Taylor Proposes Plan To Assist Poor Areas

General Assembly Will Be Asked for $50 Million To Fund Development in Only Six Jurisdictions

BY TOM JOHNSON
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House Speaker Casper R. Taylor Jr. may indeed find out next year if his efforts to promote a "One Maryland" attitude have caught on in Annapolis.

The powerful Allegany County Democrat unveiled a three-point economic development plan yesterday, designed to lure business into the state's most economically challenged areas.

The plan effectively benefits only five Eastern Shore and Western Maryland counties, in addition to Baltimore City. But it will require a roughly $50 million budget allocation from the governor and majority approval from both the state House and Senate next year to become reality.

ERIC STOCKLIN

House Speaker Casper R. Taylor Jr.'s plan would aid jurisdictions with high unemployment rates.

Taylor, flanked by a bipartisan group of legislators from those jurisdictions outside the House committee rooms yesterday, said he believes the package will ultimately prevail.

"This allows us to help ourselves and eliminates the need for us to keep coming to the healthy economies ... asking for handouts," he said.

"If you really think it out, as long as the state allows us to stay as distressed as we are, [the healthy counties] are going to be paying the bills for us."

Building on Smart Growth

Taylor crafted the plan around similar programs in other states, including North Carolina, Kentucky and Alabama.

Many of its provisions build on other state incentive programs, including the "Smart Growth" package and the job creation tax credit passed two years ago.

The difference is, companies qualifying under Taylor's initiative would have to reside in jurisdictions with unemployment rates at least 150 percent higher than the state average — eliminating all but Allegany, Dorchester, Garrett, Somerset and Worcester counties and Baltimore City.

The plan's critical aspect is a proposed infrastructure revolving loan fund, designed to make those jurisdictions a viable alternative for companies in the first place.

Using capital allocated by the governor, counties could tap into the loan fund to develop water and sewer lines, industrial parks, shell buildings or other infrastructure needs in designated Smart Growth areas without the obligation of repayment until a company relocates there.

Gov. Parris N. Glendening, commenting through a spokesman, said he had spoken

SEE PLAN PAGE 6A

Plan

Continued from page 1A

with Taylor, but has "not had the time to view the specific details of the proposal."

Still, he called the plan "consistent" with his Smart Growth initiative and said "there appears to be a number of very good suggestions."

The second proposal would allow companies creating at least 25 new jobs and making at least a $500,000 capital investment within those areas to take a 100 percent corporate income tax credit on new revenue generated at that location.

The tax credit would only pertain to revenue up to the total amount of the capital investment, but would remain in place for 15 years, or the time it takes to recover the capital investment costs.

The plan's third phase would allow those companies creating at least 25 new jobs to also retain their state income tax assessment on each employee up to $10,000 for at least 10 years.

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>
> **Casper R. Taylor Jr.**

A Department of Business and Economic Development (DBED) spokesperson did not return calls seeking comment yesterday, but Taylor said the department will support the measure.

Taylor also admitted the timing of yesterdays' announcement was politically motivated.

Although he does not face a stiff challenge in September's primary, he said the plan was designed to send the message to voters back home that he is working to address his county's high unemployment rate.