

Chapter 248

(House Bill 1010)

AN ACT concerning

**Prince George’s County – Payment in Lieu of Taxes Agreements – Low–Income Housing**

**PG 415–21**

FOR the purpose of authorizing the governing body of Prince George’s County to enter into an agreement with an owner of real property who is engaged in constructing or operating housing structures or projects for the payment of a negotiated amount in lieu of county property taxes on the property; requiring property that is subject to a payment in lieu of taxes agreement to be used for a housing structure or project that is ~~constructed~~ acquired, constructed, or rehabilitated under certain programs or acquired under a certain county program; requiring the owner of real property subject to a payment in lieu of taxes agreement to agree to certain requirements for the use of the property for low–income housing; authorizing real property subject to a payment in lieu of taxes agreement to include certain service facilities; providing that real property subject to a payment in lieu of taxes agreement is exempt from county property tax when certain requirements are met; defining a certain term; and generally relating to payment in lieu of taxes agreements for low–income housing in Prince George’s County.

BY adding to  
Article – Tax – Property  
Section 7–506.3  
Annotated Code of Maryland  
(2019 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Tax – Property**

**7–506.3.**

**(A) (1) IN THIS SUBSECTION, “SERVICE FACILITIES” INCLUDES NONDWELLING COMMERCIAL AND COMMUNITY FACILITIES, COMMUNITY ROOMS, DINING HALLS, INFIRMARIES, CHILD AND ADULT DAY CARE FACILITIES, AND DRUG REHABILITATION FACILITIES.**

**(2) IN PRINCE GEORGE’S COUNTY, REAL PROPERTY MAY BE EXEMPT FROM COUNTY PROPERTY TAX IF:**

**(I) THE REAL PROPERTY IS OWNED BY A PERSON ENGAGED IN CONSTRUCTING OR OPERATING HOUSING STRUCTURES OR PROJECTS;**

**(II) THE REAL PROPERTY IS USED FOR A HOUSING STRUCTURE OR PROJECT THAT:**

**1. IS ~~CONSTRUCTED~~ ACQUIRED, CONSTRUCTED, OR REHABILITATED UNDER A FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAM THAT:**

**A. FUNDS CONSTRUCTION OR REHABILITATION OR INSURES THE FINANCING OF CONSTRUCTION OR REHABILITATION IN WHOLE OR IN PART, INCLUDING A HOUSING INVESTMENT TRUST; OR**

**B. PROVIDES INTEREST SUBSIDY, RENT SUBSIDY, OR RENT SUPPLEMENTS; OR**

**2. IS ACQUIRED UNDER THE RIGHT OF FIRST REFUSAL PROGRAM UNDER SUBTITLE 13, DIVISION 14 OF THE PRINCE GEORGE'S COUNTY CODE;**

**(III) THE OWNER AND THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY AGREE THAT THE OWNER SHALL PAY A NEGOTIATED AMOUNT IN LIEU OF THE APPLICABLE COUNTY PROPERTY TAX; AND**

**(IV) THE OWNER OF THE REAL PROPERTY:**

**1. A. AGREES TO COMMENCE OR CONTINUE TO MAINTAIN THE REAL PROPERTY AS RENTAL HOUSING FOR LOWER INCOME PERSONS UNDER THE REQUIREMENTS OF THE GOVERNMENT PROGRAMS DESCRIBED IN ITEM (II) OF THIS PARAGRAPH; AND**

**B. AGREES TO RENEW ANY ANNUAL CONTRIBUTIONS CONTRACT OR OTHER AGREEMENT FOR RENTAL SUBSIDY OR SUPPLEMENT; OR**

**2. ENTERS INTO AN AGREEMENT WITH THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY TO ALLOW THE ENTIRE PROPERTY OR THE PORTION OF THE PROPERTY THAT WAS MAINTAINED FOR LOWER INCOME PERSONS TO REMAIN AS HOUSING FOR LOWER INCOME PERSONS FOR A TERM OF AT LEAST 5 YEARS.**

**(3) IF THE STRUCTURE AND FACILITIES OF THE REAL PROPERTY ARE USED PREDOMINANTLY FOR RESIDENTIAL PURPOSES, THE REAL PROPERTY MAY CONTAIN SERVICE FACILITIES TO SERVE ITS OCCUPANTS AND THE SURROUNDING NEIGHBORHOOD.**

**(B) REAL PROPERTY DESCRIBED IN SUBSECTION (A) OF THIS SECTION IS EXEMPT WHEN THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION ARE MET.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

**Approved by the Governor, May 18, 2021.**