

Reference No.: CB-072-2023
Draft No.: 2
Committee: Government Operations and Fiscal Policy
Date: October 12, 2013
Action: FAV(A)

REPORT:

Committee Vote: Favorable as amended 4-0 (In favor Council Members Burroughs, Oriadha, Harrison, and Ivey)

Absent: Council Member Fisher

The Government Operations and Fiscal Policy Committee met on October 12, 2023, to consider CB-72-2023. This bill would amend the Prince George's County Code by adding provisions that create an incentive program known as the Creating Helpful Incentives to Produce Semiconductors ("CHIPS") for the manufacture, research, and development of semiconductors in Prince George's County.

The bill sponsor indicated that the Prince George's County CHIPS Act is designed to create a 10-year incentive for a new investment by the private sector in the semiconductor, also known as the computer chip industry, specifically for manufacturing, research, and development in Prince George's County. It would be equal to the amount of new real property and business personal property taxes attributable to the latest investment in this sector, and it would also apply to new construction and renovation of facilities related to computer chip research and development and manufacturing.

The bill sponsor provided additional background information on the Biden's Administration Federal CHIPS Act, indicating that Prince George's CHIPS Act is in part designed to capitalize on projects that are incentivized by the federal funds by adding a local incentive to encourage those projects or investment related to those projects to happen in Prince George's County.

Prince George's Chamber of Commerce supported the legislation, indicating that it will support our economic system, and agreed that the focus should be more on research and development (R&D).

The Policy Analysis and Fiscal Impact Statement indicates that additional expenditures are likely, with revenue-neutral impact as structured. There is a potentially significant favorable long-term indirect impact.

The Office of Law has reviewed the referenced bill as it was presented on July 11, 2023, and finds it to be in proper legislative form with no legal impediments to enactment.

The Administration representative expressed support and deferred to Mr. David Iannucci, EDC President and CEO, to further address the legislation. Due to the high land cost, Mr. Iannucci is skeptical about the feasibility of attracting manufacturing companies to Prince George's County. Manufacturing operations often require substantial land, and these costs can be prohibitive. The shortage of skilled labor in the area could further deter manufacturing companies. Mr. Iannucci suggested that to address these challenges, the focus should be more on creating opportunities for research and development (R&D) in the semiconductor sector. R&D can be a more attainable goal, leading to innovation and growth even without large-scale manufacturing.

The bill sponsor referenced Proposed Draft-2, indicating that language was added on page 2, line 4, after the word components, add and printed board circuits.

The Government Operations and Fiscal Policy Committee voted 4-0 favorably as amended on CB-72-2023.