

March 11, 2025

Hon. Kate Stewart
President, Montgomery County Council
100 Maryland Ave., 6th Floor
Rockville, MD 20850

Re: Expedited Bill 2-25, Taxation - Payments in Lieu of Taxes - Affordable Housing - Amendments

Dear President Stewart,

The Maryland Building Industry Association (MBIA) representing over 1,100 member companies across Maryland, with a significant portion located in Montgomery County is submitting testimony in **support** of Bill 2-25.

The proposed legislation would introduce a tax incentive for the conversion of vacant commercial properties, office or retail to residential developments. Properties converting from commercial to residential use—and meeting the minimum 50 percent vacancy threshold at the time of application—are eligible for a Payment in Lieu of Taxes (PILOT). The bill would exempt the owner from paying property taxes for a period of 25 years, provided the development meets affordability requirements.

This financial incentive is designed to offset redevelopment costs and attract investment in projects that yield both a revitalized built environment and increased affordable housing. We support this bill with a couple recommendations to expand the existing uses so that it is more flexible to downtown areas that need to spur redevelopment.

- Line 34 expand to “commercial, commercial/residential, employment, industrial or overlay use”
- Remove section (B) lines 38-40 – don’t restrict to only expedited, keep as flexible as possible.

The industry appreciates the opportunity to provide feedback and would urge the council to consider our recommendations and adopt Bill 2-25.

Please do not hesitate to reach out with any questions or comments regarding the industry’s position.

Thank you,

Griffin Benton
Vice President