



**MARYLAND**  
*Association of*  
**COUNTIES**

## **Senate Bill 774**

### ***Property Tax - Payment in Lieu of Taxes Agreements - Broadband Service Providers***

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Ways and Means Committee

Date: March 25, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 774 AS AMENDED**, as the adopted amendments address county concerns by preserving local fiscal flexibility while advancing rural broadband expansion.

The bill initially granted a permanent, broad-based tax exemption for rural broadband providers, shifting costs onto counties without requiring reinvestment in local communities. However, MACo's amendments ensure that counties retain the ability to negotiate fair and responsible tax policies, balancing broadband expansion with essential public funding needs.

Counties have been leaders in broadband expansion, investing in infrastructure, securing grants, and working directly with providers to connect unserved communities. These efforts have successfully increased broadband access while maintaining fiscal responsibility. The bill's amendments now allow counties to negotiate Payment in Lieu of Taxes (PILOT) agreements, allowing local governments to offer targeted tax incentives while ensuring providers contribute to the communities they serve.

**MACo appreciates the collaborative work to refine this bill. With these improvements, SB 774 strikes an appropriate balance — expanding broadband access while protecting county revenue streams for schools, public safety, roads, and essential services.**

For these reasons, MACo urges a **FAVORABLE** report on SB 774 **AS AMENDED**.