



House Bill 805

Building Homes Act

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 17, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 805. This bill authorizes local governments to grant, by local law, a property tax credit for specified affordable dwellings supported through nonprofit mortgage financing and long-term affordability protections.

Counties support affordable housing and continue to seek practical tools to help close financing gaps and make homeownership attainable for more residents. **HB 805 takes the right approach by creating an optional, locally controlled credit that local governments may adopt based on local needs, local housing markets, and local fiscal capacity.**

The bill also keeps the credit focused on long-term affordability. To qualify, a dwelling must have a mortgage or deed of trust from a nonprofit entity. Additionally, the property must be subject to a covenant or legally binding agreement lasting at least 20 years that enforces income and equity or appreciation restrictions and keeps the home affordable, including on resale.

The bill also gives local governments broad discretion to set the duration of the credit, establish eligibility criteria, and adopt application procedures, allowing counties to administer the credit in a consistent and accountable way.

MACo generally supports legislation that authorizes broad local discretion to offer targeted tax incentives and tax relief, especially when those tools support affordable housing and neighborhood revitalization. HB 805 follows that approach by giving local governments a flexible, optional mechanism to encourage long-term affordability, rather than imposing a State-mandated reduction in local revenues.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on HB 805.