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Hogan proposes \$56.5 million to spur development and business creation in Maryland 'Opportunity Zones'

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Gov. Larry Hogan came to Baltimore Thursday to propose spending \$56.5 million to support economic development and business creation in Maryland's "Opportunity Zones," areas in the state included in a federal tax-incentive program designed to direct investment into struggling communities.

Under a plan the governor announced Thursday, the state would create a series of initiatives to attract investment to the zones. Hogan's plan involves offering businesses additional state tax credits, job training programs, small business loans and affordable housing incentives, in some cases through proposed legislation.

"Providing federal capital gains tax incentives is a great start, but it may not be enough to ensure the revitalization of many of these neighborhoods and communities," Hogan said from a development site in an opportunity zone along North Avenue in West Baltimore. "So we plan to do everything in our power to utilize new and existing state and federal programs, grants and funding sources, and to have all of our state agencies work collaboratively with our county and municipal governments and the private sector to supercharge our opportunity zone revitalization. Our plan is to make Maryland's 149 opportunity zones the most competitive ones in America."

Maryland's 149 zones were selected by local and state officials and approved by the U.S. Treasury Department in April as part of an incentive tucked into federal tax reform in December 2017. Investors in the zones, located in or adjacent to impoverished census tracts, can defer and even avoid capital gains taxes if they hold their investments long enough.

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