



Testimony to the Budget & Tax Committee
SB 598 – Property Tax – Low Income Housing Tax Credit – Valuation of Property
Position: Favorable (FAV)

SB 598 would codify the procedure for assessing the value of properties funded with Low Income Housing Tax Credits (LIHTC) to ensure that the income approach is used and that the value of the tax credits is excluded when determining the assessed value. Affordable housing developers have reported numerous instances of local assessment offices incorrectly overvaluing their properties after construction is completed, often requiring lengthy and costly appeals to have the assessment lowered so that the tax bill is in line with the project's financing models. This is especially critical in Counties where a payment in lieu of tax (PILOT) agreement is not offered to affordable properties by the local government. There seems to be a disconnect between SDAT and DHCD that needs to be addressed so that SDAT is notified when a LIHTC property closes and can contact the property owner to ensure any necessary documentation is provided. This bill is intended to correct that problem.

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, community action groups, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, investors, consultants and individuals. This bill will address our members' concerns around incorrect property assessments for LIHTC projects. **We urge your support of SB 598.**

Respectfully submitted on February 12, 2025 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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