



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 327: Environment - Affordable Housing Payment In Lieu of Taxes Expansion Act

SPONSOR: Senator Shelly Hettleman

HEARING DATE: January 29, 2025 at 10:30AM

COMMITTEE: Budget and Taxation

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The office of the Acting Prince George's County Executive urges **SUPPORT** of **Senate Bill 327: Affordable Housing Payment In Lieu of Taxes Expansion Act**. The enabling legislation provides counties with another tool for creating and preserving much-needed affordable housing by empowering Maryland counties to enter into PILOT agreements with property owners who commit to maintaining long-term affordability for at least half of their rental units.

Specifically, the bill allows property owners of rental housing and county governments to enter into payment-in-lieu-of-taxes (PILOT) agreements. These agreements would require at least 50% of the rental housing units to be maintained as affordable dwelling units for at least 15 years.

Importantly, the bill does not amend existing PILOT authorizing statutes or affect local governments' discretion to grant PILOTs. Instead, it provides counties with broader authority to extend PILOT agreements to properties not currently eligible under state law. The Act would apply to all taxable years beginning after June 30, 2025.

Affordable housing remains a pressing issue in Maryland. According to the 2023 American Community Survey (ACS), one in three Maryland families is cost-burdened by rent or mortgage payments, with 53% of renters paying more than 30% of their income on housing. The National Low Income Housing Coalition's GAP report highlights Maryland's severe shortage of affordable rental housing for individuals with modest incomes. The report reveals that 36% of extremely low-income households are part of the labor force, 34% are seniors, and 15% are

individuals with disabilities. It is not surprising that U.S. News ranked Maryland 43rd among states for housing affordability.

Prince George's County's 2021 Economic Development Platform emphasizes the need for a diverse, dynamic, and sustainable ecosystem to drive economic growth for both the region and the state. The County's vision acknowledges that meaningful economic development cannot be achieved without addressing housing affordability and stability for all residents.

We greatly appreciate your consideration of **SB 327** and look forward to working together to ensure housing stability for all Marylanders, especially those most vulnerable.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS SB 327** and asks for a **FAVORABLE** report.