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**HB0571**

March 31, 2026

**TO:** Members of the Senate Budget and Taxation Committee

**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations

**RE:** House Bill 571 – Nonprofit Housing Corporations - Taxes and Special Assessments Exemptions  
- Alterations

**POSITION: Letter of Concern**

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **has concerns with** House Bill (HB) 571.

HB 571 expands legal and financial protections for nonprofit housing corporations by extending property tax and special assessment exemptions to qualifying low-income housing properties, including those owned through subsidiary entities.

HB 571 is expected to have a limited near-term fiscal impact on local governments and will likely result in moderate long-term revenue reductions. Amendments that exclude projects receiving local financial assistance prior to July 1, 2026, and preserve existing payments in lieu of taxes (PILOTs) mitigate immediate revenue losses and protect current local funding arrangements. However, this may constrain Baltimore City's ability to enter into future agreements with affordable housing developers and provide financial assistance.

By expanding the eligibility for this exemption, HB 571 will likely reduce future growth in the local property tax base, particularly for multifamily affordable housing developments. While local jurisdictions retain the authority to negotiate and enforce PILOT agreements, these payments are discretionary and may yield lower than traditional property taxes. In addition, these developments will still require City resources, like any other development, without generating commensurate new revenue. Finally, provisions limiting the use of judgment liens and property execution may constrain local enforcement mechanisms, preventing the City from abating quality of life issues as well as creating potential collection risks.

Overall, the bill increases long-term structural pressures on local revenues, which can only be offset through discretionary PILOT agreements under this legislation. The City of Baltimore currently generates 46% of its General Fund revenue from property taxes. To lower our current property tax rate, we must be able to have a stable and reliable tax base and further diversify the sources of that revenue. The City also recently established an affordable housing TIF<sup>1</sup> which is a part of the larger 15-year vacant reduction strategy. The passage of HB571 could inadvertently disrupt the significant efforts already underway in the city to eliminate blighted properties and create more affordable housing.

For these reasons, the BCA respectfully requests **consideration of the above concerns** on HB 571.

<sup>1</sup> <https://www.baltimorecity.gov/dhcd/our-work/affordable-housing/tax-increment-funding>