



January 31, 2025

Testimony Regarding House Bill 389 – 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 HB389 – 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
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