

Resolution No.: 17-1169
Introduced: July 22, 2014
Adopted: July 22, 2014

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to Resolution 17-1111, Approval and Appropriation for the FY 2015 Operating Budget of the Montgomery County Government, Budget Provision 49, Cumulative Maximum for Non-HOC PILOT Tax Abatement

Background

1. On May 22, 2014 the County Council approved Resolution 17-1111, Approval and Appropriation for the FY 2015 Operating Budget of the Montgomery County Government. Budget Provision 49 requires the Director of Finance to maintain a record of all payment-in-lieu-of-taxes (PILOT) agreements and estimate the amount of property taxes abated for each of the next 10 fiscal years. The Director of Finance must not sign any PILOT agreement that would exceed the approved limits. The limits do not apply to properties owned or operated by the Housing Opportunities Commission.
2. Payment-in-lieu-of-taxes agreements are an important tool in financing the development of affordable housing.
3. A recent analysis conducted by the Department of Housing and Community Affairs indicates that due to increases in property assessment values, increases in the average homeowner tax credit amount, and the need to respond to pending PILOT requests, PILOT limits for FY 2016 through FY 2024 need to be increased. The PILOT limit for FY 2015 does not need to be adjusted.
4. The County Executive recommends the Council amend Budget Provision 49 to increase FY 2016 through FY 2024 annual limits for non-HOC PILOTS.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The Council amends Resolution 17-1111, Budget Provision 49 as follows:

The Director of Finance must maintain a record of all payment-in-lieu-of-taxes (PILOT) agreements currently in effect under the Tax-Property Article of the Maryland Code. The record must estimate (in current year dollars) the amount of property taxes abated for

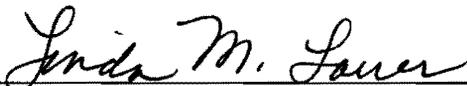
each agreement for each of the next 10 fiscal years. As authorized by County Code Section 52-18M, the Director of Finance may sign payment-in-lieu-of-taxes agreements for affordable housing that abate annual property tax revenues, up to the following annual limits, for all properties not owned or operated by the Housing Opportunities Commission:

Cumulative Maximum for Non-HOC PILOT Tax Abatements

FY15	\$11,231,278
FY16	\$12,803,659
FY17	\$13,699,915
FY18	\$16,165,900
FY19	\$17,297,513
FY20	\$18,162,389
FY21	\$19,070,508
FY22	\$20,024,034
FY23	\$20,624,755
FY24	\$21,243,497

The Director of Finance must not sign any payment-in-lieu-of-taxes agreement that would increase the total amount of abated property tax revenues above any of the listed annual limits without prior approval of the Council by resolution.

This is a correct copy of Council action:



Linda M. Lauer, Clerk of the Council