



House Bill 1104

Affordable Housing Land Trusts - Funding and Property Tax Exemption

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Ways and Means and Environment and
Transportation Committees

Date: March 1, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1104 with **AMENDMENTS**.

This bill would require the Department of Housing and Community Development, to the extent practicable, to reserve 2.5% of certain community development block grant funds for affordable housing land trusts in nonentitlement areas. In addition, the bill would exempt from taxation property owned by an affordable housing land trust and not subject to an affordable housing land trust agreement.

Affordable housing land trusts provide affordable housing to low- and moderate-income families through affordable housing land trust agreements and are organized or managed by a nonprofit organization that buys land on behalf of a community and holds it in trust.

While counties support efforts to incentivize affordable housing, MACo is concerned that this bill could have a significant fiscal impact on county revenues sorely needed to fund education, public health, public safety, infrastructure, and other essential services.

While the overall impact of the bill is unclear, counties request flexibility in enacting and administering the proposed property tax exemption. As such, MACo urges the Committee to authorize rather than mandate the property tax exemption, or to follow the more common path and authorize tax credits to effect the desired reduction in tax burden without distortion of the underlying tax base.

Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on HB 1104.