



Testimony
SENATE BILL 598
BUDGET and TAXATION COMMITTEE
February 12, 2025
Position: FAVORABLE

Dear Chairman Guzzone and Members of the Budget and Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 150 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 598 - Requires the supervisor of assessments for a county to evaluate a certain net operating income calculation when determining the value of commercial real property that is developed under low-income housing provisions of federal law; and applying the Act to all taxable years beginning after June 30, 2025.

Maryland is in desperate need of housing affordable to teachers, plumbers and x-ray technicians. According to analysis by the Maryland Department of Housing and Community Development, our state is more than 100,000 units short. In the next ten years we will need to create and preserve homes in every area of the state.

Currently, the State Department of Assessment and Taxation has been treating multi-family affordable housing like market rate housing and taxing them at the same rate. This creates difficulties in an already challenging environment for owners and managers of Low Income Housing Tax Credit Projects throughout the state. Without communication between the state Community Development Administration and the State Department of Assessment and Taxation, owners will continue to have to spend money to challenge the assessments.

There are many misconceptions about affordable housing, the main one being that they decrease property values. A recent [Urban Institute study](#) of Alexandria, Virginia has proven that affordable housing actually increases or has zero effect on property value.

We urge a favorable report for Senate Bill 598.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network