



February 4, 2025

House Bill 389
Property Tax - Day Care Centers, Child Care Homes,
and Child Care Centers

Position: FAVORABLE

Anne Arundel County **SUPPORTS** House Bill 389 – 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 HB 389.