

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 69-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

**BILL: AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES –
WILLOWS AT FOREST DRIVE, ANNAPOLIS, MARYLAND**

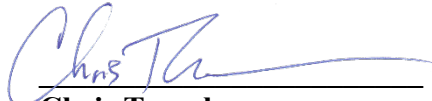
SUMMARY OF LEGISLATION

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 Willows at Forest Drive is a proposed fifty-eight (58) unit new construction family rental community located at 1701 Forest Drive in Annapolis.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals \$11,600 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 \$3,725,983, under the assumption that the property will be approved as an affordable housing complex. Absent a PILOT agreement, this property would generate approximately \$20,828 in County property tax revenue annually at the \$0.559 per \$100 assessment (current County property tax rate within the City of Annapolis city limit). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by \$9,228.

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 \$9,228 annually.


Chris Trumbauer
Budget Officer

6/17/2022
Date

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JL