



TESTIMONY

COMMITTEE: House Economic Matters

DATE: February 19, 2026

POSITION: Unfavorable

BILL: HB 571

The Maryland Municipal League (MML) opposes House Bill 571, which would extend the tax benefits government-created housing authorities have to nonprofits and their subsidiaries.

While we share the sponsor's commitment to expanding affordable housing, this legislation, as currently drafted, creates critical vulnerabilities for Maryland's municipalities in two key areas: public accountability and local enforcement authority.

1. Governance and Oversight Disparities: Under current law, public housing authorities (PHAs) enjoy tax-exempt status because they are public bodies subject to strict government oversight, including the Open Meetings Act and the Public Information Act. HB 571 proposes granting "authority-like" tax status to private nonprofit corporations that lack this direct government control. We are concerned that this reduces local tax revenue without providing the public transparency or local board appointment oversight inherent in the PHA model.

2. Erosion of Local Code Enforcement: Of particular concern to our member municipalities is the proposed protection from judgment liens. Currently, if a property owner ignores critical health, safety, or building code violations, municipalities can record a lien to ensure compliance or recover costs upon the property's sale or refinance. By prohibiting the use of real property as security for these judgments, HB 571 effectively neutralizes a municipality's primary tool for ensuring safe and sanitary living conditions. Without the ability to attach a lien, local governments are left with few options to compel recalcitrant owners to address safety hazards.

Taken together, HB 571 places an undue burden on municipal resources while diminishing the tools necessary to protect residents. For these reasons, the League respectfully requests that the Committee provide HB 571 with an unfavorable report.

For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, justinf@mdmunicipal.org

