

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 949 (Calvert County Delegation)  
Ways and Means

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**Calvert County - Payment in Lieu of Taxes Agreements - Qualified Data Centers**

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This bill authorizes Calvert County to enter into a negotiated payment in lieu of taxes (PILOT) agreement with the owner of a qualified data center that is located or locates in the county. **The bill takes effect June 1, 2025, and applies to taxable years beginning after June 30, 2025.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Calvert County property tax revenues may decrease beginning in the fiscal year in which a qualified data center is located in the county. The amount of any revenue decrease depends on the number of data centers that are located in the county and the assessed value of each affected property. Any such decrease in county property tax revenues will be mitigated by negotiated PILOT agreements between the county government and data center owners.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** An agreement for a negotiated PILOT must provide that, for the term specified in the agreement (1) the owner must pay to the county a specified amount each year in lieu of the payment of county real, operating real, operating personal, or qualified data center personal property tax and (2) all or a specified part of the real, operating real, operating personal, or qualified data center personal property at the qualified data center must be exempt from county property tax for the term of the agreement.

Upon the written request of Calvert County, the State Department of Assessments and Taxation must assess the real, operating real, operating personal, or qualified data center personal property of the owner of a qualified data center with whom the county has entered into a PILOT agreement.

**Current Law:** A PILOT is an agreement between a jurisdiction and a developer, business, or landowner that substitutes a negotiated payment for annual real estate taxes that are traditionally due on a property. Calvert County public local laws authorize PILOTs for certain local utilities. The [Guide to Local Government Taxing Authority](#) provides an overview on each county government’s statutory authority to impose a PILOT agreement with property owners.

**Local Fiscal Effect:** Calvert County property tax revenues may decrease beginning in the fiscal year in which a qualified data center is located in the county to the extent that the data center property is exempt from real and personal property taxes. The amount of any such revenue decrease depends on the number of data centers that are located in the county and the assessed value of each affected property. For fiscal 2025, the county real property tax rate is set at \$0.9670 per \$100 of assessed value. Property tax decreases will be mitigated by negotiated PILOT agreements between the county government and data center owners.

There are no data centers currently located in Calvert County. The Department of Commerce reports that there are currently six qualified data centers in the State – two in Anne Arundel County, one in Frederick County, two in Howard County, and one in Montgomery County.

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### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Calvert County; State Department of Assessments and Taxation; Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2025  
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