



Bill Title: House Bill 1357, Howard County - Payment in Lieu of Taxes Agreements - Moderate Income Housing Ho. Co. 8-24

Committee: Budget and Taxation

Date: March 26, 2024

Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 1357 expands the Maryland payment-in-lieu-of-taxes (PILOT) law to enable Howard County to offer tax credits to property owners for the creation of new affordable housing units.

According to the National Low Income Housing Coalition, Maryland has a dearth of 146,000 affordable housing units. Local jurisdictions need every possible tool to address this deficit. Affordable housing projects often have tight budgets, and property taxes can be a significant ongoing expense. Offering a PILOT program can incentivize developers to build affordable housing by providing them with predictable, potentially reduced tax obligations, thus making the projects financially viable. Further, by reducing the financial burden on developers, PILOT programs can help increase the supply of affordable housing units in areas where they are desperately needed. This can contribute to alleviating housing affordability challenges and providing housing options for low- and moderate-income individuals and families.

For these reasons, we respectfully request a favorable report on House Bill 1357.

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