

January 29, 2025

The Honorable Guy Guzzone  
Chair, Budget & Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD, 21401

**RE: SB327 - Affordable Housing Payment In Lieu of Taxes Expansion Act**

Dear Chair Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB327- Affordable Housing Payment In Lieu of Taxes Expansion Act**. MBIA **Supports** the Act in its current version.

SB327 would authorize the owner of a real property used for rental housing and the governing body of a county to enter into a payment in lieu of taxes agreement for maintaining at least 50% of the rental housing units located at the property as affordable dwelling units for at least fifteen years. A Payments in Lieu of Taxes (“PILOT”) Agreement is a legal agreement between a property taxpayer and the taxing authority which allows a company to make property tax payments on an agreed schedule instead of paying the standard tax amount.

MBIA supports this proposal, the costs of projects across the board from land to interest rates has increases. Financial offsets are key to actually allowing new projects to take off. This provides a real property tax abatement in exchange for providing affordable units to low-income residents. SB327 would lower, or in some circumstances completely abates, for a period of years, on property taxes in Maryland on rental housing projects and would actually see a return on affordable housing.

Bottom line is that PILOT programs such as the one proposed through SB327 can be a useful tool to bring new investment to the state of Maryland and yield benefits to our current and future residents. For the reasons stated above, we would ask the committee to give SB327 a favorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Budget and Taxation Committee