



House Bill 652

Property Tax - Homestead Property Tax Credit - First-Time Homebuyer

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 17, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 652, which mandates a new property tax credit under the Homestead Property Tax Credit for first-time homebuyers.

Promoting homeownership is a worthwhile goal. **However, this bill imposes a significant unfunded mandate on county governments by requiring new property tax relief without local authority, local flexibility, or offsetting revenue.** It directly reduces counties' primary revenue source – property taxes – while counties remain responsible for funding essential public services such as education, public safety, infrastructure, and core community programs.

Property taxes form the foundation of county budgets and provide a stable funding stream that supports the services residents rely on every day. This bill would erode that stability by removing more properties from the local tax base and forcing counties to absorb revenue losses without any meaningful ability to adjust local tax policy or replace the lost funding.

This bill also comes at a time when counties face heightened fiscal pressure from cost shifts and unfunded mandates. **Counties face roughly \$200 million in new or continued obligations across the last two budget cycles to help balance the State's shortfall.** Those costs fall directly on local budgets, even as counties face rising service demands and limited local revenue flexibility.

HB 652 is yet another State-mandated, locally funded initiative that disregards the fiscal constraints of county governments. Accordingly, MACo urges an **UNFAVORABLE** report on HB 652.