

## O-1-26

### Property Tax - Child Care Centers, Family Child Care Homes, and Large Family Child Care Homes

#### AMENDMENT 3 – ALDERMAN SMITH-BROWN (on behalf of the Rules and City Government Committee)

#### AMENDMENT SUMMARY:

This amendment expands eligibility for the tax credit under Section 6.04.128, consistent with Maryland laws, to include property owners who lease their property to a state-licensed or registered child care operator, rather than limiting the credit to owner-operators.

The amendment makes three substantive changes to achieve this:

- 1) It revises the definition of "Child Care Facility" to focus on the use of the property rather than who operates the facility, explicitly covering both owner-operated facilities and those operated by a tenant under a lease with the property owner.
- 2) It amends the tax credit provision to allow landlords who lease to a qualifying child care operator to receive the same credit as owner-operators, on the same terms and subject to the same \$10,000 annual cap.
- 3) It clarifies that the credit applies to the portion of real property used exclusively for the child care facility — including improvements made by either the property owner or the tenant — so that a landlord is not disqualified simply because a tenant made the qualifying improvements.

#### MOTION:

- 1) On page 1, in lines 5 and 24, after "large family child care home;" insert "extending tax credits to property owners who lease their property to a state-licensed or registered child care operator;".
- 2) On page 2, in lines 11 through 14, strike "property owners who operate a state-licensed child care center, a state-registered family child care home, or a state-registered large family child care home in accordance with Education Article, Title

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**Explanation Note:** ~~Strikethrough~~ indicates matter stricken from existing law.  
Underlining & black means copyediting or reformatting of the existing section  
Underlining & red means a Code change in the original legislation  
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9.5 of the Annotated Code of Maryland” and after “this section” insert “real property used for a state-licensed child care center, a state-registered family child care home, or a state-registered large family child care home in accordance with Education Article, Title 9.5 of the Annotated Code of Maryland, whether the child care facility is operated by the property owner or by a tenant pursuant to a lease with the property owner,”

3) On page 2, strike lines 24 and 27 and insert the following:

- i. Provide a real property tax credit to property owners who operate a child care facility on their property, or lease their property to a state-licensed or registered child care provider who operates a child care facility on the property; and
- ii. Apply the tax credit to the portion of the real property used exclusively for the child care facility, including any improvements made to the property for that purpose, whether such improvements were made by the property owner or by a tenant pursuant to a lease.”

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## As the Change Would Look in the Legislation

This is solely for showing changes & is *not* part of the Amendment Motion.

### Property Tax – Child Care Centers, Family Child Care Homes, and Large Family Child Care Homes

For the purpose of creating real property tax credits for child care providers who own the property where they operate a state-licensed or registered child care center, family child care home, or large family child care home; extending tax credits to property owners who lease their property to a state-licensed or registered child care operator; allowing businesses of a certain size that own their property and have on-site child care facilities to participate in the tax credit program; setting the real property tax credit at a maximum of \$10,000; and generally related to tax credits for child care providers.

### City Council of the City of Annapolis

#### Ordinance 1-26

Introduced by: Alderman Schandelmeier  
Co-sponsored by: Alderwoman O'Neill

Referred to: Finance Committee, Rules and City Government Committee

AN ORDINANCE concerning

### Property Tax – Child Care Centers, Family Child Care Homes, and Large Family Child Care Homes

**FOR** the purpose of creating real property tax credits for child care providers who own the property where they operate a state-licensed or registered child care center, family child care home, or large family child care home; extending tax credits to property owners who lease their property to a state-licensed or registered child care operator; allowing businesses of a certain size that own their property and have on-site child care facilities to participate in the tax credit program; setting the real property tax credit at a maximum of \$10,000; and generally related to tax credits for child care providers.

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**BY** enacting with amendments the following portions of the Code of the City of Annapolis, 2026 Edition: **6.04.128**

**BY** re-enacting with amendments the following portions of the Code of the City of Annapolis, 2026 Edition: **21.64.190 & 21.64.200**

**SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that the Code of the City of Annapolis shall be amended to read as follows:

**City Code Title 6 -REVENUE AND FINANCE  
Chapter 6.04 - Finance and Taxation Generally**

**Section 6.04.128 - Child Care Center, Family Child Care Home, and Large Family Care Home Real Property Tax Credit.**

**A. Definitions.**

1. Unless stated otherwise below, the terms in this section are as defined in Education Article, Title 9.5 of the Annotated Code of Maryland.
2. "Child Care Facility" means, for the purposes of this section, real property used for a state-licensed child care center, a state-registered family child care home, or a state-registered large family child care home in accordance with Education Article, Title 9.5 of the Annotated Code of Maryland, whether the child care facility is operated by the property owner or by a tenant pursuant to a lease with the property owner~~property owners who operate a state-licensed child care center, a state-registered family child care home, or a state-registered large family child care home in accordance with Education Article, Title 9.5 of the Annotated Code of Maryland.~~
3. "Improvement" means an addition to or modification of real property that both increases the assessed value of the property, as determined by the Maryland Department of Assessments and Taxation, and is used for a child care facility.
4. "Real Property" means undeveloped land, along with enhancements such as buildings, structures, driveways, landscaping, water, and sewer systems.

**B. Real Property Tax Credit.**

**1. Tax Credit for Child Care Providers.**

As authorized by Tax-Property Article § 9-213 of the Annotated Code of Maryland, the City shall:

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- i. Provide a real property tax credit to property owners who operate a child care facility on their property, or lease their property to a state-licensed or registered child care provider who operates a child care facility on the property~~operate a child care facility on their property;~~  
and
- ii. Apply the tax credit to the portion of the real property used exclusively for the child care facility, including any improvements made to the property for that purpose, whether such improvements were made by the property owner or by a tenant pursuant to a lease~~real property improvements made exclusively for the child care facility.~~

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