

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

BILL NUMBER: 58-21

INTRO. DATE: June 7, 2021

FISCAL NOTE

**BILL: AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES –
PARK VIEW AT FURNACE BRANCH, GLEN BURNIE, 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 Park View at Furnace Branch, which is an existing 101 unit multi-family community serving seniors in Glen Burnie, located at 7466 Furnace Branch Road. This property received County Council approval for a PILOT in August 2002 under a previous owner. As the property undergoes renovations, the project will be syndicated and sold to a new owner controlled by the Enterprise Community Development, Inc. The existing PILOT agreement is with the owner rather than the land, and will no longer be valid once the project is under new ownership.

FISCAL IMPACT

The existing PILOT agreement stipulates that the property payment be \$20,300 (or \$201 per unit) in the first year of the agreement, and the annual payment increase by 4% each subsequent year. The newly proposed PILOT agreement provides for a payment of \$25,250 (or \$250 per unit) in the first year of the agreement, with an annual payment increase of 4% in each subsequent year. **Exhibit 1** compares the estimated fiscal year (FY) 2022 payment under the proposed PILOT, existing PILOT (based on an FY 2021 payment of \$39,348), and full property tax assessment without a PILOT (based on the current property value). As shown in the chart, the FY 2022 payment under the proposed PILOT is an estimated \$15,672 less than the payment would be if the current PILOT remained in place, and an estimated \$35,970 less than required if full property taxes were assessed.

Exhibit 1	
Park View at Furnace Branch PILOT Comparison	
	<u>FY 2022</u> <u>Estimated Payment</u>
Proposed PILOT Agreement	\$25,250
Existing PILOT Agreement	\$40,922
<i>Difference from Proposed PILOT Agreement</i>	<i>\$15,672</i>
Property Tax (No PILOT Agreement)	\$61,220
<i>Difference from Proposed PILOT Agreement</i>	<i>\$35,970</i>

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 FY 2022 estimated assessment and property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about \$35,970 annually, without taking into account the existing PILOT that expires with the transfer of ownership.



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Budget Officer

6/3/2021

Date

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cc: Karin McQuade, Controller