

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 1010 (Prince George's County Delegation)

Environment and Transportation

Budget and Taxation

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**Prince George's County - Payment in Lieu of Taxes Agreements - Low-Income  
Housing  
PG 415-21**

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This bill authorizes Prince George's County to enter into a payment in lieu of taxes (PILOT) agreement with owners of specified low-income housing developments. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George's County property tax revenues may decrease beginning in FY 2022 to the extent that certain low-income housing developments are exempt from real property taxes. The amount of any decrease depends on the number and type of development projects taking place in the county and the assessed value of each affected property. County property tax decreases will be mitigated by negotiated agreements between the county and developers.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** Prince George's County may exempt real property from the county real property tax if:

- the real property is owned by a person engaged in constructing or operating housing structures or projects;

- the real property is used for a housing structure or project that (1) is acquired, constructed, or rehabilitated under a specified federal, State, or local government program for lower income housing or (2) is acquired under the right of first refusal program, as specified in the Prince George’s County Code;
- the owner and Prince George’s County agree to a negotiated PILOT agreement in place of the applicable county property tax; and,
- the owner of the real property (1) agrees to commence or continue to maintain the real property as rental housing for lower income persons under the requirements of specified government programs and agrees to renew any annual contributions contract or other agreement for rental subsidy or supplement or (2) enters into an agreement with the county to allow the entire property or the portion of the property that was maintained for lower income persons to remain as housing for lower income persons for a term of at least five years.

The real property may contain service facilities to serve its occupants and the surrounding neighborhood if the structure and facilities of the real property are predominantly used for residential purposes.

**Current Law:** Chapter 402 of 2012 authorized Prince George’s County to enter into a PILOT agreement for specified economic development projects located in designated focus areas. This authority was extended by Chapter 206 of 2020, which repealed the termination date for the existing authorization and broaden the authority to enable the county to enter into multiple PILOT agreements for different phases of an economic development project.

**Local Fiscal Effect:** Prince George’s County property tax revenues may decrease beginning in fiscal 2022 to the extent that certain low-income housing developments are exempt from real property taxes. The amount of any decrease depends on the number of low-income housing developments taking place and the assessed value of each affected property. For fiscal 2021, the county real property tax rate is \$1.374 per \$100 of assessed value. Property tax decreases will be mitigated by negotiated PILOT agreements between the county and developers.

**Exhibit 1** provides information on selected housing and economic characteristics for the legislative districts in Prince George’s County. The information is from the 2015-2019 American Community Survey released by the U.S. Census Bureau.

**Exhibit 1**  
**Selected Housing and Economic Characteristics – Prince George’s County Legislative Districts**

	District 21	District 22	District 23	District 24	District 25	District 26	District 27	District 47	Countywide
Occupied Housing Units	45,093	44,048	46,131	45,028	42,716	43,523	46,206	40,883	311,343
Percent Owner Occupied	56.8%	52.8%	77.8%	61.6%	67.4%	65.4%	87.2%	42.4%	62.1%
Percent Renter Occupied	43.2%	47.2%	22.2%	38.4%	32.6%	34.6%	12.8%	57.6%	37.9%
<i>Units in Structure</i>									
1 Unit Detached	41.6%	40.4%	63.9%	46.7%	51.8%	61.5%	85.8%	38.0%	51.8%
1 Unit Attached	17.2%	13.5%	19.1%	21.7%	22.3%	10.8%	9.5%	10.0%	15.6%
2 to 9 Units	7.0%	14.4%	4.9%	6.8%	7.3%	9.2%	1.1%	18.5%	9.4%
10 or More Units	33.7%	31.5%	11.6%	24.7%	17.4%	18.3%	2.2%	33.5%	22.7%
<i>Value of Owner Occupied Units</i>									
Less than \$100,000	3.0%	5.7%	2.2%	4.7%	5.5%	3.8%	2.4%	7.2%	4.2%
\$100,000 to \$199,999	9.4%	17.6%	7.4%	15.9%	15.5%	12.0%	4.1%	18.0%	12.7%
\$200,000 to \$299,999	27.9%	32.5%	25.0%	32.6%	38.6%	34.7%	26.0%	35.8%	32.2%
\$300,000 to \$499,999	48.1%	37.7%	51.8%	37.0%	34.9%	40.8%	49.3%	35.3%	41.9%
\$500,000 or More	11.8%	6.5%	13.6%	9.7%	5.4%	8.7%	18.1%	3.8%	8.9%
Median Home Value	\$327,500	\$282,700	\$345,500	\$290,100	\$277,000	\$298,600	\$358,100	\$271,600	\$302,800
<i>Rent as Percent of Household Income</i>									
Less than 15%	10.0%	10.7%	7.1%	11.0%	8.0%	11.7%	13.2%	10.5%	10.2%
15% to 24.9%	26.2%	26.3%	28.1%	25.3%	25.9%	31.6%	28.1%	23.0%	26.2%
25% to 34.9%	23.6%	22.8%	21.3%	23.2%	20.9%	22.6%	21.5%	22.3%	22.4%
35% or More	40.4%	40.2%	43.4%	40.3%	45.2%	34.1%	37.2%	44.2%	41.2%
<i>Household Income Distribution</i>									
Percent Below \$25,000	12.4%	11.2%	6.6%	11.4%	10.4%	9.1%	6.6%	15.2%	10.7%
\$25,000 to \$49,999	15.3%	19.0%	11.2%	15.5%	14.8%	14.0%	10.7%	22.4%	15.8%
\$50,000 to \$99,999	31.1%	36.0%	26.2%	33.6%	33.9%	32.7%	24.1%	35.8%	32.4%
\$100,000 or More	41.2%	33.7%	56.0%	39.3%	41.0%	44.0%	58.7%	26.6%	41.1%
Median Household Income	\$84,969	\$73,636	\$109,131	\$83,164	\$84,421	\$90,414	\$117,360	\$62,574	\$84,920
<i>Percent Below Poverty Level</i>									
Individuals	10.7%	9.6%	4.0%	8.2%	7.8%	7.4%	4.1%	12.4%	8.5%
Children	11.8%	12.8%	4.0%	12.5%	12.2%	10.8%	4.8%	16.9%	11.6%

Source: 2015-2019 American Community Survey; U.S. Census Bureau

## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Prince George's County; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2021  
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