the services that they need for their mental health. Often in rural areas, an individual lives far away from any behavioral health practitioners, and possibly farther from the practitioner that meets their specific needs. If an individual must drive an hour to and from a practitioner's office, they are less likely to go because of the time and additional cost to get there. This leads to the individual not receiving the help they need to take care of their mental health. The Health Resources and Services Administration (HRSA) reports that more than 1.3 million Marylanders are in a mental Health Professional Shortage Areas (HPSA). That's over 1.3 million Marylanders that do not have access to the appropriate mental health care they need.

The Rural Maryland Council respectfully requests your favorable support of House Bill 421.

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John Hartline, Chair

March 09, 2022

The Honorable Maggie McIntosh
Chair of Appropriations Committee
Room 121, House Office Building
Annapolis, Maryland 21401

The Rural Maryland Council supports House Bill 456 - Supplemental Nutrition Assistance Program - State Supplement. This bill will benefit Maryland's older and less wealthy population by lowering the minimum age from 62 to 60 that a member of a household must be to be eligible for a State supplemental benefit under the Supplemental Nutrition Assistance Program (SNAP) and increasing the total benefit from \$30 to \$45 per month. These changes to SNAP will help many in need Marylanders, specifically those in rural areas where the population is poorer and older than other parts of the State.

There is growing need for food assistance, partially due to effects of the pandemic. According to USDA data, as of October 2021 there are 864,649 Marylanders participating in the SNAP program, a 24% increase from October 2020. As inflation and the cost of food rises, it is crucial that older adults get the assistance they need to ensure that they are not forced to skip meals. Rural Maryland has an older and poorer population and will face greater negative affects the as the cost for food and other living expenses continue to increase. Senate Bill 456 will provide some additional support to these older adults by providing them with additional finances to purchase nutritious foods.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 456.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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John Hartline, Chair

Testimony in Support of
House Bill 540 - Agriculture - University of Maryland Extension - Urban Farmer Assistance
Appropriations Committee
February 22, 2022

The Rural Maryland Council supports House Bill 540 - Agriculture - University of Maryland Extension - Urban Farmer Assistance. This bill will help grow and enhance Maryland's urban agriculture by hiring an extension agent dedicated to urban farm production methods and crop management, and another extension agent dedicated to urban farm and agribusiness management. These agents will help farmers by educating them on the best practices to operate a successful urban farm. Building a stronger urban agriculture in Maryland will also help grow the State's urban communities.

Urban agriculture has been most concisely defined by Wagstaff and Wortman (2013) as "all forms of agricultural production (food and non-food products) occurring within or around cities." This definition includes all production in or near cities of plants or animals, whether for personal use or for sale, whether soil based or hydroponic production. While most of Maryland's food production lies in rural areas (north-central portion of the State and upper eastern shore), there are a multitude of urban farms located in the State's urban areas-Baltimore City alone has approximately 20 thriving urban farms.

Access and availability to food has an impact on health, culture, and quality of life and resources. In the United States, healthy food is difficult to access for nearly 24 million people who live in areas without a grocery store. Recent reports from *Preventative Medicine and Education for Health* show that low-income neighborhoods have 25% fewer grocery stores than middle and high-income neighborhoods. This disparity contributes to higher rates of diabetes, high blood pressure, and heart disease. The growth of Maryland's urban agriculture enables healthier communities, food diversity, accessible markets, job opportunities, and builds a sense of ownership and well-being through agricultural related activity in urban areas.

The RMC looks for strategic partnerships to bridge rural and urban communities. The agriculture sector can help bridge the gap between these two communities. The Rural Maryland Council respectfully requests your favorable support of House Bill 540.

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John Hartline, Chair

February 22, 2022

The Honorable C.T Wilson
Chair of Economic Matters Committee
231 House Office Building
Annapolis, Maryland 21401

Dear Chairman Wilson:

The Rural Maryland Council supports House Bill 550 – Alcoholic Beverages – Manufacturer’s Licenses and Off- Site Permits. This bill will extend provisions of the Executive Order privileges put in place during the pandemic for the State’s wineries, breweries, and distillers to distribute their product. This bill will allow a holder of a manufacturer’s license to deliver their product to an individual located in the State and directly ship their product to a consumer upon request. These provisions were extended last year through Chapters 359 and 360 but are set to end on December 31, 2022. This bill will allow the provisions to be extended until June 30, 2023.

Maryland’s distilleries, wineries, and breweries promote economic development, value-added agriculture, and manufacturing as they not only produce beverages but create destinations that attract tourists. According to data from the *Value-Added Agriculture in Maryland* by Grow & Fortify and BEACON, the combined value-added impact of these three industries was over \$1 billion in 2018, supporting more than 9,500 jobs, and adding an estimated \$52 million to state and local tax revenue. The pandemic greatly impacted this industry with close to 500 layoffs. The authorization for direct-to-consumer delivery and shipment services has created a new lifeline for sales and kept many doors open during these unprecedented times.

The Rural Maryland Council supports the value-added agriculture industry as it enables farms to transition into diversified production. HB-550 further enhances this type of agriculture by providing delivery and shipping options for the State’s value-added craft beverages. The Council requests your favorable support of House Bill 550 – Alcoholic Beverages – Manufacturer’s Licenses and Off-Site Permits.

Sincerely,

Charlotte Davis
Executive Director,
Rural Maryland Council



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John Hartline, Chair

Testimony in Support of
House Bill 562 - Consumer Protection - Right to Repair - Farm Equipment
House Economic Matters Committee
February 23, 2022

The Rural Maryland Council supports House Bill 562 - Consumer Protection - Right to Repair - Farm Equipment. This bill will save Maryland Farmers money and valuable time by allowing them to fix their own farm equipment instead of being forced to take their farming equipment to the commercial dealer to be fixed. This will be done by requiring manufacturers to make available certain documents, updates, or information to independent repair providers or equipment owners to for the proper diagnosis, maintenance, or repair of the farm equipment. Our farmers work hard to provide the State and the rest of the country with food and other materials to keep the country running. Making farm equipment repair possible without the commercial providers allows farmers to keep the finances they have earned and saves them valuable time needed to do work on the farm.

Farmers are currently being forced to take their equipment back to the manufactures that produce them because of parts, information, and software updates being withheld from by the manufactures. This can be not only unnecessarily costly, but also time consuming to farmers. When a piece of crucial equipment breaks, instead of a farmer or independent repairer fixing the equipment at that time, the equipment must be fixed by the manufacture, costing these farmers both additional time and money. This bill will allow farmers to fix their own equipment and at the time of the issue and get back to harvesting their crops.

The movement for farmers to be able to repair their own equipment has gained attention across the country with many states already passing legislation to allow the right to repair farm equipment, and just recently being introduced to the U.S Senate by Senator Jon Tester of Montana. Maryland should join these states in allowing farmers to fix their farm equipment.

The Rural Maryland Council respectfully requests your favorable support of House Bill 562.

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John Hartline, Chair

Testimony in opposition of
House Bill 570 - Mosquito Control Products and PFAS
House Health and Government Operations
March 2, 2022

The Rural Maryland Council opposes House Bill 570 - Mosquito Control Products and PFAS Chemicals. This bill would result in health and safety concerns across Maryland, especially in rural and water-bordering parts of the state, by requiring affidavit relating to mosquito control products and PFAS chemicals. The barriers to obtaining this affidavit will make it difficult to supply the needed amount of mosquito control pesticides to adequately reduce the population that is present during the summer months in parts of Maryland.

The PFAS chemical definition in the bill is currently unable to be tested for as there is no current EPA definition for PFAS as it relates to these oily substances, such as mosquito control products. If the pesticide registrants are unable to provide the affidavit, it will cause a shortage in the supply needed to reduce the large population of mosquitos that inhabit parts of Maryland. An uncontrolled population of mosquitos can cause many issues for the health and wellbeing of the public. Mosquitos can carry certain diseases that they get from the blood of an infected animal or person and infect the other animals and people that they feed on. A larger mosquito population increases the likelihood of the spread of diseases like West Nile virus and malaria.

In 2011, the Maryland Department of Agriculture provided mosquito control services to 2,100 communities across 16 of the State's counties covering 725,000 residents. Without the available pesticides to spray across these counties, quality of life would drop for the Marylanders living there and deter visitors from these communities. Outside activities would become unbearable in these locations, specifically in the forests and waters where many recreational activities take place, but mosquitos also live and reproduce.

The Rural Maryland Council respectfully requests an unfavorable report of House Bill 570.

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John Hartline, Chair

March 10, 2022

The Honorable Kumar P. Barve
Chair, House Environment and Transportation Committee
251 House Office Building
Annapolis, Maryland 21401

Dear Chairman Barve:

The Rural Maryland Council opposes House Bill 596 - Constitutional Amendment - Environmental Rights.

The broadness of this bill puts the rights of Marylanders at risk by allowing anyone who feels that their environmental rights are being infringed to intervene. The bill states that Maryland will be the trustee of the State's natural resources including the air, land, water, wildlife, and ecosystems. If the infringement of these natural resources is left up to the opinion of each individual, it leaves open the possibility for Marylanders to be unreasonably accused of violations that have no precise meaning and no way of being followed. The State already has environmental regulations to protect natural resources, and this amendment could affect many public services that the State offers.

There is no definition of what qualifies as an infringement in the bill, therefore, it puts the rights of Marylanders outdoorsman and outdoor recreationalist at risk. If an individual believes that a hunter is violating their environmental rights by harvesting wildlife for food, does this this qualify as an infringement of that individuals environmental right? The same could be said for Maryland's watermen. If a waterman is harvesting oysters, another individual may claim that harvesting oysters is affecting the environment because the waterman is removing one of the creatures that helps clean the water. When it comes to infringement on land, hiking trails or any form of recreational outdoor activity may be at risk for disrupting the natural state of the wilderness, or what an individual may perceive as doing so. There are already limitations put in place by the State of Maryland to ensure that the States land and wildlife is protected from being overharvested or overused, making the constitutional amendment unnecessary.

The bill may also affect the businesses of Maryland. If a business is building in a new location and someone believes that the building is disrupting a natural resource, the business may be forced to locate elsewhere or have to handle the unnecessary allegation. These issues could make businesses locate out of the State to avoid the unnecessary troubles. There are already laws and regulations that protect the environment from environmentally unsafe construction and operations.

This bill has good intention by attempting to provide a healthy and sustainable environment for all Marylanders, and the Rural Maryland Council believes in these goals as well. Because the bill is very broad, there is no way to define what these constitutional rights are or what qualifies as an infringement of those rights. The Rural Maryland Council respectfully requests an unfavorable vote on House Bill 596.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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Charlotte Davis, Executive Director

John Hartline, Chair

March 09, 2022

The Honorable Kumar P. Barve
Chair of the House Environment and Transportation Committee
251 House Office Building
Annapolis, Maryland 21401

Dear Chairman Barve:

The Rural Maryland Council supports House Bill 706- Maryland Department of Emergency Management - Office of Resilience. The bill will prepare Maryland for future emergencies, specifically those caused by climate change, by establishing the Office of Resilience in the Maryland Department of Emergency Management. The Office of Resilience will include members of key State entities and agencies, including the Maryland Agricultural Resource-Based Industry Development Corporation (MARBIDCO). As climate change causes increases in temperature, rising sea levels, and more flooding, the underserved areas of Maryland will be most at risk. The creation of the Office of Resilience will prepare Maryland's communities now for the emergencies they will face in the future.

Maryland needs to be prepared for the serious events that are already taking place and will worsen as time goes on. Those who live on the State's eastern shore will face loss of land, including homes and businesses; farmers will face more loss of crops due to the increased temperatures; and areas near bodies of water will face harsher and more regular flooding. The areas that will be hurt the most by these events will be the rural areas and other underserved areas of the State. The Office of Resilience will prioritize vulnerable communities and environmental justice, helping them prepare for and reduce the damages caused from certain events. Some of the Office's goals are eliminating flooding residential areas, building neighborhood resiliency, de-concentrating poverty, and designing coastal resiliency.

The office will work with State agencies and entities to accomplish their goals. One of the state agencies will be MARBIDCO, which will assist in building climate resilience expertise through the Maryland extension to support best practices in agriculture. Increases in temperatures and drought will negatively impact agricultural production and ultimately cause disruptions in supply. These shortages will have multiple effects, such as increased prices to both everyday buyers and other farmers that rely on certain crops to feed livestock. A NASA study published in the journal *Nature Food* reports that climate change may decrease corn production by 24% near end of the century and that these affects could start as early as 2030. Developing plans to address such complications must start now before the long-term effects are felt by the citizens of Maryland.

For some, the word resiliency has meant the ability to withstand environmental shocks. For others, it means the ability to withstand financial shocks. But the pandemic has made it clear that a resilient community is one that can withstand whatever is thrown at it. A holistic approach is needed, one that includes development and identifies new opportunities. As a result, we will ensure that all Marylanders are prosperous with thriving resources, vibrant economies, and healthy connected communities. The Rural Maryland Council respectfully requests your favorable support of House Bill 706.

Sincerely,

Charlotte Davis,
Rural Maryland Council, Executive Director



John Hartline, Chair

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Charlotte Davis, Executive Director

Letter of Information
House Bill 708 - Comprehensive Climate Solutions
Senate Economic Matters Committee
March 04, 2022

The Rural Maryland Council understands the need to take action related to climate change as rural Maryland contains almost 3,190 miles of shoreline. While House Bill 708 intends to reduce the effects of climate change and to help the communities of Maryland, there may be unintended consequences that come from the fast-paced reductions that the bill puts in place – achieving net-zero greenhouse gasses by 2045 and changing the goal of 40% by 2030 to 60% by 2032. Specifically, the Council is concerned about the lack of nuclear energy in the bill and the costs that could come as a result of removing natural gases too fast.

Marylanders still rely heavily on electricity sources outside of those such as solar, wind, and other renewable energy sources; they are still getting their sources of energy from nuclear, natural gas and coal. Data from the U.S Energy Information Administration shows that Maryland consumes more than five times as much energy as it produces. In 2021, Maryland generated 39.7 million megawatt hours (MWh) from all fuel sources. Of the energy produced, nuclear produced the most at 34% -producing almost 15 million MWh; followed by natural gas, producing 14.7 million MWh; and coal, producing 5.8 million MWh. Calvert Cliffs Nuclear facility is the only nuclear powerplant in Maryland and is scheduled to be decommissioned in the 2030s. Other plants providing energy to the State are located in Virginia, Pennsylvania, and New Jersey.

If the current forms of energy are severely reduced, something must replace them. Thirty-five point five million of the 39.7 million MWh generated in 2021 came from nuclear, natural gas and coal, while wind and solar only produced a combined 2.3 MWh. This would require almost 90% of the current electricity production to be replaced or enhanced in some way. Nuclear already produces 14.7 million MWh or 41% of Maryland's energy.

Costs associated with the removal of fossil fuels from the energy portfolio will result in higher costs of electricity and heating for all Marylanders and will greatly impact those in rural and other underserved areas of the State who cannot afford to have their monthly heating and electricity bills to be increased. According to www.statista.com, 54% of the residential homes in Maryland are using a form of fossil fuel thermal heating (utility gas 43%, 7.94% fuel oil, kerosene, etc., 3.51% bottled, tank, or LP). We suggest as a part of this plan and methodology that it includes specific recommendations on thermal heating.

We believe there are opportunities in rural Maryland that can help accelerate clean energy solutions such as land available for renewable generation and workforce opportunities related to the construction of the facilities. Thank you for taking our concerns into consideration for House Bill 708.

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Charlotte Davis, Executive Director

John Hartline, Chair

March 09, 2022

The Honorable Shane E. Pendergrass
Chair, Health and Government Operations Committee
241 House Office Building
Annapolis, Maryland 21401

Dear Chairwoman Pendergrass:

The Rural Maryland Council supports House Bill 709 Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program. This bill will allow more Marylanders to sign up for health insurance while also promoting the growth of small businesses and nonprofits. This will be accomplished by providing subsidies to small businesses and non-profits that employ less than 25 employees. \$45.0 million in annual subsidies may be provided in calendar 2024 through 2028, and \$3.0 million may be spent annually in small business outreach activities.

Many small businesses are unable to afford to provide health insurance to their employees. This affects both the employer and the employees. The small business is now unable to provide an accommodation that possible new employees search for when applying for a position, and it affects the employees because they are now unable to purchase affordable health care through their employers. According to the National Conference of State Legislatures, small businesses pay 8 to 18 percent more than large firms for the same health insurance policy. In addition to higher costs for the insurance, the insurance companies may also charge different premiums to small businesses. The subsidies in this bill will assist in decreasing these costs.

This bill will assist small businesses and nonprofits with less than 25 employees. These small businesses make up a large amount of the businesses in rural and underserved areas. The Commonwealth Fund's *Small-Business Owners' Views on Health Coverage and Costs* reported that 75% of the 352 small businesses of 2-25 employees surveyed stated that the cost of health insurance is a major problem (45%) or minor problem (30%).

The Rural Maryland Council respectfully requests your favorable support of House Bill 709.

Sincerely,

Charlotte Davis
Executive Director
Rural Maryland Council



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John Hartline, Chair

Testimony in Support with amendments of
House Bill 727 - Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland
Outdoors Act)
House Environment and Transportation
February 23, 2022

The Rural Maryland Council supports with amendments House Bill 727 - Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland Outdoors Act). The Great Maryland Outdoors Act will benefit Maryland's agricultural and land preservation programs by ensuring additional resources for the preservation of additional land through programs such as the Rural Legacy Program, Maryland Agricultural Land Preservation Foundation (MALPF), and the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). This legislation will replace and accelerate the current repayment schedule for previous diversions of funds from Program Open Space.

Program Open Space has shown success in preserving Maryland's land. According to Forever Maryland, there are about 1.8 million acres of preserved land in Maryland. The DNR State Land Inventory makes up over a quarter of that land with just under 500,000 acres. MALPF is the second largest preserver, preserving about 340,000 acres or 19%. The additional funding will allow for the transition of farms to the next generation, increased recreational and economic opportunities in local communities, and the preservation of contiguous uninterrupted forestland. As the pandemic proved, our state and local parks are more popular and necessary than ever. The preservation of land also helps with the stewardship of the land by allowing better maintenance and care of the land. For example, being able to monitor and control the intrusion of invasive species or being able to manage storm waters. Controlling these factors that can harm the land keep it healthy and usable for the future.

Stateside and localside Program Open Space are also important economic drivers in Rural Maryland. Enhanced recreational opportunities will bring in additional visitors to Rural Maryland, impacting and enhancing local economies. According to *Economic Impact of Tourism in Maryland*, a report conducted by Tourism Economics, Maryland had 42.1 million visitors in 2019 who spent \$18.6 billion in the State and generated 2.6 billion in state and local taxes. We support efforts to enhance our community parks and playgrounds but ask that the \$60 million transfer of funds for State land acquisition under Program Open Space be reduced or eliminated.

There are equity issues across the State relating to state parks and available open spaces. Along with Baltimore City, both Wicomico and Kent County lack state park facilities. The Maryland Department of Natural Resources in partnership with the University of Maryland School of Public Health created the "MD Park Equity Mapper" to show the equity rates of access to public lands across the State. This was done by accounting for factors such as walkability, population, race, age, and distance to public park space. This map shows low equity in rural areas such as parts of western and southern Maryland and the State's eastern shore. While rural areas have less population and more land, this does not equate to land that is available or accessible for recreation or public use. Many Maryland residents that live near the State's waters, whether it is the Bay, a lake or river, also have no way of accessing the nearby waters. By preserving land and expanding parks across the State, these equity issues can be addressed, and all Marylanders can have access to public parks. The Rural Maryland Council respectfully requests your favorable with amendments support of HB 727.

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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
House Bill 730- Economic Development - Maryland E-Nnovation Initiative Program - Qualifying Donations
House Ways and Means Committee
February 23, 2022

The Rural Maryland Council supports Senate Bill 730 - Economic Development - Maryland E-Nnovation Initiative Program - Qualifying Donations. This bill would benefit Maryland's smaller colleges and universities by lowering the required amount donated to a research endowment from \$500,000 to \$200,000 for colleges with an annual unrestricted current funds budget that is less than \$250 million. By lowering the endowment amount for these smaller colleges, it will allow them to receive more matching funds through the E-Nnovation fund. This would help colleges in rural parts of the State such as Frostburg State University and University of Maryland Eastern Shore.

The E-Nnovation fund awards colleges with matching funds for the private donations they receive for research endowments. The Current minimum donation is \$500,000. Since smaller colleges rarely receive large donations, they are unable to apply for the E-Nnovation matching funds. The \$200,000 donation is much more obtainable for smaller schools and gives them a better chance of receiving matching funds and private donations. If a college or university can obtain matching towards a private donation, private donors are more likely to donate knowing their funding will be matched.

The Rural Maryland Council respectfully requests your favorable support of House Bill 730.

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John Hartline, Chair

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Testimony in Support of
House Bill 777 - Real Property - Partition of Property
House Environment and Transportation Committee
February 22, 2022

The Rural Maryland Council supports House Bill 777 - Real Property - Partition of Property. This Bill will require the court in an action to partition real property to determine whether the property is heirs' property for the purpose of partition of the property among certain co-tenants, and to determine the market value of the heir's property. By determining the ownership of heirs' property, it allows owners of such property to have proof of ownership and gives owners of heirs' farmland the opportunity to utilize many programs that they currently do not qualify for.

Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the Eastern Shore, Baltimore County, and Garrett County.

Owners of heirs' farmland are especially affected by having no proof of ownership. Since owners of heirs' property have no clear title to the land, they are unable to apply for the tax credits and USDA programs that a typical farmer would. By determining heirs' property of these farmlands, it will encourage farm viability and increase the farmers capabilities to grow as an agricultural business, providing more locally grown food to the State, and better economic situations for small farmers. The issue has already been a topic of concern at the federal level, with sections of the 2018 Farm Bill assisting farmers with maintaining their property and applying for programs.

The Rural Maryland Council respectfully requests your favorable support of House Bill 777.

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Testimony in Support with Amendments of
House Bill 806 - Building Standards and Emissions Reductions – High Performance, State, and Local
Government Buildings, State Operations, and Eligible Projects
House Appropriations Committee
March 01, 2022

The Rural Maryland Council supports with amendments House Bill 806 - Building Standards and Emissions Reductions – High Performance, State, and Local Government Buildings, State Operations, and Eligible Projects. This bill will qualify schools and public safety buildings with certain environmental certifications to be considered a high-performance building. The bill also lists eligible materials for capital projects which includes wood eligible materials. The RMC would like to amend this language to make the wood eligible materials locally sourced.

Using local materials and owned businesses have great financial impacts on local economies. A study from Civic Economics, looked at Arizona and found that at a locally owned office supply company, 33.4 percent of revenue remained in the local economy, compared with just 11.6 percent of a national company with a presence in the state. The study also looked at the potential impact of the City of Phoenix contracting with this local firm and found that given a one-year, \$5 million contract for office supplies, an additional \$1 million would stay in the area's economy, while only \$580,000 of the \$5 million would remain local with the national company.

Requiring the wood materials used for the capital projects defined in this bill to be locally sourced will be environmentally and economically beneficial to Maryland. Using local wood sources will promote Maryland's forestry industry and the jobs that are associated with them. It will also ensure that the wood being used has been harvested locally, reducing the carbon footprint from shipping across states or from overseas. The RMC respectfully requests an amendment to House Bill 806 to add locally sourced wood.

The Rural Maryland Council respectfully requests your favorable support with amendments of HB-806

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House Bill 806 - Building Standards and Emissions Reductions – High Performance, State, and Local Government Buildings, State Operations, and Eligible Projects

Amendment one

On page 5 line 2, strike “and”; on line 6, strike the period after “PROJECT” and replace with a semicolon; and on line 7, insert 4 and add the department, where applicable, establish environmentally friendly procurement process that establishes a local purchasing preference.



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Testimony in Support with Amendments of
House Bill 929 - Department of Housing and Community Development - Opportunity Zone Fund -
Establishment
House Environment and Transportation Committee
March 08, 2022

The Rural Maryland Council supports with amendments House Bill 929 - Department of Housing and Community Development - Opportunity Zone Fund - Establishment. The creation of the Opportunity Zone Fund will help Maryland's low income communities by providing loans, grants, and other financial incentives for projects located in an opportunity zone. Due to the higher rates of poverty reported in rural Maryland, this bill would assist in the creation of additional projects and investments to help support and develop communities that are currently struggling.

The Opportunity Zone Program was originally established to promote new businesses in low income areas by offering federal tax incentives to investors. These designated opportunity zones are areas of low income that could benefit from private investment in their communities. Many businesses took a major hit during the pandemic, with many being forced to permanently close their doors. The Opportunity Zone Fund will help bring projects to these areas, creating more vibrant communities with more jobs and opportunities.

Rural areas take longer to recover from economic disasters, making it crucial that incentives are put in place to assist in the recovery of rural Maryland. The differences in recovery can be seen after the 2008 recession. According to USDA Economic Research, the rural employment rate of 2017 was still 2% below the 2007 peak while metro areas had increased by 7.2%.

Each county of Maryland has at least one opportunity zone, but rural zones do not receive as much private investment as the urban and suburban zones. This is due to the smaller return on investment and the smaller scale of projects in rural areas compared to the more populated areas of the State.

With the current administration's term ending soon, the Council would like House Bill 929 to recognize and create additional incentives that promote more programs in the rural communities of Maryland. Please find the proposed amendments attached which creates a rural opportunity zone carve out; establishes criteria for investments that differentiates the rural and non-rural opportunity zones; and adds a reporting requirement for the department's investments.

The Council respectfully requests your favorable with amendments support of House Bill 929.

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Amendments

HB929 – Department of Housing and Community Development – Opportunity Zone Fund – Establishment

Amendment 1.

On page 2, line 19 strike “;AND”.

On page 2, line 23 insert “ASSIST LOCAL GOVERNMENTS, COMMUNITY DEVELOPMENT ORGANIZATIONS, NON-PROFIT ORGANIZATIONS AND FOR-PROFIT BUSINESSES IN THE OPPORTUNITY ZONES LOCATED IN RURAL AREAS.”

Amendment 2

On page 4, line 15 after (J) insert “THE DEPARTMENT SHALL DEVELOP CRITERIA TO REVIEW, EVALUATE AND RATE PROJECT PROPOSALS.”

- 1) THE CRITERIA SHALL ENSURE THAT THE PROJECTS LOCATED IN RURAL OPPORTUNITY ZONES:
 - a. CREATES OR RETAINS AT LEAST 10 JOBS;
 - b. CREATES, RETAINS OR EXPANDS BUSINESSES;
 - c. CREATES NEW STATE AND LOCAL TAX REVENUES; OR
 - d. SIGNITIFANTLY SUPPORTS A PROJECT IN A RURAL OPPORTUNITY ZONE.
- 2) THE CRITERIA SHALL ENSURE THAT PROJECTS LOCATED IN OTHER OPPORTUNITY ZONES:
 - a. CREATES OR RETAINS MORES THAN 10 JOBS;
 - b. CREATES, RETAINS OR EXPANDS BUSINESSES; OR
 - c. CREATES NEW STATE AND LOCAL TAX REVENUES.

Amendment 3

On page 5, line 8 insert “ON OR BEFORE OCTOBER 1 EACH YEAR, THE DEPARTMENT SHALL SUBMIT TO THE GOVERNOR, AND IN ACCORDANCE WITH SECTION 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT THAT INCLUDES THE AMOUNT OF EACH INVESTMENT IN RURAL OPPORTUNITY ZONES, THE AMOUNT OF EACH INVESTMENT IN OTHER OPPORTUNITY ZONES, THE NUMER OF PROJECTS, THE NUMBER OF LOCAL JOBS CREATED, AND THE NUMBER OF PARTNERSHIPS WITH COMMUNITY DEVELOPMENT ORGANIZATIONS AND UNITS OF LOCAL GOVERNMENTS.”



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Testimony in Support of
House Bill 975 - Maryland Loan Assistance Repayment for Nurses and Nursing Workers – Program
Establishment and Funding
House Health and Government Operations Committee
March 04, 2022

The Rural Maryland Council supports House Bill 975- Maryland Loan Assistance Repayment for Nurses and Nursing Workers – Program Establishment and Funding. This bill will incentivize more health care workers across the State by creating the Maryland Loan Assistance Repayment Program (MLARP) for Nurses and Nursing Workers. This loan repayment will be for nurse and nursing workers who practice a medical specialty that has been identified as being in shortage in the geographic area of the State where the individual practices. This loan repayment will put more healthcare workers in the underserved areas of the state where they are needed most.

MLARP will encourage nurses to work in rural areas that need more healthcare resources. Rural Marylanders are often in worse health than that of their urban and suburban counterparts and lack access to the medical facilities and practitioners to improve their health. This is especially true in specialty areas, and mental and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders that lack access to the primary health care they need. In the U.S, rural or partially rural areas make up over 68% of the designated primary care HPSAs.

According to the Bureau of Labor Statistics' *Occupational Outlook Handbook*, from 2020 to 2030 nurse practitioner jobs will grow by 52% or almost 15,000 jobs, partially due to the growing demand of preventative care and the aging of the large baby boomer generation that will experience minor illnesses and complex conditions. Rural areas are already experiencing an aging population and less retention of younger workers to provide an appropriate workforce. In addition to having worse health conditions and access to medical care, this could lead the current issues being faced by rural communities to be exacerbated in the future.

The Rural Maryland Council respectfully requests your favorable support of House Bill 975.

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Testimony in Support of
House Bill 1002 - Sales and Use Tax - Electricity for Agricultural Purposes - Exemption
House Ways and Means Committee
March 02, 2022

The Rural Maryland Council supports House Bill 1002 - Sales and Use Tax - Electricity for Agricultural Purposes – Exemption. This bill financially helps farmers by exempting sales and use tax for electricity used for agricultural purposes such as raising livestock or poultry, preparing, irrigating, or tending the soil, or planting, maintaining, or transporting seeds or crops.

Aside from the cost of farm equipment, the cost of labor and power account for the highest costs to farmers. By exempting electricity used for agricultural purposes, it will allow farms to be more financially viable. Certain agricultural purchases, such as equipment for raising livestock, soil irrigation, and plant service and harvest, are already exempt from sales and use taxes. It is important that farmers are financially viable for them to remain in the industry and to promote farming for future generations. The tax exemption will put more money back into the pockets of farmers instead of the cost of electricity to operate their farm. Increases to the cost of farm operations will result in higher costs of agricultural foods and products to the consumers.

University of Maryland Extension’s publication *Understanding Farm Energy*, states that energy used to perform routine crop and livestock operations can cost a farmer several hundred or thousands of dollars each month, and that fuel and electricity used for operating equipment accounts for 15% of U.S. agricultural production costs. The publication also states rural transportation costs more because of the distance they must travel to the markets, meaning rural farmers are already paying additional costs to be able to sell the products they produce.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1002.

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Testimony in Support of
House Bill 1085- Renewable Energy Portfolio Standard - Qualifying Biomass and Thermal Biomass Systems
House Economic Matters Committee
March 04, 2022

The Rural Maryland Council supports House Bill 1085- Renewable Energy Portfolio Standard - Qualifying Biomass and Thermal Biomass Systems. The purpose of this bill is to authorize thermal biomass systems, for purposes of the State’s Renewable Energy Portfolio Standard (RPS), to use food waste, qualifying biomass, or animal manure as a source of fuel, regardless of the relative mix of fuel sources.

This bill is asking for wood energy to be clearly decoupled from animal manure when applying to Thermal Renewable Energy Credits (TREC)s. Wood energy is a small part of Maryland’s current Renewable Energy Portfolio Standard (RPS) but provides significant benefits to the environment, reduces dependency on fossil fuels, and helps the local economy by investing in Maryland energy production and jobs. Additionally, it has been recognized by entities such as the U.S. Environmental Protection Agency and the Intergovernmental Panel on Climate Change as an immediate solution to decarbonize our fuel supply.

In 2015, the US Environmental Protection Agency and the US Department of Agriculture announced a national goal to reduce food waste by 50% by 2030. According to the Maryland Department of the Environment, over nine hundred thousand tons of food waste is generated annually and only a small portion is recycled with the majority being disposed in landfills or incinerated. Including food waste as a renewable fuel source can provide a significant contribution towards on farm energy use, revenue generation, and climate change mitigation. An example of this is a partnership between West Nottingham Academy and Kilby Farm Creamery located in Cecil County. In partnership, the school diverts nearly 7 tons of food waste annually from their dining hall to the farm digester where it becomes compost and energy to run the farm.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1085.

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March 09, 2022

The Honorable Vanessa E. Atterbeary
Chair of the House Ways and Means Committee
131 House Office Building
Annapolis, Maryland 21401

Dear Chairwoman Atterbeary:

The Rural Maryland Council supports House Bill 1095 - Economic Development - Maryland Technology Development Corporation - Rural Business Innovation Initiative Fund. The bill will support and develop small businesses in rural Maryland by creating the Rural Business Innovation Initiative Fund in the Maryland Technology Development Corporation (TEDCO) to make pre-seed investments in technology-based businesses that maintain principal business operations in rural areas or rural communities.

The promotion of technology-based businesses in rural parts of Maryland would promote more jobs and migration to rural Maryland to work at these technology-based businesses. Currently, rural areas lack technology-based industries, resulting in any career paths in technology to be pursued elsewhere. The lack of job opportunities is one of the reasons that rural Maryland is declining in population, and more specifically the younger workforce moving away from home for better work opportunities. This has resulted in an aging population that does not have a young workforce that is able to provide the resources and services they need.

TEDCO allocates \$500,000 from their operating funds for network assistance and a small pre-seed investment fund. The investments made so far have had great success with 87 percent of the funded companies still in operation. TEDCO recently funded rural focused startups through the Rural Business Innovation Initiative (RBII) and the Agriculture and Rural Rebuild (ARR) Challenge. Nine ventures received funding, two businesses focusing on innovative kitchens received funds through RBII and seven received finds from ARR, such as Catocin Mountain Growers for horticultural LED lighting; Mark Street Aquafarms, LLC for a shrimp farm; and Eagle Eye Imaging, a company using drones to provide growers with remote sensing plant stress surveys, to create a tech-empowered workflow.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1095.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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Testimony in Support of
House Bill 1140 Natural Resources - Voluntary Firewood Treatment Certification Program – Establishment
Environment and Transportation Committee
March 01, 2022

The Rural Maryland Council supports House Bill 1140 - Natural Resources - Voluntary Firewood Treatment Certification Program – Establishment. This bill will increase the market for Maryland's foresters and prevent the spread of pests and disease by establishing the Voluntary Firewood Treatment Certification Program in the Department of Natural Resources which will certify forest product operators who export firewood to other states and use certain treatments to prevent the pests and pathogens in the firewood products

Through the Rural Maryland Prosperity Investment Fund, the RMC funded a project by the Upper Shore Regional Council for "heat treatment" designed to replace the hazardous fumigant methyl-bromide (Mbr), phosphene and sulfuryl fluoride in the treatment of high-value logs and other commodities for export. In 2016, the Port of Baltimore banned the use of Mbr, which continues to have a negative economic impact on foresters. The certification in HB-1140 would allow for those selling firewood to use a method like heat treatment to treat their products and still be able to sell outside of the State.

Certifying that a producer properly treats their products will allow them to sell outside of the State and creates more economic production. The goal is to enable the highest value raw forest products to re-enter the supply chain. This has direct favorable consequences across the industry, most recently measured to directly employ 8,000 workers and supports another 7,000. These workers made products and provided services resulting in \$3.4 billion of wealth creation. For the public's benefit, these goods and services generated \$132.5 million in state and local taxes. (BEACON 2017). HB-1140 will assist in continuing to provide the economic impacts that forest products have in Maryland

The Rural Maryland Council respectfully requests your favorable support of House Bill 1140.

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Testimony in Support of
House Bill 1187 - Transportation – Highway User Revenues – Revenue and Distribution
House Environment and Transportation Committee
March 10, 2022

The Rural Maryland Council supports House Bill 1187 - Transportation – Highway User Revenues – Revenue and Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to the original 30%. The Rural Maryland Council supports efforts to return the restoration of Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the State shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and HB-1187 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver's community. The Rural Maryland Council respectfully requests your favorable support of House Bill 1187.

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Testimony in Support of
House Bill 1228 - Natural Resources – Oysters – Spat, Shells, and Substrate
Senate Education, Health, and Environmental Affairs Committee
March 04, 2022

The Rural Maryland Council supports House Bill 1228 - Natural Resources – Oysters – Spat, Shells, and Substrate. The bill intends to grow the oyster market in Maryland by creating new incentives such as grants for recycled oyster shells, and grants to seafood dealers. The bill also provides programs to grow the oyster population, such as researching specified issues relating to oyster substrate, creating a 10 year plan for oyster substrate needs for restoration, and setting an oyster production goal.

HB-1228 includes authorization for grants to establish or expand the business of seafood dealers that support increasing oyster shells retained in the state and returned to the Chesapeake Bay. MARBIDCO will receive a \$1 million appropriation in FY204 for MARBIDCO to administer the program. MARBIDCO is a partner of the Rural Maryland Council and created by the Council.

The bill also establishes an oyster production goal. The goal is for hatcheries in the State to be capable of producing 5 billion spat-on-shell per year. To accomplish this, there will be a \$20.0 million appropriation in the FY2024 budget for the University of Maryland Center for Environmental Science to build a second oyster hatchery, and an appropriation of \$2.5 million for the Patuxent Environmental and Aquatic Research Laboratory, Morgan State University (MSU), to be used for infrastructure upgrades to support increased oyster production for research and restoration. Maryland’s overall oyster population is down from 600 million market-size oysters in 1999 to about only 400 million in 2020, according to a June 2020 Maryland Oyster Stock Assessment.

The growth of the oyster population and market will benefit local rural economies. The Rural Maryland Council respectfully requests your favorable support of House Bill 1228.

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Testimony in Support of
House Bill 1242 - Economic Development – Maryland Watermen's Microloan Program – Establishment.
House Environment and Transportation Committee
March 09, 2022

The Rural Maryland Council supports House Bill 1242 - Economic Development - Maryland Watermen's Microloan Program – Establishment. The intention of the bill is to help Maryland's watermen and seafood industry by creating the Maryland Watermen's Microloan Program (MWMP) within the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). The loans will be between \$7,000 and \$15,000 and are to be used for the purchase of boats, mechanical equipment, fishing gear, fishing quota, and materials used for commercial harvesting.

Maryland's watermen have been struggling and declining in recent years and especially recently when the COVID pandemic closed many restaurants temporarily eliminating the majority of Maryland's seafood markets. One of the struggles watermen experience is the inability to purchase appropriate gear for commercial fishing. The loans will allow the watermen to purchase the gear they need and ultimately provide more seafood products to the residents and visitors of the State. According to Salisbury University's *BEACON* analysis, the State's seafood industry contributes nearly \$600 million to the State's economy. Strengthening the seafood industry by providing more opportunities for watermen enhance the economic benefits to the Maryland economy.

To help grow the future watermen of Maryland, the loans will only be given to "beginner watermen" who only have at least 2 years of experience but no more than 10. After June 30, 2025, generational waterman and commercial businesses will be able to apply. It is important that the watermen profession is ongoing in the future to continue to provide the seafood needed to meet consumer demand as well as preserves our unique cultural heritage. The watermen population is declining, and incentives must be put in place to make the profession more desirable to the younger generations.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1242.

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Testimony in Support of
House Bill 1270- Maryland Real Property Transfer-on-Death (TOD) Act
House Judiciary Committee
March 09, 2022

The Rural Maryland Council supports House Bill 1270 Maryland Real Property Transfer-on-Death (TOD) Act. The bill intends to make it easier for families in Maryland to transfer their homes after they have passed. This will be done by allowing transfers of an individual's homes after they pass without the need for a probate, but instead through a transfer on death deed. This will benefit all Marylanders, but more specifically those of lower income and in underserved areas of the State.

It is much more common in underserved areas of Maryland, such as in rural communities, for a family member to pass and not have a will addressing who their home will go to after their death. This is because the creation of a will is expensive and these low income families do not have the finances or resources to create a will. Without the proper transfer of a multi-person home, families can become misplaced or even homeless. Once the family member does pass, the family also does not have the finances or resources to have the property transferred over to the new owner. They are also already spending money on funeral expenses and other associated costs of a family members death. The transfer on death deed is a much simpler process that does not require lawyers or large fees for someone to name a beneficiary of their property after their passing. Non-probate transfers are already applicable to other property in Maryland, such as vehicles and bank accounts. Many other states already allow transfer on death deeds for their residents. These states include some of those that border Maryland, including Virginia, D.C, and West Virginia,

The lack of a will or deed also results in what is considered heir's property. Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the eastern shore, Baltimore County, and Garrett County.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1270.

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"A Collective Voice for Rural Maryland"



John Hartline, Chair

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Charlotte Davis, Executive Director

Testimony in Support of
House Bill 1273 - Income Tax - Credit for Travel, Hospitality, and Entertainment
House Ways and Means Committee
March 09, 2022

The Rural Maryland Council supports House Bill 1273 - Income Tax - Credit for Travel, Hospitality, and Entertainment. This bill will help revitalize the travel, hospitality, and entertainment industries which have faced tremendous financial declines during the COVID-19 pandemic. This would be accomplished by creating a credit against the state income tax for those who travel over 50 miles from their home and spend their money on food and beverages; lodging and transportation; live entertainment and sporting events; or to attend a conference or business meeting. This tax credit will incentivize Marylanders to travel to other parts of the State and spend money at the local businesses.

Rural Maryland does not always receive the same number of visitors as the urban and suburban parts of the State. This tax credit will encourage more travel to these rural areas by requiring the tax credit to be applied to expenses at locations 50 miles or more from the individual's home. This will bring Marylanders from the central parts of the State to the rural parts of the State. Additionally, the economies of rural areas depend heavily on the hospitality and tourism industries, making the recent decline of travel more hurtful to the rural communities that depend on these industries. The U.S Census's Small Business Pulse Survey reports that almost 70% of Maryland's businesses reported that the pandemic had an overall negative effect on the business. These negative impacts can be seen by the decrease in visitors during the pandemic. According to Tourism Economics' report, *Economic Impact of tourism in Maryland 2020*, Maryland's visitor spending declined 37.5% in 2020, registering at \$11.6 billion. This is a \$7 billion loss from the \$18.6 billion that was created in 2019.

The increased economic activity that the tax credit will bring to rural areas will ultimately create more job opportunities in order to accommodate for the increased activity. Additionally, rural areas recover from economic downturns at a slower rate than urban and suburban areas. The employment rates of rural areas were still recovering from the great recession before being hit by the pandemic in 2020. According to USDA Economic Research, the rural employment rate of 2017 was still 2 percent below the 2007 peak while metro areas had increased by 7.2 percent. Since rural areas take longer to recover, it is important that incentives are put in place to assist the recovery of rural Maryland.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1273.

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Testimony in Support of
House Bill 1282 - Property Tax – Agricultural Use Assessment – Improvements
Ways and Means Committee
March 01, 2022

The Rural Maryland Council supports House Bill 1282 - Property Tax – Agricultural Use Assessment – Improvements. The bill will help agricultural landowners by allowing certain improvements on land that qualifies for the agricultural use assessment to be assessed as agricultural property. These improvements include the manufacturing, packaging, storage, promotion, or sale of value-added agricultural products derived from ingredients produced on the land; agricultural alcohol production; and agritourism. Allowing these parts of the land to be assessed as agricultural land will promote the growth of value-added agriculture activities in Maryland and promote more visitors to these farms, helping the farm owner and the State economy.

Many farmers are beginning to use their land for agritourism and other forms value added agriculture to make additional income or make up for the lack of income they are receiving from their traditional agricultural sales. These improvements to their farms are bringing additional tourism and benefits to the State's economy. Grow and Fortify's *Value-Added Agriculture in Maryland*, reports that value added agriculture provides nearly 74,000 jobs, has an economic impact of over \$20.6 billion annually, and adds nearly \$875 million to the State's fiscal resources.

These farms are operating tasting rooms, retail markets, and other forms of value-added agriculture. Because these operations are being held on agriculture land and using resources from the land, these parts of the land should be properly assessed as being agricultural land.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1282

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Testimony in Support of
House Bill 1312 - Public Safety – Resilient Maryland Revolving Loan Fund – Alterations
House Environment and Transportation Committee
March 08, 2022

The Rural Maryland Council supports House Bill 1312 - Public Safety – Resilient Maryland Revolving Loan Fund – Alterations. The bill will allow the Resilient Maryland Revolving Loan Fund to make loans to the Department of Housing and Community Development which will then distribute the loans to local governments and private property owners for hazard mitigation projects. The loans to local governments will assist in providing matches for federal resilience grant programs, and to be distributed to private landowners for hazard mitigation projects of buildings.

The loans in HB-1312 will help prepare rural residents for disastrous events by providing loans to private property owners for wind retrofits, flood mitigation elevation, floodproofing, fire retrofit mitigation, and earthquake retrofit mitigation. Rural areas are often less prepared for hazardous events and are less likely to properly recover from these events. They also tend to have worse infrastructure than the rest of the State, making them less capable of withstanding events such as floods, fires, earthquakes, and other disasters which these loans will help address through the loans to private property owners.

Maryland needs to be prepared for the serious events that are already taking place because of a warming climate and raising waters. As the conditions continue to worsen, those who live near bodies of water, especially on the eastern shore, will face loss of land, including homes and businesses. Floods and more violent storms are also becoming more common. Programs like the Resilient Maryland Revolving Loan Fund will assist in building communities that are better prepared for these disasters now, to avoid the potential damages of the future.

For some, the word resiliency has meant the ability to withstand environmental shocks. For others, it means the ability to withstand financial shocks. But the pandemic has made it clear that a resilient community is one that can withstand whatever is thrown at it. A holistic approach is needed, one that includes development and identifies new opportunities. As a result, we will ensure that all Marylanders are prosperous with thriving resources, vibrant economies, and healthy connected communities.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1312.

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Testimony in Support of
House Bill 1464 - Maryland Loan Assistance Repayment Program for Physicians and Physician
Assistants – Alterations
House - Health and Government Operations Committee
March 16, 2022

The Rural Maryland Council supports House Bill 1464 - Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants – Alterations. This bill will clarify that part-time physicians and physician assistants are eligible for the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (MLARP). MLARP is currently available to physicians, physician assistants, and medical residents in their last year of residency that are working in a federally designated Health Professional Shortage Area, Medically Underserved Area/Population (MUA/P), or in one of the States 18 rural counties. By clarifying that part time physicians and physician assistants are eligible, it will increase the number of healthcare workers in the areas they are needed most.

Rural Marylanders are often in worse health than that of their urban and suburban counterparts, and lack access to medical facilities and practitioners, especially specialty care. By allowing part time physicians and physician assistants to qualify for MLARP, it will encourage more physicians and physician assistants to work in the rural and other underserved areas of the State. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders that lack access to the primary health care they need. In the U.S, rural or partially rural areas make up over 68% of the designated primary care HPSAs.

It is important that the shortages of healthcare workers be addressed now before further complications arise. The Bureau of Labor Statistics' *Occupational Outlook Handbook* reports that the need for physician assistants will increase by 31% between 2020 and 2030, and there will be about 12,200 openings annually. The need for health care services will increase due to the healthcare services needed to provide for an aging population and an increase in patients with chronic disease. Rural areas are already experiencing an aging population and less retention of younger workers to provide an appropriate workforce. In addition to having worse health conditions and access to medical care, this could lead the current issues being faced by rural communities to be exacerbated in the future.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1464.

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John Hartline, Chair

Testimony in Support of
Senate Bill 92 - Maryland Uniform Partition of Heirs Property Act
Senate Judicial Proceedings Committee
February 03, 2022

The Rural Maryland Council supports Senate Bill 92 - Maryland Uniform Partition of Heirs Property Act. This Bill will require the court in an action to partition real property to determine whether the property is heirs' property for the purpose of partition of the property among certain co-tenants, and to determine the market value of the heir's property. By determining the ownership of heirs' property, it allows owners of such property to have proof of ownership and gives owners of heirs' farmland the opportunity to utilize many programs that they currently do not qualify for.

Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the Eastern Shore, Baltimore County, and Garrett County.

Owners of heirs' farmland are especially affected by having no proof of ownership. Since owners of heirs' property have no clear title to the land, they are unable to apply for the tax credits and USDA programs that a typical farmer would. By determining heirs' property of these farmlands, it will encourage farm viability and increase the farmers capabilities to grow as an agricultural business, providing more locally grown food to the State, and better economic situations for small farmers. The issue has already been a topic of concern at the federal level, with sections of the 2018 Farm Bill assisting farmers with maintaining their property and applying for programs.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 92.

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Testimony in Support of
Senate Bill 121 - Maryland Farms and Families Fund, Maryland Food and Agricultural Resiliency Mechanism
Grant Program, and Maryland Farm-to-School Meal Grant Pilot Program – Alterations and Establishment
Senate Education, Health, and Environmental Affairs Committee
January 25, 2022

The Rural Maryland Council **supports** Senate Bill 121. The bill will provide more opportunities to those who do not know where their next meal will come from as it raises the amount of the Maryland Farms and Families Fund from \$100,000 to \$300,000 in FY2024. This significant increase will allow more families to buy fresh produce and healthy foods and double their spending power at farmers markets and farm stands. Additionally, it will encourage consumers to buy local products that will benefit local farmers and local small businesses. Lastly, it will strengthen the food distribution program and will ensure there are no empty shelves during an emergency, and it will incentivize local foods in school meals by awarding grants to eligible school districts.

The Maryland Farms and Families Fund was signed into law in 2017 and has been helping provide families with meals ever since. The program allows double the purchasing ability for families using the Farmers Market Nutrition Program (FMNP), Supplemental Nutrition Assistance Program (SNAP), and Women Infants, and Children (WIC) at farmers markets. These are families that are often struggling financially and need assistance with purchasing food. According to USDA data, as of October 2021 there are 864,649 Marylanders participating in the SNAP program, a 24% increase from October 2020.

Maryland Food and Agricultural Resiliency Mechanism Grant Program and Fund (MD FARM) will award grants to food banks and charitable emergency food providers to alleviate food insecurity. These grants will be for the procurement of surplus, seasonal, or contractual agricultural food products; the processing and preparation of agricultural food products for distribution; and the transportation of agricultural food products. Additionally, the grant money may only be used for food products and services sourced from the State. This program would provide more opportunities for those who do not know where their next meal will come from. According to the *2019 Maryland Food System Map Data Summary*, in 2017, just under 11% of Maryland adults and just above 15% of children were food insecure.

Maryland Farm to School Meal Grant Pilot Program would incentivize local foods in school meals by awarding grants to eligible school. Allowing for the purchase, processing, procurement, staffing, or infrastructure investments. This program will incentivize the introduction of local foods into schools that will provide healthier foods for children and increase revenues for farmers.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 121.

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Testimony in Support of
Senate Bill 122 - Income Tax - Subtraction Modification - Volunteer Fire, Rescue, and Emergency
Medical Services
Budget and Taxation Committee
January 18, 2022

The Rural Maryland Council **Supports** Senate Bill 122. The purpose of the bill is to increase from \$7,000 to \$10,000, the amount of a subtraction modification under the Maryland income tax for certain qualifying volunteer fire, rescue, and emergency medical services members beginning in tax year 2023.

The modification to subtract \$10,000 from these volunteers federal adjusted gross income to determine their Maryland adjusted gross income would be financially beneficial to those who voluntarily serve Maryland, while encouraging more individuals to volunteer as a fire, rescue, or emergency medical service member. According to the National Fire Protection Association's *U.S Fire Department Profile 2018*, volunteer firefighters per 1,000 people protected for mostly volunteer or all volunteer departments has been decreasing since the rate high of 8.05 volunteer firefighters in 1987 with a recent low of 5.8 in 2017. The Report also states that 95% of volunteer fire fighters are in departments that protect less than 25,000 people; and 49% are with small, rural departments serving less than 2,500 people. Because rural areas rely heavily on volunteer firefighters, a decrease in volunteers puts rural communities at a higher risk during emergencies that require action from the local fire department.

In addition, The Council recommends looking at disparities of salaries between paid firefighters of urban areas and volunteer benefits in rural areas.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 122 - Income Tax - Subtraction Modification - Volunteer Fire, Rescue, and Emergency Medical Services.

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John Hartline, Chair

Testimony in Support of
Senate Bill 150 - Maryland Medical Assistance Program – Dental Coverage for Adults
Senate Finance Committee
January 25, 2022

The Rural Maryland Council **supports** Senate Bill 150 - Maryland Medical Assistance Program – Dental Coverage for Adults. This will require the Maryland Medical Assistance Program, beginning January 1, 2023, and subject to certain limitations, to provide certain dental care for adults whose annual income is at or below 133 percent of the federal poverty level.

Providing dental care is crucial to an individual's overall health, and it is important that preventative measures are taken to assure that long-term complications do not occur. When someone does not have the financial capabilities to attend dentist appointments for routine cleaning and checkups, it leads to a decrease in dental health and higher risk of developing more serious complications such as cavities or abscess teeth. The individual is then forced to pay for expensive treatment or suffer through the pain because they are unable to afford treatment. According to Data USA, in 2018 St. Mary's had a population of 111,531 citizens, of which 8.3% had incomes at or below the federal poverty level, 5.8% had no health or dental insurance, and 11.8% were covered by Medicaid.

Rural Marylanders tend to be older, in worse health and have lower incomes compared to their suburban counterparts. These factors can negatively affect oral health. The Center for Disease Control (CDC) lists disparities in oral health, including income. According to the CDC's *Disparities in Oral Health* webpage, 17% of children aged 2 to 5 from low-income households have untreated cavities in their primary teeth, which is three times the percentage of children from higher-income households; and that 23% of children aged 2 to 19 from low-income households have untreated cavities in their permanent teeth, which is twice that of children from higher-income households. It also states that adults between 20 to 64 that are low-income or uninsured are twice as likely to have one to three untreated cavities and three times as likely to have four or more untreated cavities compared to those of higher incomes or have private insurance. Because of the current historic State surplus, now would be an appropriate time to add additional funding that would change the overall dental health and lives of those that cannot currently afford to do so.

Income should not determine an individual's access to dental care - the Rural Maryland Council respectfully requests your favorable report of Senate Bill 150

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Charlotte Davis, Executive Director

John Hartline, Chair

March 11, 2022

The Honorable Paul G. Pinsky
Chair, Senate Education, Health, and Environmental Affairs Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Pinsky:

The Rural Maryland Council supports Senate Bill 154 - Advanced Practice Registered Nurse Compact.

The passage of SB-154 will enter Maryland into the Advanced Practice Registered Nurse Compact; establishing criteria for participating states; and authorizing an advanced practice registered nurse to practice in a party state under certain scope of practice rules. The intent is to facilitate the states' responsibility to protect the health and safety of the public and provide opportunities for interstate practice by advanced practice registered nurses (APRNs) who meet uniform licensure requirements. The Compact will come into limited effect once seven States pass it as law. By allowing APRNs from other States to come to Maryland to practice, it will help the areas that are lacking in health care workers and need additional help the most.

Rural Marylanders are often in worse health than that of their urban and suburban counterparts and lack access to the medical facilities and practitioners to improve their health. This is especially true in specialty areas, and mental and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders that lack access to the primary health care they need. In the U.S, rural or partially rural areas make up over 68% of the designated primary care HPSAs.

SB-154 would allow more high-level healthcare workers to practice in Maryland where there are shortages or nurses are needed. While certain areas of the State have been facing a shortage in healthcare workers, it was worsened by the pandemic. As a result of the pandemic, members of the healthcare workforce are leaving at higher rates, mostly from the increased workload and amount of stress that they have been facing. As some healthcare workers quit, it creates more of a workload and stress for the remaining members, resulting in a cycle of burnout. Allowing APRNs from other states to practice in Maryland could reduce this burden and help prevent similar situations in the future. This will allow for workers to adequately preform their jobs and assure that patients are getting the treatment that they need.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 154.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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John Hartline, Chair

Testimony in Support of
Senate Bill 205 - Division of Workforce Development and Adult Learning - Apprenticeship and
Training Council - Sunset Extension
House Economic Matters Committee
March 22, 2022

The Rural Maryland Council supports Senate Bill 205 - Division of Workforce Development and Adult Learning - Apprenticeship and Training Council - Sunset Extension. As amended, the bill would continue the Apprenticeship and Training Council in accordance with the provisions of the Maryland Program Evaluation Act (sunset law) by extending to July 1, 2025, the termination provisions relating to the statutory and regulatory authority of the Council.

The Apprentice and Training Council formulates apprenticeship policies, registers standards and agreements, determines which skilled trades are apprenticeable, and formulates and adopts standards of apprenticeship that safeguard the welfare of all apprentices. These apprenticeship programs help Marylanders gain skills and earn higher wages while working and earning an income during the process. Additionally, these programs grow Maryland's workforce with skilled workers that can provide services to their communities. These apprenticeships include a wide range of occupations including electrician, sheet metal worker, automobile mechanic, air conditioning mechanic, cyber security professional, and biotechnology instrumentation technician.

Apprenticeship programs are also great alternatives for those who do not desire a four-year college degree to still obtain a good paying job. It also allows young adults to stay in their hometowns while completing their apprenticeship and become a part of the local workforce after completion. Many rural areas are losing their younger population because recent high school graduates are leaving to obtain a college education and not returning home after completion due to a lack of available jobs in their field. This has created an aging population with a shrinking workforce to provide the needed jobs in the community. Apprenticeship programs allow students to gain skills that their communities need without having to leave their hometown if they do not desire to do so. Last year, the leaders of Maryland passed a bipartisan budget agreement that dedicated \$75 million of the American Rescue Plan funds to a variety of apprenticeships and employment training programs.

The Rural Maryland Council respectfully asks for a favorable report on Senate Bill 205.

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John Hartline, Chair

Testimony in Opposition of
Senate Bill 268 -Pesticide Regulation – Transfer to Department of the Environment
Senate Education, Health, and Environmental Affairs Committee
February 02, 2022

The Rural Maryland Council **opposes** Senate Bill 268 -Pesticide Regulation – Transfer to Department of the Environment. The bill seeks to transfer the regulation of pesticides, plant diseases, and mosquitos in the State from the Department of Agriculture to the Department of the Environment. By removing these regulations from the Department of Agriculture, it will consequently remove the Department that is familiar with these regulations, and those in the agricultural workforce. This transfer will also result in unnecessary expenses.

The Maryland Department of Agriculture has been handling the regulation of pesticides for many years and has gained the knowledge and expertise to control and oversee these regulations. One of the reasons this expertise is important, is that the Department of Agriculture understands the process of using these pesticides, and the farmers and agricultural workers that use them. If pesticides are regulated in the wrong manner, it will result in those who use pesticides to switch to similar chemicals for pesticide use that will have negative effects on the environment. While the bill has positive intention by wanting to mitigate and reduce the damages done to the environment by pesticide use, the opposite outcome could come from the attempts to do so.

Additionally, the transfer of these regulations from the Department of Agriculture to the Department of the Environment would also result in additional spending from the process of moving materials and personal from the Departments.

The Rural Maryland Council respectfully requests that you vote unfavorably on Senate Bill 268 Pesticide Regulation – Transfer to Department of the Environment.

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Testimony in Support of
Senate Bill 290 - Budget Bill (Fiscal Year 2023)
Senate Public Safety, Transportation and Environment Subcommittee
February 28, 2022

The Rural Maryland Council supports the Governor's Fiscal Year 2023 Appropriation. (Senate Bill 290 - Budget Bill Fiscal Year 2023). This funding will be highly beneficial to those who live, work, and visit the many great rural areas of our State. The RMC administers two grant programs, the Rural Maryland Prosperity Investment Fund (RMPIF) and the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF). This additional funding will provide more resources and opportunities in our rural areas and improve the lives of the Marylanders who live there. The RMPIF and MAERDAF grant programs have provided substantial amounts of needed opportunities and resources to our rural communities.

In Fiscal Year 2021, almost 1.7 million (1,683,640) people were served, trained, or reached through the projects funded. Additionally, over \$12 million (\$12,021,692) in private sector dollars were leveraged for rural development projects in Maryland. The grant programs have been a great success and are growing in demand each year.

On average, in Fiscal Years 2019, 2020, and 2021, our grant programs have had 169 applicants requesting \$10,459,768.30. With our past funding, the RMC has funded on average 73 applicants at \$6,173,836.67 per year. In FY 2021, the Council received 179 Applications requesting \$14,679,005. The RMC does not have the funding capabilities to fund all requests, causing the grant board to turn away many quality projects each year. With the additional funding the RMC could provide more grants that will help rural communities and Marylanders in return.

Rural areas always see a delay in the impact and recovery of economic impacts and events. Our rural areas have not fully recovered from the last economic recession when the recent pandemic hit. It is important that rural areas receive the investments they need to recover at the same rate as the rest of Maryland.

The strength of our impact is dependent on the resources provided to us through the State's operating budget. The Council members and rural non-profit community leverage these funds with local and federal funds to improve the lives of rural Marylanders. RMPIF funding allows many rural organizations to provide innovative programming that creates jobs, educational opportunities, and enhances the quality of life in our rural communities. For many nonprofit organizations and stakeholders, RMPIF provides the critical support needed to fuel healthy, resilient rural communities.

With the State's investment, an additional \$67 million in federal, local, and private funding has been directed into our rural areas. Overall, the RMPIF program between 2018 and 2021 has resulted in \$124 million in economic impact and \$40.9 million in employee compensation according to a study by the Regional Economic Studies Institute with Towson University. The MAERDAF program has provided \$12.1 million in additional economic impact and \$4.4 million in employee compensation.

Past grant recipient projects have had significant outcomes such as improved educational outcomes of at risk, minority children by providing educational summer enrichment programs; building the capacity and quality of smalltown drinking water; expanding broadband internet connections to new homes; and providing medical transportation, personnel, and services to those in need. The FY2023 funds will expand the reach of our grant programs, allowing for even more positive impacts across rural Maryland as the rural areas recover from the negative economic effects of COVID-19.

The Rural Maryland Council respectfully requests your support of the Governor's appropriation included in Senate Bill 290.

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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
Senate Bill 343 - State Designations - State Spirit - Maryland Rye
Education, Health, and Environmental Affairs Committee
March 10, 2022

The Rural Maryland Council supports Senate Bill 343 - State Designations - State Spirit - Maryland Rye. Maryland was once renowned for its rye whiskey production surpassing all states except Kentucky and Pennsylvania. In 1911, Maryland produced 5.6 million gallons of distilled spirits – most of it rye. Unfortunately, those distilleries disappeared after World War II when American whiskey production consolidated in Kentucky. By establishing a State Spirit, like the establishment of Smith Island Cake as the State Dessert, the State could incentivize rye production, resulting in more value-added agriculture production and an increase of customers to Maryland’s distilleries.

Maryland has a growing craft beverage market that contributes greatly to the State economy. According to Grow & Fortify’s *Value Added Agriculture in Maryland* report, Maryland’s craft distilleries had a value added impact of over \$179 million, supported almost 1,000 jobs, and added more than \$13 million in state and local tax revenues. The addition of a state rye would give an opportunity to these distilleries to produce and sell this spirit, encouraging customers from in and out of the State to try Maryland’s State rye. The Maryland Rye could also encourage the purchase of more locally grown products. Maryland farmers could grow and sell the barley and corn used to produce the rye.

The Council supports and encourages value added agriculture and the benefits it brings to both farmers and the State economy. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 343.

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Testimony in Support of
Senate Bill 344 - Retirement Tax Reduction Act of 2022
Budget and Taxation Committee
February 23, 2022

The Rural Maryland Council supports Senate Bill 344 - Retirement Tax Reduction Act of 2022.

The bill will allow a tax subtraction for those receiving old age or survivor benefits from social security and those over 65 that are not fully employed and has an adjusted gross income of less than \$100,000. This subtraction will encourage Marylanders to stay in the State after retirement and bring retirees from other states to Maryland. The subtraction will also help the elderly who are living in poverty and struggling to pay their bills.

The tax reduction will benefit many retirees in Maryland's rural and underserved areas. Rural Maryland has an older and poorer population compared to the urban and suburban parts of the State, meaning that taxes effect this population more than others. Since many older Marylanders are retired from their careers, they now rely heavily on the income received from Social Security, but many must still acquire additional income to make ends meet. These Marylanders have already worked most of their lives but still cannot afford to live out the rest of their lives comfortably. The state tax elimination will allow these lower incomed elderly Marylanders to live more comfortably as they age instead of worrying about how they will afford to pay their bills or provide for themselves.

The tax reduction will also bring new residents to Maryland to retire and keep current residents in the State after they retire instead of moving to other states where they may live out cheaper retirements. Maryland has both beaches and mountains that make for great retirement locations, unfortunately, many retirees avoid Maryland because of the high rate of taxes that they would pay if they chose to move here. Consequently, the same goes for Marylanders moving out of the State after retirement.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 344.

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Testimony in Support of
Senate Bill 369 - Return Preparation Assistance Program for Low-Income Families
Senate Budget and Taxation Committee
February 08, 2022

The Rural Maryland Council supports Senate Bill 369 - Income Tax - Return Preparation Assistance Program for Low-Income Families. The bill establishes the Income Tax Return Preparation Assistance Program for Low-Income Families in the Office of the Comptroller and will provide assistance to families who qualify for the Earned Income Tax Credit.

The Earned Income Tax Credit (EITC) is highly beneficial to low-income families by reducing the amount of income tax owed and refunding taxes paid through employment. The EITC is a benefit for working people with low to moderate income. Those who qualify for the federal EITC claim it on their personal income tax return. Maryland offers an additional State EITC equal to 50% of the federal tax credit. Unfortunately, many families do not utilize the earned income tax credit through various reasons but of most concern is unawareness of the tax credit. Outreach to those families who miss the EITC opportunity could lift them out of financial hardship or assist them in a time of great need.

Maryland's rural areas often report higher rates of poverty compared to their urban and suburban counterparts. The poverty rate in Somerset County is currently reported at 22.2% by the US Census Bureau. (<https://www.census.gov/quickfacts/somersetcountymaryland>). Allegany County's poverty rate is 14.7%. (<https://www.census.gov/quickfacts/alleganycountymaryland>). This program will encourage the utilization of the EITC and provide financial benefits to low-income families.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 369.

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Testimony in Support of
Senate Bill 391 - Economic Development - More Jobs for Marylanders Program - Extension and Alterations
Senate Budget and Taxation Committee
February 08, 2022

The Rural Maryland Council supports Senate Bill 391 - Economic Development - More Jobs for Marylanders Program - Extension and Alterations. The bill will alter the circumstances and period of time the Department of Commerce may provide a qualified business a certificate certifying that an eligible project is enrolled in the Program. The bill will also transfer, from the More Jobs for Marylanders Tax Credit Reserve Fund to the General Fund, an amount equal to the amount stated in the final tax credit, rather than that stated in the initial tax credit certificate. SB-391 will allow more businesses to qualify for the tax credit, encouraging more businesses to locate in or remain in the State and provide more jobs to Maryland residents.

Rural areas recover from economic disasters at slower rates than urban and suburban areas, adding on to the already higher rates of unemployment and poverty. The Great Recession's hardest hit regions of Maryland had not fully recovered before being hit by the pandemic in 2020. The Eastern Shore and Western Maryland, once manufacturing hubs, have seen higher than state average rates of unemployment. The Eastern Shore has seen a loss of business establishments, and Western Maryland has seen a decrease of the manufacturing jobs that once made up a large portion of the area's employment. According to the Federal Reserve, Maryland reported 103,000 manufacturing jobs in 2014, an industry low from a high of 200,000 in 1992. Until the COVID-19 pandemic, manufacturing jobs rebounded to 114,100 in 2019

The More Jobs for Marylanders Act offers a powerful incentive to strengthen local economies and increase employment opportunities in the hardest hit regions of Maryland. According to the *Evaluation of the More Jobs for Marylanders Program* compiled by the Department of Legislative Services, the 42 projects that received a first business year tax credit between October 2018 to May 2020 reported creating almost 1,000 jobs. SB-391 will increase the number of eligible projects, ultimately increasing the number of good paying jobs.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 391.

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Testimony in Support of
Senate Bill 393- Economic Development - Project Restore Program and Fund
Senate Education, Health, and Environmental Affairs Committee
February 22, 2022

The Rural Maryland Council supports Senate Bill 393- Economic Development - Project Restore Program and Fund. This bill helps revitalize communities across the state of Maryland while also incentivizing the growth of small businesses. The bill will accomplish this by awarding rental grants of \$2,500 a month for no longer than 12 months, and business operation grants of no more than \$250,000 for a 12-month period to small businesses and commercial developers that locate in vacant properties. Additionally, these businesses must have less than 50 employees, further promoting the growth of small businesses.

By incentivizing businesses to come into these vacant areas, it is promoting small businesses, creating jobs, and creating vibrant communities. As we recover from the pandemic, many business owners are cautious to move locations or expand to new areas. Many small businesses were forced to close during the lockdown and were never able to financially recover, leading to their permanent closure. Additionally, many individuals became more comfortable with ordering products online that come from out of the State. Project Restore will give an incentive to these businesses to locate in vacant properties that are negatively impacting the value of communities across the State. When communities lose the businesses that make up the main streets and downtowns, the area loses value and desirability. This causes new homeowners and new businesses to locate elsewhere, and consequently the jobs and resources as well.

Rural areas and other underserved areas are hit the hardest by these vacancies. For example, the National Association of Realtors lists the Cumberland area as having a vacancy rate of 6.2% as of October 2021, while the national average is 4.8%. Rural communities are slower to recover from economic tragedies, making it necessary to make sure all of Maryland can recover from this pandemic properly.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 393.

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John Hartline, Chair

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Testimony in Support of
Senate Bill 398 - Out-of-State Health Care Practitioners – Provision of Behavioral Health Services via
Telehealth – Authorization
Senate Education, Health, and Environmental Affairs Committee
March 03, 2022

The Rural Maryland Council supports Senate Bill 398 - Out-of-State Health Care Practitioners – Provision of Behavioral Health Services via Telehealth – Authorization. This bill allows a health care practitioner who is not licensed in the State to provide behavioral health services via telehealth to a patient. The bill will allow Marylanders to have more access to behavioral health practitioners that certain parts of the State, specifically rural, are lacking. The bill will not only expand the number of behavioral health practitioners, but also allow patients who cannot travel to their offices to be able to access them virtually.

Rural Marylanders are often in worse health than that of their urban and suburban counterparts, and lack access to medical facilities and practitioners, especially specialty care such as mental health. SB-398 will allow more practitioners to provide behavioral services in the State, giving Marylanders who do not currently have access to behavioral health services the option of visiting with a practitioner from another state through telehealth. According to Mental Health America, in 2019, nearly 50 million (20 %) of adults in the U.S experienced a mental illness, and more than half of these adults go without treatment.

Allowing for more behavioral health options through telehealth will also help those who would have to travel far distances, or those who lack transportation, to have access to the services that they need for their mental health. Often in rural areas, an individual lives far away from any behavioral health practitioners, and possibly farther from the practitioner that meets their specific needs. If an individual must drive an hour to and from a practitioner's office, they are less likely to go because of the time and additional cost to get there. This leads to the individual not receiving the help they need to take care of their mental health. The Health Resources and Services Administration (HRSA) reports that more than 1.3 million Marylanders are in a mental Health Professional Shortage Areas (HPSA). That's over 1.3 million Marylanders that do not have access to the appropriate mental health care they need.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 398.

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John Hartline, Chair

February 22, 2022

The Honorable Guy Guzzone
Chairman, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Guzzone:

The Rural Maryland Council supports Senate Bill 400 – Highway User Revenues – Revenue and Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to 13.5%. The Rural Maryland Council supports efforts to return the restoration of Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the state shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and SB-400 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver's community. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 400.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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Charlotte Davis, Executive Director

John Hartline, Chair

March 10, 2022

The Honorable Guy Guzzone
Chair of the Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Guzzone:

The Rural Maryland Council supports Senate Bill 405 - Retirement Tax Elimination Act of 2022.

The bill will allow a tax subtraction for those receiving old age or survivor benefits from social security and those over 65 that are not fully employed. This subtraction will encourage Marylanders to stay in the State after retirement and bring retirees from other states to Maryland. The subtraction will also help the elderly who are living in poverty and struggling to pay their bills.

The tax elimination will benefit many retirees in Maryland's rural and underserved areas. Rural Maryland has an older and poorer population compared to the urban and suburban parts of the State, meaning that taxes effect this population more than others. According to U.S Census data, 27.1 % of Kent County's population is over the age of 65, while only 16.1% of Montgomery County's population is over the age of 65. Since many older Marylanders are retired from their careers, they now rely heavily on the income received from Social Security, but many must still acquire additional income to make ends meet. These Marylanders have already worked most of their lives but still cannot afford to live out the rest of their lives comfortably. The state tax elimination will allow these lower income elderly Marylanders to live more comfortably as they age instead of worrying about how they will afford to pay their bills or provide for themselves.

The tax elimination will also bring new residents to Maryland to retire and keep current residents in the State after they retire instead of moving to other states where they may live out cheaper retirements. Maryland has both beaches and mountains that make for great retirement locations, unfortunately, many retirees avoid Maryland because of the high rate of taxes that they would pay if they chose to move here. Consequently, the same goes for Marylanders moving out of the State after retirement.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 405.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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John Hartline, Chair

Testimony in Support of
Senate Bill 437 - Agriculture - University of Maryland Extension - Urban Farmer Assistance
Senate Education, Health, and Environmental Affairs Committee
March 09, 2022

The Rural Maryland Council supports Senate Bill 437- Agriculture - University of Maryland Extension - Urban Farmer Assistance. This bill will help grow and enhance Maryland's urban agriculture by hiring an extension agent dedicated to urban farm production methods and crop management, and another extension agent dedicated to urban farm and agribusiness management. These agents will help farmers by educating them on the best practices to operate a successful urban farm. Building a stronger urban agriculture in Maryland will also help grow the State's urban communities.

Urban agriculture has been most concisely defined by Wagstaff and Wortman (2013) as "all forms of agricultural production (food and non-food products) occurring within or around cities." This definition includes all production in or near cities of plants or animals, whether for personal use or for sale, whether soil based or hydroponic production. While most of Maryland's food production lies in rural areas (north-central portion of the State and upper eastern shore), there are a multitude of urban farms located in the State's urban areas-Baltimore City alone has approximately 20 thriving urban farms.

Access and availability to food has an impact on health, culture, and quality of life and resources. In the United States, healthy food is difficult to access for nearly 24 million people who live in areas without a grocery store. Recent reports from *Preventative Medicine and Education for Health* show that low-income neighborhoods have 25% fewer grocery stores than middle and high-income neighborhoods. This disparity contributes to higher rates of diabetes, high blood pressure, and heart disease. The growth of Maryland's urban agriculture enables healthier communities, food diversity, accessible markets, job opportunities, and builds a sense of ownership and well-being through agricultural related activity in urban areas.

The RMC looks for strategic partnerships to bridge rural and urban communities. The agriculture sector can help bridge the gap between these two communities. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 437.

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John Hartline, Chair

Testimony in Support of
Senate Bill 453 - Economic Development – Maryland Makerspace Initiative Program
Senate Finance Committee
February 15, 2022

The Rural Maryland Council **Supports** SB-453 - Economic Development - Makerspace Initiative Program. The bill intends to encourage growth and development of makerspaces throughout Maryland by establishing the Makerspace Initiative Program in the Maryland Technology Development Corporation. The Corporation will administer the program and partner with the Open Works Center for Advanced Fabrication Technologies in Baltimore City to provide technical assistance to nonprofit entities seeking to establish makerspaces in the State. Additionally, the Corporation will provide financial assistance for the development or expansion of makerspaces. Makerspaces are beneficial to rural communities because they provide resources that many small rural businesses do not have access to and they provide additional trade and technological education to both youth and adults.

Makerspaces provide educational, professional, and developmental opportunities to members of all ages, and are especially helpful for new and small businesses. Some of these makerspaces, such as Openworks in Baltimore City, include access to Wi-Fi, storage lockers, and a personal mailing address. Other facilities include 3D printing, a digital fabrication shop, metal shop, woodworking shop, cut and sew studio, computer lab, and facilities for electronic fabrication. In addition to the facilities and tools, makerspaces may also provide classes for youth, adults, and seniors. School systems and universities can also benefit from makerspaces. For example, Western Maryland Works has collaborated with the Allegany College of Maryland to host the college's Advanced Manufacturing, Industrial Maintenance, and Welding programs. Another example was M4Reactor collaborating with Wor-Wic Community College for a workforce training program that resulted in 77% of the students finding employment. Other Makerspaces provide science, technology, engineering, arts, and mathematics (STEAM) based classes for children as young as eight years old.

Makerspaces provide access to facilities that many would otherwise go without. These facilities give opportunities to individuals and small businesses that do not have the ability or the finances to access the resources they need to start or grow their ideas. By allowing many people to use the tools and facilities, it allows for the prices to be more affordable for small business and individuals who have not yet developed the finances to have their own materials. Promoting the growth of these local businesses also results in the production of more American made materials and the creation of more jobs as these businesses expand.

During the pandemic, many makerspaces were required to close their doors to the public as public safety restrictions were implemented. Some of these makerspaces took this opportunity to use their facilities to help their communities by creating and distributing personal protection equipment. M4Reactor, a makerspace in Salisbury, began making ear savers for masks and custom acrylic shields. Open Works of Baltimore City also took the opportunity to use their facilities to make over 28,000 face shields. Due to the positive community impacts of makerspaces, the Rural Maryland Council has provided numerous grants to makerspaces across the State through the Rural Maryland Agricultural Education Rural Development Assistance Fund.

The Rural Maryland Council respectfully asks for your **favorable** support of Senate Bill 453.

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Testimony in Support of
Senate Bill 473 - Economic Development - Maryland E-Nnovation Initiative Program - Qualifying Donations
Budget and Taxation Committee
February 16, 2022

The Rural Maryland Council supports Senate Bill 473 Economic Development - Maryland E-Nnovation Initiative Program - Qualifying Donations. This bill would benefit Maryland's smaller colleges and universities by lowering the required amount donated to a research endowment from \$500,000 to \$200,000 for colleges with an annual unrestricted current funds budget that is less than \$250 million. By lowering the endowment amount for these smaller colleges, it will allow them to receive more matching funds through the E-Nnovation fund. This would help colleges in rural parts of the State such as Frostburg State University and University of Maryland Eastern Shore.

The E-Nnovation fund awards colleges with matching funds for the private donations they receive for research endowments. The Current minimum donation is \$500,000. Since smaller colleges rarely receive large donations, they are unable to apply for the E-Nnovation matching funds. The \$200,000 donation is much more obtainable for smaller schools and gives them a better chance of receiving matching funds and private donations. If a college or university can obtain matching towards a private donation, private donors are more likely to donate knowing their funding will be matched.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 473.

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John Hartline, Chair

Testimony in Support of
Senate Bill 476 – Alcoholic Beverages – Manufacturer’s Licenses and Off- Site Permits
Senate Education, Health, and Environmental Affairs Committee
March 04, 2022

The Rural Maryland Council supports Senate Bill 476– Alcoholic Beverages – Manufacturer’s Licenses and Off- Site Permits. This bill will extend provisions of the Executive Order privileges put in place during the pandemic for the State’s wineries, breweries, and distillers to distribute their product. This bill will allow a holder of a manufacturer’s license to deliver their product to an individual located in the State and directly ship their product to a consumer upon request. These provisions were extended last year though Chapters 359 and 360 but are set to end on December 31, 2022. This bill will allow the provisions to be extended until June 30, 2023.

Maryland’s distilleries, wineries, and breweries promote economic development, value-added agriculture, and manufacturing as they not only produce beverages but create destinations that attract tourists. According to data from the *Value-Added Agriculture in Maryland* by Grow & Fortify and BEACON, the combined value-added impact of these three industries was over \$1 billion in 2018, supporting more than 9,500 jobs, and adding an estimated \$52 million to state and local tax revenue. The pandemic greatly impacted this industry with close to 500 layoffs. The authorization for direct-to-consumer delivery and shipment services has created a new lifeline for sales and kept many doors open during these unprecedented times.

The Rural Maryland Council supports the value-added agriculture industry as it enables farms to transition into diversified production. SB-476 further enhances this type of agriculture by providing delivery and shipping options for the State’s value-added craft beverages. The Council requests your favorable support of Senate Bill 476 – Alcoholic Beverages – Manufacturer’s Licenses and Off-Site Permits.

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John Hartline, Chair

Testimony in Support with amendments of
Senate Bill 541 - Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland
Outdoors Act)
Senate Budget and Taxation Committee
February 16, 2022

The Rural Maryland Council supports with amendments Senate Bill 541 - Natural Resources - Maryland Park Service and State Parks - Alterations (Great Maryland Outdoors Act). The Great Maryland Outdoors Act will benefit Maryland's agricultural and land preservation programs by ensuring additional resources for the preservation of additional land through programs such as the Rural Legacy Program, Maryland Agricultural Land Preservation Foundation (MALPF), and the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). This legislation will replace and accelerate the current repayment schedule for previous diversions of funds from Program Open Space.

Program Open Space has shown success in preserving Maryland's land. According to Forever Maryland, there are about 1.8 million acres of preserved land in Maryland. The DNR State Land Inventory makes up over a quarter of that land with just under 500,000 acres. MALPF is the second largest preserver, preserving about 340,000 acres or 19%. The additional funding will allow for the transition of farms to the next generation, increased recreational and economic opportunities in local communities, and the preservation of contiguous uninterrupted forestland. As the pandemic proved, our state and local parks are more popular and necessary than ever. The preservation of land also helps with the stewardship of the land by allowing better maintenance and care of the land. For example, being able to monitor and control the intrusion of invasive species or being able to manage storm waters. Controlling these factors that can harm the land keep it healthy and usable for the future.

Stateside and localside Program Open Space are also important economic drivers in Rural Maryland. Enhanced recreational opportunities will bring in additional visitors to Rural Maryland, impacting and enhancing local economies. According to *Economic Impact of Tourism in Maryland*, a report conducted by Tourism Economics, Maryland had 42.1 million visitors in 2019 who spent \$18.6 billion in the State and generated 2.6 billion in state and local taxes. We support efforts to enhance our community parks and playgrounds but ask that the \$60 million transfer of funds for State land acquisition under Program Open Space be reduced or eliminated.

There are equity issues across the State relating to state parks and available open spaces. Along with Baltimore City, both Wicomico and Kent County lack state park facilities. The Maryland Department of Natural Resources in partnership with the University of Maryland School of Public Health created the "MD Park Equity Mapper" to show the equity rates of access to public lands across the State. This was done by accounting for factors such as walkability, population, race, age, and distance to public park space. This map shows low equity in rural areas such as parts of western and southern Maryland and the State's eastern shore. While rural areas have less population and more land, this does not equate to land that is available or accessible for recreation or public use. Many Maryland residents that live near the State's waters, whether it is the Bay, a lake or river, also have no way of accessing the nearby waters. By preserving land and expanding parks across the State, these equity issues can be addressed, and all Marylanders can have access to public parks. The Rural Maryland Council respectfully requests your favorable with amendments support of SB 541.

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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
Senate Bill 561 - Income Tax - Subtraction Modification - Employee-Owned Businesses
Senate Budget and Taxation Committee
February 16, 2022

The Rural Maryland Council supports Senate Bill 561 - Income Tax - Subtraction Modification - Employee-Owned Businesses. This bill creates a subtraction modification against the State individual and corporate income tax for any income from a qualified transfer of stock or membership interest of a Maryland corporation or limited liability company (LLC). If the qualified transfer is to a direct share ownership plan, the subtraction is limited to the lowest amount of stock or membership interest transferred to any tenured employee during the taxable year multiplied by the number of all tenured employees.

Much of rural entrepreneurship exists of family owned and operated businesses. As our rural population is aging, succession and exit planning for family businesses are vital to ensure the businesses' future continuation and vitality. Succession and exit planning will help ensure that these businesses do not cease to exist when the owners decide to retire or move on to other endeavors.

In Fiscal Year 2017, the Rural Maryland Council awarded a grant to Frostburg State University Office of Research Sponsored Programs to conduct a feasibility study to investigate the need for business succession and exit planning strategies in Western Maryland. The University investigated two business succession and exit planning programs; one in Kansas and another in Pennsylvania. As a part of the grant scope of work, the University interviewed 20 businesses regarding succession planning and identified 5 alumni interested in pursuing such opportunities. While it determined that there is a need to offer succession and exit planning services, there were not enough alumni interested in taking over such businesses. Employee stock ownership plans are a viable alternative to ensuring the retention of our rural small businesses and their continued vitality.

The Rural Maryland Council respectfully requests your favorable support of House Bill 403

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Testimony in Support
Senate Bill 567 - Property Tax - Agricultural Use Assessment - Improvements
Senate Budget and Taxation Committee
February 16, 2022

The Rural Maryland Council supports Senate Bill 567 - Property Tax - Agricultural Use Assessment – Improvements. The bill will help agricultural landowners by allowing certain improvements on land that qualifies for the agricultural use assessment to be assessed as agricultural property. These improvements include the manufacturing, packaging, storage, promotion, or sale of value-added agricultural products derived from ingredients produced on the land; agricultural alcohol production; and agritourism. Allowing these parts of the land to be assessed as agricultural land will promote the growth of value-added agriculture activities in Maryland and promote more visitors to these farms, helping the farm owner and the State economy.

Many farmers are beginning to use their land for agritourism and other forms value added agriculture to make additional income or make up for the lack of income they are receiving from their traditional agricultural sales. These improvements to their farms are bringing additional tourism and benefits to the State's economy. Grow and Fortify's *Value-Added Agriculture in Maryland*, reports that value added agriculture provides nearly 74,000 jobs, has an economic impact of over \$20.6 billion annually, and adds nearly \$875 million to the State's fiscal resources.

These farms are operating tasting rooms, retail markets, and other forms of value-added agriculture. Because these operations are being held on agriculture land and using resources from the land, these parts of the land should be properly assessed as being agricultural land.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 567.

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John Hartline, Chair

Testimony in Support of
Senate Bill 598 - Income Tax – Work Opportunity Tax Credit
Senate Budget and Taxation Committee
February 23, 2022

The Rural Maryland Council supports Senate Bill 598 - Income Tax – Work Opportunity Tax Credit. The Bill intends to increase job opportunities for those who are facing significant barriers to employment by creating a nonrefundable credit against the State income tax for up to 100% of the federal Work Opportunity Tax Credit (WOTC) claimed by an employer.

By creating a tax credit against the State income tax for the WOTC claimed by the employer, it will encourage more businesses to hire people that fall under the targeted groups that face significant barriers to employment. Currently, some of the targeted groups for the credit include individuals whose families are recipients of Supplemental Nutrition Assistance Program; individuals experiencing long-term unemployment; residents of an empowerment zone or rural renewal county; veterans; the formerly incarcerated or those convicted of a felony; and supplemental Social Security income (SSI) recipients. According to the U.S Department of Labor, there were more than 2 million WOTCs the United States in Fiscal Year 2021, Maryland accounted for just above 50,000 of those WOTCs

The WOTC provides an incentive to hire those who are less likely to find employment and are often individuals who need a job the most. This includes someone facing economic hardships that needs to provide for their family; someone who has been incarcerated or is a convicted felon but has since done their time and wants to better their lives and re-enter society; and those receiving SSI who are over 65 or have a disability and are under certain income and resource levels. The group that is the most likely to be employed are those whose families receive SNAP, making up 35,000 of the approximately 50,000 Maryland WOTC credits. Meaning many of these credits are being used towards those who are providing for more than just themselves. According to the Center on Budget and Policy Priorities, in Fiscal Year 2019 over 62% of Maryland SNAP participants were in families that had children, and 38% were in families with elderly or disabled family members.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 598 - Income Tax – Work Opportunity Tax Credit.

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Testimony in Support of
Senate Bill 622 - Income Tax - Credit for Travel, Hospitality, and Entertainment
Senate Budget and Taxation Committee
March 02, 2022

The Rural Maryland Council supports Senate Bill 622 - Income Tax - Credit for Travel, Hospitality, and Entertainment. This bill will help revitalize the travel, hospitality, and entertainment industries which have faced tremendous financial declines during the COVID-19 pandemic. This would be accomplished by creating a credit against the state income tax for those who travel over 50 miles from their home and spend their money on food and beverages; lodging and transportation; live entertainment and sporting events; or to attend a conference or business meeting. This tax credit will incentivize Marylanders to travel to other parts of the State and spend money at the local businesses.

Rural Maryland does not always receive the same number of visitors as the urban and suburban parts of the State. This tax credit will encourage more travel to these rural areas by requiring the tax credit to be applied to expenses at locations 50 miles or more from the individual's home. This will bring Marylanders from the central parts of the State to the rural parts of the State. Additionally, the economies of rural areas depend heavily on the hospitality and tourism industries, making the recent decline of travel more hurtful to the rural communities that depend on these industries. The U.S Census's Small Business Pulse Survey reports that almost 70% of Maryland's businesses reported that the pandemic had an overall negative effect on the business. These negative impacts can be seen by the decrease in visitors during the pandemic. According to Tourism Economics' report, *Economic Impact of tourism in Maryland 2020*, Maryland's visitor spending declined 37.5% in 2020, registering at \$11.6 billion. This is a \$7 billion loss from the \$18.6 billion that was created in 2019.

The increased economic activity that the tax credit will bring to rural areas will ultimately create more job opportunities in order to accommodate for the increased activity. Additionally, rural areas recover from economic downturns at a slower rate than urban and suburban areas. The employment rates of rural areas were still recovering from the great recession before being hit by the pandemic in 2020. According to USDA Economic Research, the rural employment rate of 2017 was still 2 percent below the 2007 peak while metro areas had increased by 7.2 percent. Since rural areas take longer to recover, it is important that incentives are put in place to assist the recovery of rural Maryland.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 622.

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Testimony in Support of
Senate Bill 626 - Maryland Loan Assistance Repayment Program for Physicians and Physician
Assistants – Alterations
Senate Education, Health, and Environmental Affairs Committee
February 17, 2022

The Rural Maryland Council supports Senate Bill 626 - Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants – Alterations. This bill will clarify that part-time physicians and physician assistants are eligible for the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (MLARP). MLARP is currently available to physicians, physician assistants, and medical residents in their last year of residency that are working in a federally designated Health Professional Shortage Area, Medically Underserved Area/Population (MUA/P), or in one of the States 18 rural counties. By clarifying that part time physicians and physician assistants are eligible, it will increase the number of healthcare workers in the areas they are needed most.

Rural Marylanders are often in worse health than that of their urban and suburban counterparts, and lack access to medical facilities and practitioners, especially specialty care. By allowing part time physicians and physician assistants to qualify for MLARP, it will encourage more physicians and physician assistants to work in the rural and other underserved areas of the State. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders that lack access to the primary health care they need. In the U.S, rural or partially rural areas make up over 68% of the designated primary care HPSAs.

It is important that the shortages of healthcare workers be addressed now before further complications arise. The Bureau of Labor Statistics' *Occupational Outlook Handbook* reports that the need for physician assistants will increase by 31% between 2020 and 2030, and there will be about 12,200 openings annually. The need for health care services will increase due to the healthcare services needed to provide for an aging population and an increase in patients with chronic disease. Rural areas are already experiencing an aging population and less retention of younger workers to provide an appropriate workforce. In addition to having worse health conditions and access to medical care, this could lead the current issues being faced by rural communities to be exacerbated in the future.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 626.

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John Hartline, Chair

Testimony in Support of
Senate Bill 630 - Maryland Department of Emergency Management - Office of Resilience
Senate Education, Health, and Environmental Affairs Committee
February 24, 2022

The Rural Maryland Council supports Senate Bill 630 - Maryland Department of Emergency Management - Office of Resilience. The bill will prepare Maryland for future emergencies, specifically those caused by climate change, by establishing the Office of Resilience in the Maryland Department of Emergency Management. The Office of Resilience will include members of key State entities and agencies, including the Maryland Agricultural Resource-Based Industry Development Corporation (MARBIDCO). As climate change causes increases in temperature, rising sea levels, and more flooding, the underserved areas of Maryland will be most at risk. The creation of the Office of Resilience will prepare Maryland's communities now for the emergencies they will face in the future.

Maryland needs to be prepared for the serious events that are already taking place and will worsen as time goes on. Those who live on the State's eastern shore will face loss of land, including homes and businesses; farmers will face more loss of crops due to the increased temperatures; and areas near bodies of water will face harsher and more regular flooding. The areas that will be hurt the most by these events will be the rural areas and other underserved areas of the State. The Office of Resilience will prioritize vulnerable communities and environmental justice, helping them prepare for and reduce the damages caused from certain events. Some of the Office's goals are eliminating flooding residential areas, building neighborhood resiliency, de-concentrating poverty, and designing coastal resilience.

The office will work with State agencies and entities to accomplish their goals. One of the state agencies will be MARBIDCO, which will assist in building climate resilience expertise through the Maryland extension to support best practices in agriculture. Increases in temperatures and drought will negatively impact agricultural production and ultimately cause disruptions in supply. These shortages will have multiple effects, such as increased prices to both everyday buyers and other farmers that rely on certain crops to feed livestock. A NASA study published in the journal *Nature Food* reports that climate change may decrease corn production by 24% near end of the century and that these affects could start as early as 2030. Developing plans to address such complications must start now before the long-term effects are felt by the citizens of Maryland.

For some, the word resiliency has meant the ability to withstand environmental shocks. For others, it means the ability to withstand financial shocks. But the pandemic has made it clear that a resilient community is one that can withstand whatever is thrown at it. A holistic approach is needed, one that includes development and identifies new opportunities. As a result, we will ensure that all Marylanders are prosperous with thriving resources, vibrant economies, and healthy connected communities.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 630.

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John Hartline, Chair

March 09, 2022

The Honorable Delores G. Kelley
Chair of the Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairwoman Kelley:

The Rural Maryland Council supports Senate Bill 632 Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program. This bill will allow more Marylanders to sign up for health insurance while also promoting the growth of small businesses and nonprofits. This will be accomplished by providing subsidies to small businesses and non-profits that employ less than 25 employees. \$45.0 million in annual subsidies may be provided in calendar 2024 through 2028, and \$3.0 million may be spent annually in small business outreach activities.

Many small businesses are unable to afford to provide health insurance to their employees. This affects both the employer and the employees. The small business is now unable to provide an accommodation that possible new employees search for when applying for a position, and it affects the employees because they are now unable to purchase affordable health care through their employers. According to the National Conference of State Legislatures, small businesses pay 8 to 18 percent more than large firms for the same health insurance policy. In addition to higher costs for the insurance, the insurance companies may also charge different premiums to small businesses. The subsidies in this bill will assist in decreasing these costs.

This bill will assist small businesses and nonprofits with less than 25 employees. These small businesses make up a large amount of the businesses in rural and underserved areas. The Commonwealth Fund's *Small-Business Owners' Views on Health Coverage and Costs* reported that 75% of the 352 small businesses of 2-25 employees surveyed stated that the cost of health insurance is a major problem (45%) or minor problem (30%).

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 632.

Sincerely,

Charlotte Davis
Executive Director
Rural Maryland Council



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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
Senate Bill 695 - Natural Resources - Voluntary Firewood Treatment Certification Program – Establishment
Senate Education, Health, and Environmental Affairs Committee
March 01, 2022

The Rural Maryland Council supports Senate Bill 695 - Natural Resources - Voluntary Firewood Treatment Certification Program – Establishment - This bill will increase the market for Maryland’s foresters and prevent the spread of pests and disease by establishing the Voluntary Firewood Treatment Certification Program in the Department of Natural Resources which will certify forest product operators who export firewood to other states and use certain treatments to prevent the pests and pathogens in the firewood products

Through the Rural Maryland Prosperity Investment Fund, the RMC funded a project by the Upper Shore Regional Council for "heat treatment" designed to replace the hazardous fumigant methyl-bromide (Mbr), phosphene and sulfuryl fluoride in the treatment of high-value logs and other commodities for export. In 2016, the Port of Baltimore banned the use of Mbr, which continues to have a negative economic impact on foresters. The certification in SB-695 would allow for those selling firewood to use a method like heat treatment to treat their products and still be able to sell outside of the State.

Certifying that a producer properly treats their products will allow them to sell outside of the State and creates more economic production. The goal is to enable the highest value raw forest products to re-enter the supply chain. This has direct favorable consequences across the industry, most recently measured to directly employ 8,000 workers and supports another 7,000. These workers made products and provided services resulting in \$3.4 billion of wealth creation. For the public’s benefit, these goods and services generated \$132.5 million in state and local taxes. (BEACON 2017). SB-695 will assist in continuing to provide the economic impacts that forest products have in Maryland.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 695.

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John Hartline, Chair

Testimony in Support of
Senate Bill 696 - Maryland Loan Assistance Repayment for Nurses and Nursing Workers – Program
Establishment and Funding
Senate Education, Health, and Environmental Affairs Committee
February 22, 2022

The Rural Maryland Council supports Senate Bill 696 - Maryland Loan Assistance Repayment for Nurses and Nursing Workers – Program Establishment and Funding. This bill will incentivize more health care workers across the State by creating the Maryland Loan Assistance Repayment Program (MLARP) for Nurses and Nursing Workers. This loan repayment will be for nurse and nursing workers who practice a medical specialty that has been identified as being in shortage in the geographic area of the State where the individual practices. This loan repayment will put more healthcare workers in the underserved areas of the state where they are needed most.

MLARP will encourage nurses to work in rural areas that need more healthcare resources. Rural Marylanders are often in worse health than that of their urban and suburban counterparts and lack access to the medical facilities and practitioners to improve their health. This is especially true in specialty areas, and mental and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders that lack access to the primary health care they need. In the U.S, rural or partially rural areas make up over 68% of the designated primary care HPSAs.

According to the Bureau of Labor Statistics' *Occupational Outlook Handbook*, from 2020 to 2030 nurse practitioner jobs will grow by 52% or almost 15,000 jobs, partially due to the growing demand of preventative care and the aging of the large baby boomer generation that will experience minor illnesses and complex conditions. Rural areas are already experiencing an aging population and less retention of younger workers to provide an appropriate workforce. In addition to having worse health conditions and access to medical care, this could lead the current issues being faced by rural communities to be exacerbated in the future.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 696.

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Testimony in Support of
Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution
Senate Budget and Taxation Committee
March 09, 2022

The Rural Maryland Council supports Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to the original 30%. The Rural Maryland Council supports efforts to restore the Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the State shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and SB-726 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver's community. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 726.

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Charlotte Davis, Executive Director

John Hartline, Chair

March 10, 2022

The Honorable William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Smith:

The Rural Maryland Council opposes Senate Bill 783 - Constitutional Amendment - Environmental Rights.

The broadness of this bill puts the rights of Marylanders at risk by allowing anyone who feels that their environmental rights are being infringed to intervene. The bill states that Maryland will be the trustee of the State's natural resources including the air, land, water, wildlife, and ecosystems. If the infringement of these natural resources is left up to the opinion of each individual, it leaves open the possibility for Marylanders to be unreasonably accused of violations that have no precise meaning and no way of being followed. The State already has environmental regulations to protect natural resources, and this amendment could affect many public services that the State offers.

There is no definition of what qualifies as an infringement in the bill, therefore, it puts the rights of Marylanders outdoorsman and outdoor recreationalist at risk. If an individual believes that a hunter is violating their environmental rights by harvesting wildlife for food, does this this qualify as an infringement of that individuals environmental right? The same could be said for Maryland's watermen. If a waterman is harvesting oysters, another individual may claim that harvesting oysters is affecting the environment because the waterman is removing one of the creatures that helps clean the water. When it comes to infringement on land, hiking trails or any form of recreational outdoor activity may be at risk for disrupting the natural state of the wilderness, or what an individual may perceive as doing so. There are already limitations put in place by the State of Maryland to ensure that the States land and wildlife is protected from being overharvested or overused, making the constitutional amendment unnecessary.

The bill may also affect the businesses of Maryland. If a business is building in a new location and someone believes that the building is disrupting a natural resource, the business may be forced to locate elsewhere or have to handle the unnecessary allegation. These issues could make businesses locate out of the State to avoid the unnecessary troubles. There are already laws and regulations that protect the environment from environmentally unsafe construction and operations.

This bill has good intention by attempting to provide a healthy and sustainable environment for all Marylanders, and the Rural Maryland Council believes in these goals as well. Because the bill is very broad, there is no way to define what these constitutional rights are or what qualifies as an infringement of those rights. The Rural Maryland Council respectfully requests an unfavorable vote on Senate Bill 783.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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John Hartline, Chair

Testimony in Support of
Senate Bill 800 - Sales and Use Tax - Electricity for Agricultural Purposes - Exemption
Senate Budget and Taxation Committee
March 09, 2022

The Rural Maryland Council supports Senate Bill 800 - Sales and Use Tax - Electricity for Agricultural Purposes – Exemption. This bill financially helps farmers by exempting sales and use tax for electricity used for agricultural purposes such as raising livestock or poultry, preparing, irrigating, or tending the soil, or planting, maintaining, or transporting seeds or crops.

Aside from the cost of farm equipment, the cost of labor and power account for the highest costs to farmers. By exempting electricity used for agricultural purposes, it will allow farms to be more financially viable. Certain agricultural purchases, such as equipment for raising livestock, soil irrigation, and plant service and harvest, are already exempt from sales and use taxes. It is important that farmers are financially viable for them to remain in the industry and to promote farming for future generations. The tax exemption will put more money back into the pockets of farmers instead of the cost of electricity to operate their farm. Increases to the cost of farm operations will result in higher costs of agricultural foods and products to the consumers.

University of Maryland Extension's publication *Understanding Farm Energy*, states that energy used to perform routine crop and livestock operations can cost a farmer several hundred or thousands of dollars each month, and that fuel and electricity used for operating equipment accounts for 15% of U.S. agricultural production costs. The publication also states rural transportation costs more because of the distance they must travel to the markets, meaning rural farmers are already paying additional costs to be able to sell the products they produce.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 800.

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Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
Senate Bill 814 - Public Safety – Resilient Maryland Revolving Loan Fund – Alterations
Senate Budget and Taxation Committee
March 01, 2022

The Rural Maryland Council supports Senate Bill 814 - Public Safety – Resilient Maryland Revolving Loan Fund – Alterations. The bill will allow the Resilient Maryland Revolving Loan Fund to make loans to the Department of Housing and Community Development which will then distribute the loans to local governments and private property owners for hazard mitigation projects. The loans to local governments will assist in providing matches for federal resilience grant programs, and to be distributed to private landowners for hazard mitigation projects of buildings.

The loans in HB814 will help prepare rural residents for disastrous events by providing loans to private property owners for wind retrofits, flood mitigation elevation, floodproofing, fire retrofit mitigation, and earthquake retrofit mitigation. Rural areas are often less prepared for hazardous events and are less likely to properly recover from these events. They also tend to have worse infrastructure than the rest of the State, making them less capable of withstanding events such as floods, fires, earthquakes, and other disasters, which these loans will help address through the loans to private property owners.

Maryland needs to be prepared for the serious events that are already taking place because of a warming climate and raising waters. As the conditions continue to worsen, those who live near bodies of water, especially on the eastern shore, will face loss of land, including homes and businesses. Floods and more violent storms are also becoming more common. Programs like the Resilient Maryland Revolving Loan Fund will assist in building communities that are better prepared for these disasters now, to avoid the potential damages of the future.

For some, the word resiliency has meant the ability to withstand environmental shocks. For others, it means the ability to withstand financial shocks. But the pandemic has made it clear that a resilient community is one that can withstand whatever is thrown at it. A holistic approach is needed, one that includes development and identifies new opportunities. As a result, we will ensure that all Marylanders are prosperous with thriving resources, vibrant economies, and healthy connected communities.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 814.

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Testimony in Support of
Senate Bill 826 - Economic Development - Maryland Watermen's Microloan Program - Establishment
Finance Committee
March 01, 2022

The Rural Maryland Council supports Senate Bill 826 - Economic Development - Maryland Watermen's Microloan Program – Establishment. The intention of the bill is to help Maryland's watermen and seafood industry by creating the Maryland Watermen's Microloan Program (MWMP) within the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). The loans will be between \$7,000 and \$15,000 and are to be used for the purchase of boats, mechanical equipment, fishing gear, fishing quota, and materials used for commercial harvesting.

Maryland's watermen have been struggling and declining in recent years and especially recently when the COVID pandemic closed many restaurants temporarily eliminating the majority of Maryland's seafood markets. One of the struggles watermen experience is the inability to purchase appropriate gear for commercial fishing. The loans will allow the watermen to purchase the gear they need and ultimately provide more seafood products to the residents and visitors of the State. According to Salisbury University's *BEACON* analysis, the State's seafood industry contributes nearly \$600 million to the State's economy. Strengthening the seafood industry by providing more opportunities for watermen enhance the economic benefits to the Maryland economy.

To help grow the future watermen of Maryland, the loans will only be given to "beginner watermen" who only have at least 2 years of experience but no more than 10. After June 30, 2025, generational waterman and commercial businesses will be able to apply. It is important that the watermen profession is ongoing in the future to continue to provide the seafood needed to meet consumer demand as well as preserves our unique cultural heritage. The watermen population is declining, and incentives must be put in place to make the profession more desirable to the younger generations.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 826.

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Testimony in Support of
Senate Bill 830 - Natural Resources – Oysters – Spat, Shells, and Substrate
Senate Education, Health, and Environmental Affairs Committee
March 01, 2022

The Rural Maryland Council supports Senate Bill 830 - Natural Resources – Oysters – Spat, Shells, and Substrate. The bill intends to grow the oyster market in Maryland by creating new incentives such as grants for recycled oyster shells, and grants to seafood dealers. The bill also provides programs to grow the oyster population, such as researching specified issues relating to oyster substrate, creating a 10 year plan for oyster substrate needs for restoration, and setting an oyster production goal.

SB-830 includes authorization for grants to establish or expand the business of seafood dealers that support increasing oyster shells retained in the state and returned to the Chesapeake Bay. MARBIDCO will receive a \$1 million appropriation in FY204 for MARBIDCO to administer the program. MARBIDCO is a partner of the Rural Maryland Council and created by the Council.

The bill also establishes an oyster production goal. The goal is for hatcheries in the State to be capable of producing 5 billion spat-on-shell per year. To accomplish this, there will be a \$20.0 million appropriation in the FY2024 budget for the University of Maryland Center for Environmental Science to build a second oyster hatchery, and an appropriation of \$2.5 million for the Patuxent Environmental and Aquatic Research Laboratory, Morgan State University (MSU), to be used for infrastructure upgrades to support increased oyster production for research and restoration. Maryland's overall oyster population is down from 600 million market-size oysters in 1999 to about only 400 million in 2020, according to a June 2020 Maryland Oyster Stock Assessment.

The growth of the oyster population and market will benefit local rural economies. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 830.

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Testimony in Support of
Senate Bill - 845 - Economic Development - Maryland Technology Development Corporation - Rural
Business Innovation Initiative Fund
Senate Budget and Taxation Committee
March 10, 2022

The Rural Maryland Council supports Senate Bill 845 - Economic Development - Maryland Technology Development Corporation - Rural Business Innovation Initiative Fund. The bill will support and develop small businesses in rural Maryland by creating the Rural Business Innovation Initiative Fund in the Maryland Technology Development Corporation (TEDCO) to make pre-seed investments in technology-based businesses that maintain principal business operations in rural areas or rural communities.

The promotion of technology-based businesses in rural parts of Maryland would promote more jobs and migration to rural Maryland to work at these technology-based businesses. Currently, rural areas lack technology-based industries, resulting in any career paths in technology to be pursued elsewhere. The lack of job opportunities is one of the reasons that rural Maryland is declining in population, and more specifically the younger workforce moving away from home for better work opportunities. This has resulted in an aging population that does not have a young workforce that is able to provide the resources and services they need.

TEDCO allocates \$500,000 from their operating funds for network assistance and a small pre-seed investment fund. The investments made so far have had great success with 87 percent of the funded companies still in operation. TEDCO recently funded rural focused startups through the Rural Business Innovation Initiative (RBII) and the Agriculture and Rural Rebuild (ARR) Challenge. Nine ventures received funding, two businesses focusing on innovative kitchens received funds through RBII and seven received funds from ARR, such as Catocin Mountain Growers for horticultural LED lighting; Mark Street Aquafarms, LLC for a shrimp farm; and Eagle Eye Imaging, a company using drones to provide growers with remote sensing plant stress surveys, to create a tech-empowered workflow.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 845.

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Charlotte Davis, Executive Director

John Hartline, Chair

March 08, 2022

The Honorable William C. Smith, Jr.
Chair of Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Smith:

The Rural Maryland Council supports Senate Bill 853 Maryland Real Property Transfer-on-Death (TOD) Act. The bill intends to make it easier for families in Maryland to transfer their homes after they have passed. This will be done by allowing transfers of an individual's homes after they pass without the need for a probate, but instead through a transfer on death deed. This will benefit all Marylanders, but more specifically those of lower income and in underserved areas of the State.

It is much more common in underserved areas of Maryland, such as in rural communities, for a family member to pass and not have a will addressing who their home will go to after their death. This is because the creation of a will is expensive and these low income families do not have the finances or resources to create a will. Without the proper transfer of a multi-person home, families can become misplaced or even homeless. Once the family member does pass, the family also does not have the finances or resources to have the property transferred over to the new owner. They are also already spending money on funeral expenses and other associated costs of a family members death. The transfer on death deed is a much simpler process that does not require lawyers or large fees for someone to name a beneficiary of their property after their passing. Non-probate transfers are already applicable to other property in Maryland, such as vehicles and bank accounts. Many other states already allow transfer on death deeds for their residents. These states include some of those that border Maryland, including Virginia, D.C, and West Virginia,

The lack of a will or deed also results in what is considered heir's property. Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the eastern shore, Baltimore County, and Garrett County.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 853.

Sincerely,

Charlotte Davis,
Rural Maryland Council
Executive Director



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Testimony in Support of
Senate Bill 903 - Renewable Energy Portfolio Standard - Qualifying Biomass and Thermal Biomass Systems
Senate Finance Committee
March 01, 2022

The Rural Maryland Council supports Senate Bill 903 - Renewable Energy Portfolio Standard - Qualifying Biomass and Thermal Biomass Systems. The purpose of this bill is to authorize thermal biomass systems, for purposes of the State's Renewable Energy Portfolio Standard (RPS), to use food waste, qualifying biomass, or animal manure as a source of fuel, regardless of the relative mix of fuel sources.

This bill is asking for wood energy to be clearly decoupled from animal manure when applying to Thermal Renewable Energy Credits (TREC)s. Wood energy is a small part of Maryland's current Renewable Energy Portfolio Standard (RPS) but provides significant benefits to the environment, reduces dependency on fossil fuels, and helps the local economy by investing in Maryland energy production and jobs. Additionally, it has been recognized by entities such as the U.S. Environmental Protection Agency and the Intergovernmental Panel on Climate Change as an immediate solution to decarbonize our fuel supply.

In 2015, the US Environmental Protection Agency and the US Department of Agriculture announced a national goal to reduce food waste by 50% by 2030. According to the Maryland Department of the Environment, over nine hundred thousand tons of food waste is generated annually and only a small portion is recycled with the majority being disposed in landfills or incinerated. Including food waste as a renewable fuel source can provide a significant contribution towards on farm energy use, revenue generation, and climate change mitigation. An example of this is a partnership between West Nottingham Academy and Kilby Farm Creamery located in Cecil County. In partnership, the school diverts nearly 7 tons of food waste annually from their dining hall to the farm digester where it becomes compost and energy to run the farm.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 903.

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