

## Chapter 123

**(Senate Bill 516)**

AN ACT concerning

**Property Tax – Day Care Centers, Child Care Homes, and Child Care Centers**

FOR the purpose of exempting personal property used in connection with certain large family child care homes from valuation and taxation; repealing a requirement that certain real property improvements to day care centers or child care centers be completed after certain dates in order to be eligible for certain property tax credits; authorizing the Mayor and City Council of Baltimore City or the governing body of a county or a municipal corporation to grant, by law, a property tax credit against the real property tax owed on the portion of real property used for certain large family child care homes; increasing the maximum amount of a property tax credit that may be granted for certain child care homes, child care centers, and day care centers; establishing the maximum amount of a property tax credit that may be granted for certain child care homes and child care centers; and generally relating to property tax credits and exemptions for day care centers, child care homes, and child care centers.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 7–227, 9–213, and 9–214

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Tax – Property**

7–227.

(a) Except for personal property used in connection with a business, occupation, or profession, personal property owned by an individual and located at the individual's place of residence is not subject to valuation or to property tax.

(b) Notwithstanding subsection (a) of this section, personal property is not subject to valuation or to property tax if the personal property is:

- (1) owned by an individual;
- (2) located at the individual's place of residence; and

(3) used in connection with a family child care home **OR LARGE FAMILY CHILD CARE HOME** that is registered under [Title 5, Subtitle 5, Part V of the Family Law Article] **TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE**.

(c) (1) Notwithstanding subsection (a) of this section, personal property is not subject to valuation or to property tax if:

(i) the personal property is owned by an individual and is used in connection with a business, occupation, or profession that is located at the individual's principal residence; and

(ii) the sum total of the personal property, excluding vehicles exempt under § 7-230 of this subtitle, had a total original cost of less than \$20,000.

(2) If the individual attests to owning a sum total of personal property with an original cost of less than \$20,000, the Department may not:

(i) collect personal property information from the individual; or

(ii) require the individual to submit a personal property tax return.

9-213.

(a) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a property tax credit against the county or municipal corporation property tax imposed on that portion of real property, including any improvement, that [is substantially completed after July 1, 1987, if that portion of the improved property] contains an area set aside and dedicated exclusively for a day care center that is:

(1) registered as a family child care home **OR LARGE FAMILY CHILD CARE HOME** under Title 9.5, Subtitle 3 of the Education Article;

(2) licensed as a child care center under Title 9.5, Subtitle 4 of the Education Article;

(3) licensed as a day care center for the elderly under Title 14, Subtitle 2 of the Health – General Article; or

(4) licensed as a day care center for adults under Title 14, Subtitle 3 of the Health – General Article.

(b) The amount of the annual credit may not exceed [\$3,000] **\$10,000** or the amount of county or municipal corporation property tax attributable to that portion of property for which the credit was granted, whichever is less.

(c) [Except as provided in] **SUBJECT TO** subsection (b) of this section, **THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF** a county or municipal corporation may provide, by law, for:

- (1) the amount of the property tax credit under this section;
- (2) the duration of a property tax credit under this section; and
- (3) any other provision necessary to carry out this section.

(d) A credit under this section may not be granted if the real property qualifies for a credit under § 9–214 of this subtitle.

9–214.

(a) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a property tax credit against the county or municipal corporation property tax imposed on that portion of the real property on which an improvement is substantially completed [after July 1, 1988] if:

- (1) the property is owned by a business having at least 25 employees; and
- (2) the improvement contains an area set aside and dedicated exclusively for a child care center that is:
  - (i) registered as a family child care home **OR LARGE FAMILY CHILD CARE HOME** under Title 9.5, Subtitle 3 of the Education Article; or
  - (ii) licensed as a child care center under Title 9.5, Subtitle 4 of the Education Article.

(b) **THE AMOUNT OF THE ANNUAL CREDIT MAY NOT EXCEED \$10,000 OR THE AMOUNT OF COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX ATTRIBUTABLE TO THAT PORTION OF PROPERTY FOR WHICH THE CREDIT WAS GRANTED, WHICHEVER IS LESS.**

(c) [The] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE** governing body of a county or of a municipal corporation may provide, by law, for:

- (1) the amount and duration of the property tax credit under [subsection (a) of] this section; and

(2) any other provision necessary to carry out the property tax credit under [subsection (a) of] this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.

**Approved by the Governor, April 22, 2025.**