

Chapter 208

(House Bill 444)

AN ACT concerning

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

PG 403–23

FOR the purpose of authorizing the governing body of Prince George’s County to enter into a payment in lieu of taxes agreement with an owner of real property that is used for low–income housing that is financed through the county’s Right of First Refusal program or acquired, constructed, or rehabilitated for the purpose of operating the low–income housing; and generally relating to payment in lieu of taxes agreements for low–income housing in Prince George’s County.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–506.3
Annotated Code of Maryland
(2019 Replacement Volume and 2022 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 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 **OR FINANCED** under the Right of First Refusal program under Subtitle 13, Division 14 of the Prince George's County Code; **OR**

3. IS ACQUIRED, CONSTRUCTED, OR REHABILITATED FOR THE PURPOSE OF OPERATING RENTAL HOUSING FOR LOWER INCOME PERSONS;

(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, 2023.

Approved by the Governor, April 24, 2023.