



Testimony Concerning HB 389
“Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers”
Submitted to the House Ways and Means Committee
February 4, 2025

Position: Support

Maryland Family Network (MFN) supports HB 389, which would enable improvements to local property tax credits for child care providers’ real property by expanding those who are eligible to access the credit to include large family child care homes, raising the maximum allowable amount, and allowing a similar credit for businesses that create on-site space for child care.

MFN has worked since 1945 to improve the availability and quality of child care and early childhood education as well as other supports for children and families in Maryland. We have been active in state and federal debates on child care policy and are strongly committed to ensuring that children, along with their parents, have access to high-quality, affordable programs and educational opportunities.

Child care providers operate on razor-thin margins and receive very low compensation. According to Maryland Family Network’s 2024 Demographics report, a family child care provider earns on average \$41,936 annually. Property tax credits are one strategy to provide financial support to those who provide a vital service to our communities.

Employer-provided child care is one way to expand access in communities with limited child care choices. Allowing local jurisdictions to increase the credit for businesses that dedicate on-site space for child care may incentivize private employers to provide it.

HB 389 would increase the credit to a more meaningful amount and broaden the eligible population. Four counties currently offer one or both credits. If more counties offered these credits, and counties currently offering them will expand their credits, communities may see an increase in the availability of child care.

MFN respectfully urges a favorable report on HB 389.

Submitted by Beth Morrow, Director of Public Policy

