

**DATE:** February 19, 2026

**BILL NO.:** House Bill 571

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

**COMMITTEE:** House Economic Matters Committee

### Letter of Support

#### **Description of Bill:**

House Bill 571 would exempt from all State taxes all real property owned by a nonprofit housing corporation that is used as housing for individuals and families that meet the income requirements of a State or Federal program with applicable income requirements or if they are determined by their local housing authority to lack the sufficient income or assets, without financial assistance, to purchase or rent decent, safe, and sanitary housing.

#### **Background and Analysis:**

Maryland faces a growing housing shortage with an estimated 184,784 housing units needed before 2030 to meet demand. Additionally, analysis has consistently emphasized that Maryland's greatest housing needs are for residents with low- and moderate incomes. It has also been identified that the cost of housing is a leading reason for outmigration from the State, particularly among those who have just entered the workforce.

In the context of Maryland's housing crisis, DHCD recognizes that nonprofit housing corporations are a crucial component of developing affordable housing. However, those nonprofits are often unable to compete with the resources of a larger developer who can build projects that are a mixture of affordable and market-rate. While they often have less resources, nonprofit developers tend to build strictly affordable projects. In exempting Nonprofit housing corporations from State taxation, the State would be giving these groups much needed financial support in developing affordable housing.

#### **DHCD Position**

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 571.