

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

BILL NUMBER: 66-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – BLUE OAKS AT NORTH ODENTON APARTMENTS, ODENTON, MARYLAND


SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with the development of Blue Oaks at North Odenton, a mixed-income rental community consisting of 150 apartment units located at 1570 - 1580 Annapolis Rd., Odenton Maryland 21113. The complex will provide rental housing for persons with limited incomes.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals \$55,550 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be \$11,637,959, under the assumption that the property will be approved as a Section 42 affordable housing complex. Absent a PILOT agreement, this property would generate approximately \$108,582 in County property tax revenue annually at the \$0.933 per \$100 assessment (current property tax rate). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by \$53,032.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about \$53,032 annually.


Chris Trumbauer
Budget Officer

6/17/2022
Date

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cc: Karin McQuade, Controller