

2025 GBCC SB 516 Property Tax Child Care SUPPORT.p

Uploaded by: Ashlie Bagwell

Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Support

Senate Bill 516—Property Tax-Day Care Centers, Child Care Homes, and Child Care Centers

February 12, 2025

Senate Budget and Taxation Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 600 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 516—Property Tax—Day Care Centers, Child Care Homes, and Child Care Centers.

The Greater Bethesda Chamber of Commerce has identified the issue of child care access and affordability as an urgent economic imperative that needs to be addressed to help Maryland grow and prosper. We strongly believe there are economic costs to unreliable and unaffordable child care. As Maryland focuses on growing its workforce, child care challenges present a growing threat to the State's economy. The rapid workplace changes brought about by the recent pandemic has had a tremendous impact and created significant challenges in the attraction and retention of employees. Now more than ever, the availability of quality, affordable child care is an important determinant to the success of the local workforce.

We believe Senate Bill 516 provides another tool in the toolbox to help all providers in the State. As the Comptroller's recent report on the issue states, child care prices are high in part because provider costs are high. Every effort to help defray the costs of providing care makes care more affordable for parents and caretakers. We must support this struggling industry as it is a crucial one for the success of Maryland's current and future workforce.

For these reasons, we strongly support Senate Bill 516 and urge a favorable report. Thank you to Senator King for her leadership on this issue.

SB 516 final testimony Feb 12 2025 pdf.pdf

Uploaded by: Christina Peusch

Position: FAV

Maryland State Child Care Association

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Annapolis, Md. 21403
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Caring For Maryland's Most Important Natural Resource™

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: Budget and Taxation Committee

Feb 12, 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.

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.

MSCCA urges a favorable report.

SEIU Local 500 - SB516 - Support.pdf

Uploaded by: Elly Colmers

Position: FAV

Hearing Testimony February 12, 2025
Senate Budget and Taxation Committee
Service Employees International Union, Local 500

SB516
Growing Family Child Care Opportunities Program – Funding

SUPPORT

SEIU Local 500 represents over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty and Staff at several Maryland colleges and universities, staff at non-profits and many other working people across the region. We urge a FAVORABLE Report on SB516 – **Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers**. We would also like to thank Senator King for her many years as an advocate for the child care community.

The intent of property tax credit is to encourage and incentivize property owners to invest and support growth and development in the community. SB516 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. 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 takes inflation into consideration because when the property tax credit law was created \$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 enables localities to expand their property tax credit incentives to include all licensed child care businesses. Therefore, we request a favorable report.

Letter_Support_SB516_Womens_Caucus.docx.pdf

Uploaded by: Kecia Munroe

Position: FAV

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At Large

DEL. KYM TAYLOR, DISTRICT 23
At Large

WOMEN LEGISLATORS OF MARYLAND
THE MARYLAND GENERAL ASSEMBLY

February 10, 2025

To: Senator Guy Guzzone, Chair
Senator Jim Rosapepe, Vice Chair
Budget and Taxation Committee

The Maryland Women's Caucus is proud to express our unanimous support for **SB516: Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers**, sponsored by Senator King. This critical legislation is a necessary step in addressing Maryland's growing child care crisis by modernizing outdated property tax credits that counties may offer to child care providers and businesses with on-site child care facilities.

As you are aware, Maryland is facing an alarming shortage of available child care due to the declining number of providers. Rising operational costs, regulatory challenges, and financial burdens have forced many child care providers to shut down, leaving working families—particularly women—without access to the child care they need. This crisis disproportionately affects women, who are more likely to scale back their careers or leave the workforce entirely due to a lack of child care options.

The ability to access affordable, high-quality child care is essential to fostering economic security for Maryland families, supporting workforce participation, and ensuring the healthy development of young children. **SB516** is a proactive and necessary measure to close the gap in child care availability and support Maryland's families.

For these reasons, the Maryland Women's Caucus strongly urges the **Budget and Taxation Committee** to issue a **favorable report for SB516**. By passing this legislation, we can take a meaningful step toward ensuring that all Maryland families—especially women and children—have the support they need to thrive.

Thank you for your time and consideration. We appreciate your continued dedication to improving the lives of Marylanders.

SB0516-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



Senate Bill 516

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

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 12, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 516, which enhances local flexibility to incentivize and support childcare providers through targeted property tax incentives. This bill bolsters counties' ability to encourage childcare expansion, addressing a critical need for Maryland families, employers, and economic development.

Childcare availability remains a significant challenge, impacting workforce participation and economic mobility. SB 516 expands an existing local-option property tax credit counties may offer for childcare facilities. Current law allows counties to provide a real property tax credit of up to \$3,000 annually for qualifying childcare centers. This bill broadens eligibility to include large family childcare homes and increases the maximum allowable credit to \$10,000 per property.

Additionally, the bill extends an existing personal property tax exemption to include personal property used by large family childcare homes, ensuring consistency with the tax treatment of traditional childcare centers. These updates provide counties with a practical, locally driven tool to encourage childcare investment and address growing workforce needs, helping support economic stability and community well-being.

This legislation provides counties with a valuable tool to encourage childcare investment while preserving local autonomy. It also allows local governments to tailor tax incentives to meet community needs by authorizing counties to determine eligibility, set credit amounts, and adopt regulations that support childcare providers while balancing fiscal considerations.

Access to affordable childcare is essential for economic stability and workforce retention. SB 516 offers a reasonable and practical approach to bolstering childcare availability through targeted tax incentives while maintaining proper flexibility for county governments.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 516.

COA_written testimony_SB516 1.29.25 Child Care Pro

Uploaded by: Laura Jahromi

Position: FAV



February 10, 2025

Testimony Regarding Senate Bill 516 – Property Tax – Day Care Centers, Child Care Homes, and Child Care Centers

The Montgomery County [Children's Opportunity Alliance](#) is a locally legislated Early Care and Education Coordinating Entity that brings community together to create a more equitable, accessible, high-quality, and sustainable early childhood system that narrows disparities and puts young children on a path to reach their greatest potential.

We urge you to support SB516 – Property Tax – Day Care Centers, Child Care Homes, and Child Care Centers as we believe it will help improve the sustainability and fiscal viability of these child care providers, the majority of whom are small businesses.

The child care industry is a fundamentally flawed business model, in which the true cost of providing quality services costs more than parents are able to pay for it. This results in extremely low wages for early childhood educators, constant stress and turnover in the industry, and lower quality of education programming, all of which impacts the critical early education children are able to receive and the ability of parents to remain in the workforce. It is an economic imperative to create systems solutions that keep these businesses operating.

This bill, as written, will improve both the equity and efficacy of the existing property tax credits.

1. Improve equity in the industry to include large family child care homes, which are currently ineligible for credits that small family child care homes can access)
2. Improves equity in the industry for providers operating in older homes or buildings
3. Improves efficacy of this existing tax credit by raising the limit from \$3,000 to \$10,000.

These changes are imperative and will lead to significant improved support to the vulnerable child care community.

Submitted on behalf of the Children's Opportunity Alliance.

A handwritten signature in black ink, appearing to read "Laura Jahromi".

Laura Jahromi, Manager, Strategic Initiatives
The Montgomery County Children's Opportunity Alliance
1801 Rockville Pike, Rockville, MD 20852 | 301-450-1871 |
laura@mocochildren.org

Note, a copy of this testimony has also been submitted favorably for House Bill 389

SB 516_MFN_FAV_Morrow_Property_Tax.pdf

Uploaded by: Lisa Klingenmaier

Position: FAV



Testimony Concerning SB 516
“Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers”
Submitted to the Senate Budget and Taxation Committee
February 12, 2025

Position: Support

Maryland Family Network (MFN) supports SB 516, which would enable improvements to local property tax credits for child care providers’ real property by expanding those who are eligible to access the credit to include large family child care homes, raising the maximum allowable amount, and allowing a similar credit for businesses that create on-site space for child care.

MFN has worked since 1945 to improve the availability and quality of child care and early childhood education as well as other supports for children and families in Maryland. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that children, along with their parents, have access to high-quality, affordable programs and educational opportunities.

Child care providers operate on razor-thin margins and receive very low compensation. According to Maryland Family Network’s 2024 Demographics report, a family child care provider earns on average \$41,936 annually. Property tax credits are one strategy to provide financial support to those who provide a vital service to our communities.

Employer-provided child care is one way to expand access in communities with limited child care choices. Allowing local jurisdictions to increase the credit for businesses that dedicate on-site space for child care may incentivize private employers to provide it.

SB 516 would increase the credit to a more meaningful amount and broaden the eligible population. Four counties currently offer one or both credits. If more jurisdictions offered these credits, and counties currently offering them expand their credits, communities may see an increase in the availability of child care.

MFN respectfully urges a favorable report on SB 516.

Submitted by Beth Morrow, Director of Public Policy



Testimony in support of SB0516 - Property Tax - Da

Uploaded by: Richard KAP Kaplowitz

Position: FAV

02/10/2025

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0516- POSITION: FAVORABLE

Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0516, Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers

According to Child Care Aware of America, the childcare workforce has declined by 26% since the pandemic began. Maryland alone has witnessed the closure of over 1,000 childcare programs since 2020. The situation is dire for these small businesses, many of which are run by women from marginalized communities.¹

This bill is a recognition that a childcare crisis exists in Maryland and that we can use our tax code to create a more flavorful outcome for childcare centers by reduction of their tax obligation in Maryland.

This bill contemplates exempting personal property used in connection with certain large family child care homes from valuation and taxation. It gives an authorization to 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. It gives additional consideration to increasing the maximum amount of a property tax credit that may be granted for certain child care homes and centers and day care centers.

Lack of childcare could cause parents to withdraw from the workforce costing the state of Maryland tax revenue from income that may have been earned by that person now no longer part of the workforce. Failure to pass this bill therefore impacts not only childcare facilities but the families who rely on them to permit them to work to earn income in support of the family.

I respectfully urge this committee to return a favorable report on SB#/0516.

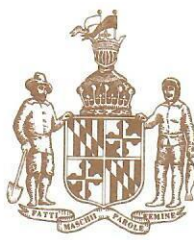
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¹ <https://marylandmatters.org/2024/09/16/theres-a-national-child-care-crisis-its-the-wrong-time-to-suspend-funding/#:~:text=According%20to%20Child%20Care%20Aware,by%20women%20from%20marginalized%20communities.>

SB516-King-Sponsor Testimony.pdf

Uploaded by: Senator Nancy King

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 516 – Property Tax -Day Care Centers, Child Care Homes, and Child Care Centers

February 12, 2025

Mister Chairman and Members of the Budget & Taxation Committee:

Under current law counties are authorized to offer a tax credit for child care providers' real property, and a similar credit is available for businesses that create on-site space for child care. Neither tax credit (Tax-Property §9-213 and §9-214), has been changed since the 1980s, with the \$3,000 statutory cap on the provider credit having remained the same since 1989.

The current tax credits are of limited use due to the limitations on facility age and the low dollar amount which is set in state law. Montgomery County reports that only 5 child care providers received the county's property tax credit in the most recent levy year (2023), with a total of just \$11,122 in child care property tax credits awarded countywide.

To date, only four counties have taken advantage of one or both of the credits:

- Frederick County: offers the §9-213 credit for child care providers
- Harford County: offers the §9-214 credit for businesses
- Howard County: offers both credits
- Montgomery County: offers both credits

In a December 2024 report by the Comptroller on the state of child care, it was noted that Maryland has experienced a 15.5% decline in licensed child care providers and a 5.5% decline in overall child care capacity in just the past few years. Home-based child care providers have experienced the most significant declines in that span, with a net loss of over 1,000 registered providers for an overall rate of decline of 21.6%.

Senate Bill 516 – which is enabling legislation – will do several things:

- Broadens two child care-related property tax credits already allowed in state law so that any registered child care provider or business that offers on-site child care – regardless of the age of their building – could qualify for a local tax credit (subject to their county's specific implementing legislation).
- Raises the limit on the property tax credit for child care providers (§9-213) from \$3,000 to \$10,000 and conforms the tax credit for businesses (§9-214) to the same limit.
 - Note: The existing caps on local tax credits are \$3,000 in Frederick (§9-213 credit), Howard (both credits), and Montgomery Counties (both credits) and \$10,000 in Harford County (§9-214 credit).
- Makes large family child care homes eligible for both credits; child care centers and family child care homes are already eligible under current law.
- Exempts large family child care homes from taxes on personal property; family child care homes are already exempt under current law.

- Note: In 2022, the General Assembly raised the exemption from personal property assessment for all Maryland businesses from \$2,500 to \$20,000.
- Makes technical changes to certain references in the code, including adding Baltimore City to the provisions allowing all counties the authority to adopt additional eligibility criteria when implementing the credits.

The need for safe, quality child care is more important than ever to build our economy by allowing parents to enter or return to the workforce and by promoting childcare businesses. This enabling legislation is just one more tool to help us meet those goals and so I respectfully request a favorable report on Senate Bill 516.

Anne Arundel County _FAV_SB516.pdf

Uploaded by: Steuart Pittman

Position: FAV



February 12, 2025

Senate Bill 516
Property Tax - Day Care Centers, Child Care Homes, and
Child Care Centers
Senate Budget and Taxation Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** Senate Bill 516 – Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers. This enabling legislation would expand the authority of the governing body of a county or municipal corporation to grant a property tax credit against the personal property tax imposed on personal property of property owned by an individual, located at their place of residence, and used as a large family childcare home registered in accordance with Title 95, Subtitle 3 of the Education Article of the State Code.

The Anne Arundel County Early Childhood Coalition, now renamed as a task force, has been researching issues related to child care since 2022. This task force works to bring together public and private partners in Anne Arundel County to meet the needs of, and elevate, a child's first five years to ensure all children have what they need to be successful in school and life. One of the major issues identified in its most recent report is the lack of incentives for a business model with small or almost nonexistent profit margins.

Early Childhood programs are a powerful tool to reduce socioeconomic and racial/ethnic inequalities. As Governor Moore recently stated, expanding access to affordable, quality child care is one of the best ways we can support our children and grow our economy at the exact same time. The children from low-income families are the ones most needing quality early childhood education and care yet they are the children least likely to access it. Child care is essential to ensuring access to work opportunities. Low and very low-income neighborhoods across the County in Annapolis, Glen Burnie, Meade, Severn, Brooklyn Park, and South County are the areas with the most limited child care access. These areas are disproportionately African American and Latino. Often residents are working two and perhaps three jobs to pay the rent and keep food on the table.

According to Child Care Aware of America, Maryland has seen the closure of over 1,000 child care programs since 2020 and has lost 15% of its child care providers and nearly 7% of its child care slots between 2020 and 2024. Child Care centers face a variety of challenges, including rising insurance costs, decreasing workforce, and depleted resources. This legislation will enable Anne Arundel County to ease the costs incurred by childcare providers to help address our critical shortage of child care.

Accordingly, Anne Arundel County urges a **FAVORABLE** report on SB 516.

SB 516 - State Board - SUPPORT.docx.pdf

Uploaded by: Zachary Hands

Position: FAV



Carey M. Wright, Ed.D.
State Superintendent of Schools
Joshua L. Michael, Ph.D.
President, State Board of Education

TO: Senate Budget and Taxation Committee

BILL: Senate Bill (SB) 516 - Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers

DATE: February 12, 2025

POSITION: Letter of Support

Chair Guzzone and Members of the Senate Budget and Taxation Committee:

The Maryland State Department of Education (MSDE) and the Maryland State Board of Education (State Board) support Senate Bill (SB) 516 – Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers. This legislation proposes to exempt personal property used in connection with certain large family child care homes from valuation and taxation, additionally granting certain child care programs property tax credits and exemptions.

Child care programs, are small businesses, primarily sole proprietorships that require a significant amount of time, effort, funding and require considerable overhead expenses for staffing due to the ratio requirements and the health and safety needs of children. The space, materials, and supplies required by COMAR to meet the demands of remaining operational are paramount to maintaining compliance and providing quality programming. The suitability of materials, square footage and proper equipment as required to meet building, zoning and fire codes are all part of providing developmentally appropriate environments and activities for children. When considering all of the factors needed to run a successful quality child care program, all financial or in-kind benefits from the state may encourage small business owners to expand their business or enhance their current spaces.

Granting child care programs property tax credits and exemptions, as stipulated in SB 516, could decrease the total overhead costs associated with running a business. As a result, the bill may decrease expenditures for eligible programs by helping offset the expenses of maintaining the physical structure and day-to-day operations. Eligible child care programs could use these savings for other expenses required to support the stabilization of their program, including increasing salaries for some of the lowest wage earners in the state.

In summary, SB 516 may allow child care business owners to invest or reinvest in their child care programs. The bill could also lead to a growth in the availability of child care in the state, therefore increasing child care options for families seeking care. Operationally, the Licensing Branch would continue to ensure that child care programs have a valid registration or license in order to receive the full benefit from the proposed bill.

We request that the committee consider this information as it deliberates **SB 516**. Please contact Dr. Akilah Alleyne, Executive Director of Government Affairs at Akilah.alleyne@maryland.gov or Zach Hands, Executive Director of the State Board at zachary.hands1@maryland.gov, if you would like any additional information.