

HOUSE BILL 1343

Q2

5lr2632

By: **Delegates D. Jones, Bagnall, and Behler**

Introduced and read first time: February 7, 2025

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 5, 2025

CHAPTER _____

1 AN ACT concerning

2 **Anne Arundel County – Property Tax – Day Care Centers and Child Care**
3 **Centers**

4 FOR the purpose of exempting personal property used in connection with certain large
5 family child care homes from valuation and taxation in Anne Arundel County;
6 authorizing the governing body of Anne Arundel County or the governing body of a
7 municipal corporation in Anne Arundel County to grant, by law, a property tax credit
8 against the real property tax owed on the portion of real property used for certain
9 child care centers and day care centers; and generally relating to property tax credits
10 and exemptions for child care centers and day care centers.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 7–227
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2024 Supplement)

16 BY adding to
17 Article – Tax – Property
18 Section 9–303(b)(8) and (9)
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2024 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Tax – Property

7–227.

(a) Except for personal property used in connection with a business, occupation, or profession, personal property owned by an individual and located at the individual's place of residence is not subject to valuation or to property tax.

(b) **(1)** Notwithstanding subsection (a) of this section, personal property is not subject to valuation or to property tax if the personal property is:

[(1)] (I) owned by an individual;

[(2)] (II) located at the individual's place of residence; and

[(3)] (III) used in connection with a family child care home that is registered under [Title 5, Subtitle 5, Part V of the Family Law Article] **TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE.**

(2) IN ANNE ARUNDEL COUNTY, NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, PERSONAL PROPERTY IS NOT SUBJECT TO VALUATION OR TO PROPERTY TAX IF THE PERSONAL PROPERTY IS:

(I) OWNED BY AN INDIVIDUAL;

(II) LOCATED AT THE INDIVIDUAL'S PLACE OF RESIDENCE; AND

(III) USED IN CONNECTION WITH A LARGE FAMILY CHILD CARE HOME THAT IS REGISTERED UNDER TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE.

(c) **(1)** Notwithstanding subsection (a) of this section, personal property is not subject to valuation or to property tax if:

(i) the personal property is owned by an individual and is used in connection with a business, occupation, or profession that is located at the individual's principal residence; and

(ii) the sum total of the personal property, excluding vehicles exempt under § 7–230 of this subtitle, had a total original cost of less than \$20,000.

(2) If the individual attests to owning a sum total of personal property with an original cost of less than \$20,000, the Department may not:

(i) collect personal property information from the individual; or

(ii) require the individual to submit a personal property tax return.

9-303.

(b) (8) (I) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THAT PORTION OF THE REAL PROPERTY ON WHICH AN IMPROVEMENT IS SUBSTANTIALLY COMPLETED IF:

1. THE PROPERTY IS OWNED BY A BUSINESS HAVING AT LEAST 25 EMPLOYEES; AND

2. THE IMPROVEMENT CONTAINS AN AREA SET ASIDE AND DEDICATED EXCLUSIVELY FOR A CHILD CARE CENTER THAT IS:

A. REGISTERED AS A FAMILY CHILD CARE HOME OR LARGE FAMILY CHILD CARE HOME UNDER TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE; OR

B. LICENSED AS A CHILD CARE CENTER UNDER TITLE 9.5, SUBTITLE 4 OF THE EDUCATION ARTICLE.

(II) THE AMOUNT OF THE ANNUAL CREDIT MAY NOT EXCEED \$10,000 OR THE AMOUNT OF COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX ATTRIBUTABLE TO THAT PORTION OF PROPERTY FOR WHICH THE CREDIT WAS GRANTED, WHICHEVER IS LESS.

(III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

1. THE AMOUNT AND DURATION OF THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH; AND

2. ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROPERTY TAX CREDIT UNDER THIS PARAGRAPH.

(9) (I) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION IN ANNE ARUNDEL COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THAT PORTION OF REAL PROPERTY, INCLUDING ANY

1 IMPROVEMENT, THAT CONTAINS AN AREA SET ASIDE AND DEDICATED EXCLUSIVELY
2 FOR A DAY CARE CENTER THAT IS:

3 1. REGISTERED AS A FAMILY CHILD CARE HOME OR
4 LARGE FAMILY CHILD CARE HOME UNDER TITLE 9.5, SUBTITLE 3 OF THE
5 EDUCATION ARTICLE;

6 2. LICENSED AS A CHILD CARE CENTER UNDER TITLE
7 9.5, SUBTITLE 4 OF THE EDUCATION ARTICLE;

8 3. LICENSED AS A DAY CARE CENTER FOR THE ELDERLY
9 UNDER TITLE 14, SUBTITLE 2 OF THE HEALTH – GENERAL ARTICLE; OR

10 4. LICENSED AS A DAY CARE CENTER FOR ADULTS
11 UNDER TITLE 14, SUBTITLE 3 OF THE HEALTH – GENERAL ARTICLE.

12 (II) THE AMOUNT OF THE ANNUAL CREDIT MAY NOT EXCEED
13 \$10,000 OR THE AMOUNT OF COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX
14 ATTRIBUTABLE TO THAT PORTION OF PROPERTY FOR WHICH THE CREDIT WAS
15 GRANTED, WHICHEVER IS LESS.

16 (III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
17 GOVERNING BODY OF ANNE ARUNDEL COUNTY OR OF A MUNICIPAL CORPORATION
18 IN ANNE ARUNDEL COUNTY MAY PROVIDE, BY LAW, FOR:

19 1. THE AMOUNT OF THE PROPERTY TAX CREDIT UNDER
20 THIS PARAGRAPH;

21 2. THE DURATION OF A PROPERTY TAX CREDIT UNDER
22 THIS PARAGRAPH; AND

23 3. ANY OTHER PROVISION NECESSARY TO CARRY OUT
24 THIS PARAGRAPH.

25 (IV) A CREDIT UNDER THIS PARAGRAPH MAY NOT BE GRANTED
26 IF THE REAL PROPERTY QUALIFIES FOR A CREDIT UNDER PARAGRAPH (8) OF THIS
27 SUBSECTION.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
29 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.