



TO: Ways & Means Committee
FROM: LeadingAge Maryland
SUBJECT: Senate Bill 598, Property Tax - Low-Income Housing Tax Credit - Valuation of Property
DATE: March 25, 2025
POSITION: Favorable

LeadingAge Maryland supports Senate Bill 598, Property Tax - Low-Income Housing Tax Credit - Valuation of Property.

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year. Our mission is to be the trusted voice for aging in Maryland, and our vision is that Maryland is a state where older adults have access to the services they need, when they need them, in the place they call home. We partner with consumers, caregivers, researchers, public agencies, faith communities and others who care about aging in Maryland. LeadingAge Maryland represents more than 100 affordable senior housing communities in the state.

As amended, Senate Bill 598 requires that within 30 days of closing and the execution and delivery of the regulatory agreement governing a low-income housing tax credit (LIHTC) for commercial real property developed under § 42 of the Internal Revenue Code, the Department of Housing and Community Development (DHCD) shall notify the State Department of Assessments and Taxation (SDAT) that a property has been awarded the LIHTC.

By requiring the Department of Housing and Community Development (DHCD) to notify the State Department of Assessments and Taxation (SDAT) within 30 days of a property receiving a LIHTC, the bill ensures assessors have up-to-date information about the property's tax credit status. This allows SDAT to account for LIHTC-related rent restrictions and affordability commitments, preventing overvaluation and excessive tax burdens.

Currently, delays in communication between agencies can lead to incorrect property tax assessments, resulting in time-consuming appeals or corrections. By establishing a clear timeline for DHCD to inform SDAT, the bill promotes faster and more accurate processing, reducing administrative burdens for both government agencies and affordable housing providers.

Since LIHTC developments operate on tight financial margins, ensuring accurate assessments helps providers maintain financial stability and continue serving low-income families, seniors, and other vulnerable populations.

The bill also enhances oversight by ensuring LIHTC properties are properly documented in state records, improving tracking and compliance with regulatory agreements. By reducing the risk of inflated tax assessments, Senate Bill 598 may also encourage more developers to participate in the LIHTC program, expanding Maryland's affordable housing stock.

For these reasons, LeadingAge Maryland respectfully requests a favorable report for Senate Bill 598.

For more information, please contact Aaron Greenfield at 410.446.1992 or aaron@agreenfieldlaw.com