

# **LeadingAge Maryland - 2026 - HB 571 - nonprofit ho**

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Position: FAV



PO Box 34  
Sykesville, MD 21784

**TO:** Senate Budget & Taxation  
**FROM:** LeadingAge Maryland  
**SUBJECT:** House Bill 571, Nonprofit Housing Corporations - Tax and Enforcement of Judgment Exemptions - Alterations  
**DATE:** March 31, 2026  
**POSITION:** Favorable

LeadingAge Maryland supports House Bill 571, Nonprofit Housing Corporations - Tax and Enforcement of Judgment Exemptions – Alterations.

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year.

House Bill 571 is critically important for the needed construction of affordable senior housing in Maryland. At a time when our state faces a severe and growing shortage of affordable homes for older adults, this bill provides the necessary statutory tools to unlock development capital, reduce operational costs, and mitigate the financial risks that currently deter nonprofit developers from bringing new projects online.

The Crisis in Affordable Senior Housing: Maryland’s senior population is growing rapidly, with the number of adults aged 65 and older projected to increase by over 40% in the next two decades. Simultaneously, rising construction costs, interest rates, and local tax burdens have made the development of new affordable senior housing increasingly unfeasible. Nonprofit developers—who are mission-driven to serve the lowest-income seniors—operate on narrow margins and rely heavily on complex financing structures, including the Low-Income Housing Tax Credit (LIHTC) program, to make projects viable. HB 571 addresses specific legal and financial barriers that currently prevent these projects from moving forward.

## Key Provisions That Support Senior Housing Development

- **Extension of Tax Exemptions to Subsidiary Entities :** HB 571 exempts real property owned by subsidiary entities of a nonprofit housing corporation from state and local taxes and special assessments. This provision is essential for affordable senior housing development. Virtually all modern affordable housing transactions—particularly those utilizing LIHTC equity, as referenced in the bill’s definition of “affordable housing”—require the use of subsidiary entities or limited partnerships to allocate tax credits and manage investor interests. Without the assurance that these subsidiary-held properties are exempt from local property taxes, these financing structures become economically unsustainable. By clarifying that subsidiaries enjoy the same tax-exempt status as their parent nonprofit corporations, HB 571 ensures that tax liability does not consume the limited operational revenue needed to serve low-income seniors.
- **Protection from General Judgment Enforcement:** The bill exempts affordable housing property from levy and sale by virtue of an execution, preventing general judgments against a nonprofit housing corporation from becoming a charge or lien on its real property—provided the property is used for eligible housing. This protection is vital for construction financing. Nonprofit developers must leverage their real property to secure bonds, loans, and tax credit equity. If general creditors could seize affordable housing assets for debts unrelated to the specific property (such as general operational liabilities or unrelated litigation), lenders and investors would view these projects as too risky to finance. HB 571 puts nonprofit developers on equal footing with public housing authorities, creating the stability necessary to attract private investment into new senior housing construction.
- **Maintained Local Partnership Through PILOT Agreements:** Importantly, HB 571 preserves the ability of local jurisdictions to negotiate Payments in Lieu of Taxes (PILOTs) with nonprofit developers. This ensures that while projects receive the tax certainty needed to secure financing, counties and municipalities retain the flexibility to recover costs for essential services. This balanced approach respects local fiscal needs while enabling the production of desperately needed housing.

HB 571 represents a targeted, fiscally responsible solution to a significant barrier facing nonprofit developers. By modernizing Maryland’s tax and enforcement statutes to reflect the complex financing realities of contemporary affordable housing, this legislation will directly facilitate the construction of new affordable homes for Maryland’s lowest-income seniors.

For these reasons, LeadingAge Maryland respectfully requests a favorable report for House Bill 571.

# **Health Care for the Homeless - HB 571 Nonprofit Ho**

Uploaded by: Joanna Diamond

Position: FAV



**HEALTH CARE FOR THE HOMELESS TESTIMONY**  
**FAVORABLE**  
**HB 571 – Nonprofit Housing Corporations - Tax and Enforcement of Judgment**  
**Exemptions - Alterations**

**Senate Budget and Taxation Committee**  
**March 31, 2026**

**Health Care for the Homeless supports HB 571**, which would expand the definition of “nonprofit housing corporation” and makes subsidiary entities of nonprofit housing corporations exempt from State and local taxes in the same manner as subsidiary entities of housing authorities are currently exempt. The bill also exempts property of a nonprofit housing corporation that is used for low-income housing from procedures for enforcement of a judgement against the nonprofit housing corporation. As a nonprofit affordable housing developer dedicated to ending homelessness, reducing the property tax liability of our projects saves us resources to invest in the stability of Baltimore’s most vulnerable families and improves the financial feasibility of prospective projects to allow us to continue our work.

Health Care for the Homeless is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. We deliver integrated medical care, behavioral health services, dental care and harm reduction interventions for more than 11,000 people annually at multiple clinic sites in Baltimore City and Baltimore County and through a Mobile Clinic and Street Medicine team. We also support more than 800 highly vulnerable Baltimoreans in more than 550 units of permanent supportive housing.

From over 40 years of experience, Health Care for the Homeless understands that housing in Maryland is unaffordable. 1 in 3 Maryland families are cost burdened by their monthly rent or mortgage payment, including 53% of Maryland renters who pay more than 30% of their income on rent.<sup>1</sup> Very low-income households (those making less than 50% AMI) have difficulty finding affordable options in Maryland. The National Low-Income Housing Coalition reports that there are there are less than 4 affordable units for every 10 very low-income household.<sup>2</sup>

In response to rising housing costs and insufficient affordable housing supply, Health Care for the Homeless formed a subsidiary non-profit organization known as HCH Real Estate Company, Inc. HCH Real Estate Co, Inc. develops affordable and supportive multifamily rental housing in Baltimore. Our projects are designed to maximize number of units that will end homelessness. We have one completed project with 70 apartments in the Oliver neighborhood of Baltimore City – a mix of one-, two- and three-bedroom units—where 35 apartments are reserved for people exiting homelessness

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<sup>1</sup>[United States Census Bureau](#)

<sup>2</sup> The Gap: A Shortage of Affordable Homes (2024), available at <https://nlihc.org/gap>; see also National Low Income Housing Coalition's 2025 Out of Reach Report, available at <https://nlihc.org/oor/state/md>, detailing Maryland's affordable housing shortage data.

and the other 35 are for households making 50% of the Area Median Income (AMI). We have two projects in the pipeline that are in the heart of Baltimore that will produce another 159 apartments, with 120 reserved for people exiting homelessness.

As a nonprofit housing developer and supportive housing services provider, our experience has taught us that many of the households we serve are navigating with disabilities, have histories of trauma and other chronic health conditions that increase the need for supportive services. We also see income instability among those working, and too few resources to meet daily living needs among those with low, fixed incomes (such as income from disability assistance).

To appropriately serve households residing in our projects, we need skilled property management staff, staff trainings, resident services and direct assistance (like providing furnishings, covering utilities and providing no-cost or low-cost laundry facilities). Investments like these improve stability and reduce the daily cost of living for residents but increase project operating expenses.

Our experience as an affordable housing developer is not unique. Nonprofit developers across the state are experiencing rising insurance and utilities costs. At the same time operating costs rise, nonprofit developers, like Health Care for the Homeless, are working to push down rent rates to include Maryland's most vulnerable populations – including people experiencing homelessness, people with disabilities, veterans, youth aging out of foster care and other populations we serve.

This body has recognized the dire need to increase housing production to meet the housing demand of Maryland's residents. A reduction in property tax liability improves the financial feasibility of prospective projects that will serve Marylanders experiencing homelessness and those most at risk of homelessness.

This high-impact tool would accelerate affordable housing production and preservation across Maryland and provide local governments with an easy way to support more affordable housing development to address the affordable housing crisis we're facing.

A reduction in property taxes to a Health Care for the Homeless project is also a significant investment in the public good. In addition to helping individuals and families exit homelessness, the Permanent Supportive Housing model<sup>3</sup> we follow – subsidized housing paired with voluntary access to social services – has been shown to reduce health care costs, criminal justice costs and reliably reduce the number of households relying on emergency shelter for housing.<sup>4</sup>

HB 571 is an important action that the Maryland General Assembly can take that will help to increase the supply of affordable housing throughout the state. We strongly urge a favorable report.

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<sup>3</sup> Permanent Supportive Housing (PSH) is an evidence-based model that combines low-barrier affordable housing, health care, and supportive services proven to help individuals and families lead more stable lives. See <https://nhchc.org/clinical-practice/homeless-services/permanent-supportive-housing/>.

<sup>4</sup> See, for instance, Hilltop Institute study on outcomes of the Assistance in Community Integration Services (ACIS) pilot program operated under a Medicaid waiver, providing supportive services to experiencing homelessness or housing insecurity. A 5-year study of the pilot found a statistically significant decline in the average number of ED visits, avoidable ED visits, and inpatient admissions for ACIS participants. <https://hilltopinstitute.org/wp-content/uploads/publications/SummaryReportACISProgramAssessment-September2023.pdf>.

*Our Vision: Everyone is healthy and has a safe home in a just and respectful community.  
Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.*

*For more information about our agency and affordable housing development subsidiary, visit [www.hchmd.org](http://www.hchmd.org) and [www.hchreco.org](http://www.hchreco.org).*

# **HB 571 PJC in Senate FAV.pdf**

Uploaded by: Matt Hill

Position: FAV



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**HB 571 - Nonprofit Housing Corporations – Tax and Enforcement of Judgment Exemptions – Alterations**

**Hearing before the Senate Budget and Tax Committee on Mar. 31, 2026**

**Position: Favorable**

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The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. We represent or advise over 800 renter households each year, and we advocate to change laws to further a human right to housing.

Public Justice Center supports HB 571 as amended by the House because the bill will support development, redevelopment, and preservation of safe and sanitary housing for limited-income families. Public Justice Center frequently represents the families who live in these affordable homes as well as the families who are on decades-long wait lists for affordable housing. The need for new affordable homes has never been greater, and HB 571 is a common-sense way for the state to facilitate preservation and redevelopment by non-profit corporations.

The sponsor and proponents of the bill have addressed the concerns we had with the bill in its original form, and we appreciate their good faith during the negotiations.

Public Justice Center asks that the Committee **issue a FAVORABLE report on HB 571.**

# **Maryland Catholic Conference\_FAVHB571\_SENATE CROSS**

Uploaded by: Michelle Zelaya

Position: FAV



MARYLAND  
CATHOLIC  
CONFERENCE

March 31<sup>st</sup> 2026

HB571

**Nonprofit Housing Corporations - Taxes and Special Assessments Exemptions –  
Alterations**

**Budget and Taxation Committee**

**Position: Favorable**

The Maryland Catholic Conference offers this testimony in support of **House Bill 571**. The Maryland Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

**House Bill 571** would exempt certain real property owned by subsidiary entities of a nonprofit housing corporation from State and local taxes and special assessments. It also provides protections by exempting certain properties from specific procedures related to the enforcement of judgments against the nonprofit housing corporation. In effect, the legislation seeks to ease financial and legal burdens on nonprofit housing providers so they can continue their mission of providing affordable housing.

The intent of this legislation is to strengthen the capacity of nonprofit housing organizations to serve individuals and families in need by reducing operational costs and protecting essential housing assets. Nonprofit housing providers often operate with limited resources while serving some of the most vulnerable populations, including low-income families, seniors, and individuals experiencing housing instability. By offering tax relief and legal protections, this bill aims to preserve affordable housing units and ensure these organizations can continue their work without the added strain of financial or legal barriers.

Access to safe and stable housing is a basic human need and a cornerstone of a dignified life. Supporting nonprofit organizations that provide this critical service aligns with our moral responsibility to care for those most in need and to promote systems that uphold justice and stability. The benefits of this legislation would be felt across communities, families, and individuals throughout Maryland. By lowering the financial burden on nonprofit housing corporations, more resources can be directed toward maintaining existing housing, expanding affordable housing options, and supporting residents. By advancing this legislation, Maryland affirms its commitment to protecting families, strengthening communities, and ensuring that all individuals have the opportunity to live with dignity.

For these reasons, the Maryland Catholic Conference urges a favorable report on **Senate Bill 719**.

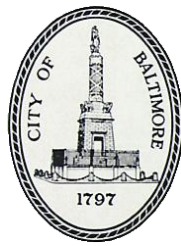
**HB0571-BT-LOC.pdf**

Uploaded by: Nina Themelis

Position: INFO

BRANDON M. SCOTT  
MAYOR

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Annapolis, Maryland 21401

**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>