

Chapter 175

(House Bill 1343)

AN ACT concerning

Anne Arundel County – Property Tax – Day Care Centers 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 in Anne Arundel County; authorizing the governing body of Anne Arundel County or the governing body of a municipal corporation in Anne Arundel County to grant, by law, a property tax credit against the real property tax owed on the portion of real property used for certain child care centers and day care centers; and generally relating to property tax credits and exemptions for child care centers and day care centers.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–227
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

BY adding to
Article – Tax – Property
Section 9–303(b)(8) and (9)
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) **(1)** Notwithstanding subsection (a) of this section, personal property is not subject to valuation or to property tax if the personal property is:

[(1)] (I) owned by an individual;

[(2)] (II) located at the individual's place of residence; and

[(3)] (III) used in connection with a 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.**

(2) IN ANNE ARUNDEL COUNTY, NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, PERSONAL PROPERTY IS NOT SUBJECT TO VALUATION OR TO PROPERTY TAX IF THE PERSONAL PROPERTY IS:

(I) OWNED BY AN INDIVIDUAL;

(II) LOCATED AT THE INDIVIDUAL'S PLACE OF RESIDENCE; AND

(III) USED IN CONNECTION WITH A LARGE FAMILY CHILD CARE HOME THAT IS REGISTERED UNDER 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.

9–303.

(b) (8) (I) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY 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 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:

A. REGISTERED AS A FAMILY CHILD CARE HOME OR LARGE FAMILY CHILD CARE HOME UNDER TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE; OR

B. LICENSED AS A CHILD CARE CENTER UNDER TITLE 9.5, SUBTITLE 4 OF THE EDUCATION ARTICLE.

(II) 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.

(III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

1. THE AMOUNT AND DURATION OF THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH; AND

2. ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH.

(9) (I) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY 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 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.

(II) 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.

(III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

- 1. THE AMOUNT OF THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH;**
- 2. THE DURATION OF A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH; AND**
- 3. ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS PARAGRAPH.**

(IV) A CREDIT UNDER THIS PARAGRAPH MAY NOT BE GRANTED IF THE REAL PROPERTY QUALIFIES FOR A CREDIT UNDER PARAGRAPH (8) OF THIS SUBSECTION.

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.