



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

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The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over five thousand members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

Testimony in Support of HB 543 Real Property-Landlord and Tenant -Family Child Care Homes Submitted to: Economic Matters Feb. 19, 2026

Maryland State Child Care Association is in strong support of **HB 543**, legislation that strengthens Maryland's child care infrastructure by ensuring that family child care providers—many of whom are women, immigrants, and small business owners—can operate safely and fairly within residential rental properties.

Maryland continues to face a significant shortage of child care options. Maryland has endured a steady, significant decline and supply of child care with a 15% decrease in total providers (1,235 providers) and 5.5% drop in total capacity equaling a loss of 12,165 slots according to Maryland's Comptroller Report on the State of the Economy and Child Care. Families across the state struggle to find affordable, high-quality care close to home, and employers feel the strain as parents are forced to reduce work hours or leave the workforce entirely. **Family child care homes are one of the most flexible, community-based, and cost-effective solutions we have**, yet many providers face barriers simply because they rent their homes.

HB 543 addresses these barriers with a balanced, reasonable framework that protects landlords, supports tenants, and expands child care access for Maryland families.

Why HB 543 Is Necessary

1. Family child care homes are essential to Maryland's child care supply.

Family child care homes:

- Serve infants and toddlers—age groups with the most severe shortages
- Offer non-traditional hours that support shift workers, nurses, and first responders
- Provide culturally and linguistically responsive care
- Operate in neighborhoods where center-based care is not available

Yet providers who rent their homes often face blanket prohibitions or unreasonable restrictions from landlords, even when they are fully licensed, insured, and compliant with state regulations.

2. The bill prevents discrimination while still protecting landlords.

HB 543 **does not force landlords to accept unsafe conditions**. Instead, it ensures:

- Landlords cannot prohibit or unreasonably restrict a lawful, licensed family child care home
- Tenants must provide advance notice, proof of registration, and proof of insurance

- Landlords may require up to a \$1,000,000 liability insurance policy
- Landlords are **explicitly immune from civil liability** for acts or omissions of the tenant related to the child care operation.

This immunity provision is a critical protection that addresses one of the most common concerns landlords raise.

3. The bill creates clear expectations and accountability.

HB 543 requires tenants to:

- Notify landlords 60 days before beginning child care operations
- Provide registration and insurance certificates naming the landlord and ownership entities as additional insureds
- Notify the landlord immediately if they cease operations
- Cease operations if insurance coverage lapses

These provisions ensure transparency, communication, and shared responsibility.

4. The bill supports Maryland's workforce and economy.

When families cannot find child care:

- Parents miss work
- Employers lose productivity
- Businesses struggle to retain staff
- The state loses economic activity

Expanding family child care homes is one of the fastest, most cost-effective ways to increase child care availability, especially in rural areas, child care deserts, and low-income communities.

What HB 543 Does Not Do

This legislation **does not**:

- Override local zoning authorities
- Apply to owner-occupied single-family homes
- Interfere with age-restricted communities
- Override condominium or cooperative bylaws
- Remove a landlord's ability to set reasonable lease terms

It is a targeted, balanced bill that respects property rights while addressing a statewide child care crisis.

HB 543 is a thoughtful, practical solution that strengthens Maryland's child care system, supports small businesses, and protects landlords. By ensuring that licensed family child care providers can operate without discrimination or unnecessary barriers, Maryland will help more families access the care they need to work, thrive, and contribute to our state's economy.

For these reasons, MSCCA respectfully urges a **FAVORABLE** report on HB 543.