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DATE: April 2, 2026
BILL NO: House Bill 805
TITLE: Building Homes Act
COMMITTEE: Senate Budget & Taxation Committee

Letter of Support

Description of Bill:

House Bill 805 authorizes Baltimore City and counties the authority to grant a property tax credit for certain affordable dwellings. To qualify, a dwelling must be subject to a mortgage or deed of trust provided by a nonprofit entity and be restricted by a legally binding covenant of at least 20 years that ensures long term affordability, including resale restrictions. The bill would also allow local jurisdictions to determine the amount, duration, and administration of the tax credit.

Background and Analysis:

Maryland continues to face significant challenges in expanding affordable homeownership opportunities. Rising home prices and limited inventory in the state has increased costs for prospective homebuyers, particularly those in low and moderate-income households. Although the state has various programs through the Maryland Mortgage Program (MMP), the strive to promote affordable homeownership is still an impediment. The ongoing housing costs continue to greatly strain household budgets and threaten long term stability in the state.

Under current law, property taxes are generally based on the full assessed market value of a property. However, in shared equity or nonprofit affordable homeownership models, resale restrictions limit the amount of equity. Despite these restrictions, homeowners may still be taxed on the full assessed value of the property. This disconnect increases financial burden for households participating in these programs.

HB805 would enable legislation that would authorize local jurisdictions the discretion to design and implement plans that reflect their local housing needs. The bill would continue to support sustainability in shared equity homeownership models and help preserve affordability over time across the state.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 805.

