



## House Bill 840

### *Property Tax - Credit for Commercial Buildings Rented to Small Businesses*

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 17, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 840.

HB 840 authorizes local governments to grant, by local law, a property tax credit for commercial buildings rented (or rented-to-own) at fair market value to small businesses located in an Arts and Entertainment District or a Main Street Maryland community.

Counties support small business growth and revitalization, especially in the walkable downtown corridors and commercial districts that anchor many local communities. HB 840 offers a practical, local tool to support that work without mandating a new statewide credit or automatically reducing local revenues.

The bill takes the right approach by making the credit optional and locally designed. Local governments may set the amount and duration of the credit, establish additional eligibility criteria, and adopt application procedures. That structure allows counties and municipalities to tailor incentives to local economic conditions and fiscal capacity.

MACo generally supports legislation authorizing flexible, optional local tax incentives, especially when such tools support revitalization and local economic development. HB 840 follows that model by granting local governments discretion to decide whether and how to offer a targeted property tax credit tied to small-business occupancy in designated community areas.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on HB 840.