



## House Bill 571

### *Nonprofit Housing Corporations - Tax and Enforcement of Judgment Exemptions - Alterations*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Economic Matters Committee

Date: February 19, 2026

From: Kevin Kinnally and Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 571 **WITH AMENDMENTS**.

HB 571 aims to support affordable housing development by expanding property tax relief for specified nonprofit housing entities. Counties share that goal and regularly partner with nonprofit developers to deliver affordable housing, often through locally approved property tax credits, exemptions, and negotiated payment in lieu of taxes (PILOT) agreements.

As drafted, the bill risks creating an ownership-based tax benefit that could apply broadly and automatically, rather than a project-based incentive tied to locally approved affordability outcomes. That structure could weaken county fiscal planning and make it harder to focus meaningful tax relief to help close financing gaps and move affordable housing projects forward.

**As such, MACo requests amendments to ensure the bill aligns with how counties support affordable housing in practice, and to keep property tax relief tied to local approval, project-level affordability commitments, and local fiscal capacity.**

First, local governments must retain the authority to decide whether to grant property tax relief and, if so, on what terms, based on local priorities, fiscal capacity, and project-level affordability commitments.

The bill should also expressly preserve local PILOT authority. Counties rely on PILOT agreements to balance affordability goals with fiscal responsibility. That authority includes the ability to negotiate, require, or decline PILOT agreements and apply locally established affordability or fiscal standards.

Finally, the bill should clarify that any property tax relief applies only to locally approved affordable housing projects, not broadly to all properties owned by nonprofit developers or affiliates. Without that limitation, the bill could create unintended exemptions tied to ownership structure rather than public benefit.

With these targeted amendments, HB 571 can support affordable housing while preserving local fiscal decision-making. For these reasons, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on HB 571.