



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

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The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5500 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

Testimony: SB 516: Property Tax-Day Care Centers, Child Care Homes, and Child Care Centers Submitted to: Ways and Means Committee

March 25, 2025

MSCCA enthusiastically supports SB 516. MSCCA priorities agenda align with favorable support for SB 516 as we believe advocating for families through family investments, which our child care programs throughout the state serve as a public good for children and families.

The intent of property tax credit is to encourage and incentivize property owners to invest and support growth and development in the community.

HB 389 includes numerous important components that support the critical child care businesses as they are the fabric of the community and the workforce behind the workforce.

Comptroller Lierman's State of the Economy series released on December 31, 2024 clearly shows the need to address the recovery and decline of child care in Maryland as child care is an economic and equity imperative. According to the Comptrollers' recent state of the economy report Maryland has seen a 15.5% decline in the number of license child care providers and a 5.5% decline in overall capacity (the number of available seats for children lost 12,165 and decline of 1,235 cc businesses across the state). Child care providers operate tight profit margins- usually less than 1%. Maryland needs to incentivize small business, especially child care. Including large family child care businesses and enabling the increase of the property tax credits from the 1980's benchmark of 3,000 to align closer to current property tax expenditures, which SB 516 does, is a step in the right direction to a holistic public policy approach to support the declining child care businesses, primarily owned and operated by women.

This bill speaks to the report by supporting equity in child care through broadening the language in current law to include large family child care businesses, who were previously not included in the personal property tax credit or the allowable exemptions for family child care businesses. SB 516 increases the maximum allowable property tax credit to \$10,000 limit, therefore helps the economy in a small, but important way.

This bill reforms the current allowable credit to and considers changes with inflation because in 1980's when the property tax credit law was initiated, \$3,000 was sufficient, however forty years later we must increase the credit to make it meaningful.

Child care impacts everyone directly and indirectly and SB 516 expands with equity for all licensed child care businesses and the property tax credit incentives for child care businesses primarily owned and operated by women.

The Comptroller's State of the Economy series on child care quotes, "Child care is a fragile market that requires government intervention to enable small businesses to succeed" and I offer child care businesses enable more parents to work consistently and productively, therefore contribute to Maryland's economy.

Small, but important steps outlined in this bill will begin to make a difference to the thousands of child care businesses trying to survive and grow.

MSCCA urges a favorable report.