

# Climate Assessment

Office of Legislative Oversight

## **BILL 21-25: TAXATION - DAY CARE AND CHILD CARE PROPERTY TAX CREDIT**

### **SUMMARY**

The Office of Legislative Oversight (OLO) anticipates Bill 21-25 will have no impact as it proposes the expansion of an existing property tax credit and will not impact the County's contribution to addressing climate change.

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### **BACKGROUND AND PURPOSE OF BILL 21-25**

The County's Day Care Provider Tax Credit is a property tax credit that is available for child and day care businesses. If a business makes a property improvement that is exclusively for child or day care services, they can receive a property tax credit of up to \$3,000 through this program. Businesses eligible for the credit include registered family child care homes, licensed child care centers, and licensed day care centers for adults and seniors.<sup>1</sup>

In 2025, the Maryland General Assembly passed a law that allows counties to make certain changes to the Day Care Provider Tax Credit. The purpose of Bill 21-25 is to update the County's tax credit program to adopt the new permissions from state law. If enacted, Bill 21-25 would:<sup>2</sup>

- Increase the maximum amount of the credit from \$3,000 to \$10,000;
- Expand eligibility for the credit to large family child care homes that provide care for up to 12 children; and
- Change the name of the property tax credit to the Day Care and Child Care Property Tax Credit.

The Council introduced Bill 21-25 on June 17, 2025.

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### **ANTICIPATED IMPACTS**

As the Bill proposes the expansion of a property tax credit for day cares, OLO anticipates Bill 21-25 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>3</sup> OLO does not offer recommendations or amendments as Bill 21-25 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> [Day Care Provider Tax Credit, Montgomery County 311.](#)

<sup>2</sup> [Introduction Staff Report for Bill 21-25, Montgomery County Council, Introduced June 17, 2025.](#)

<sup>3</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022