

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2022 Legislative Session

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| Reference No.: | CB-057-2022 |
| Draft No.: | 1 |
| Committee: | Government Operations and Fiscal Policy Committee |
| Date: | 09/08/2022 |
| Action: | FAV (A) |

REPORT: Favorable as amended 4-0: Council Members Burroughs, Franklin, Ivey, and Turner. Absent: Streeter.

The Prince George's County Council's Government Operations and Fiscal Policy Committee convened on September 8, 2022, to consider CB-057-2022. As proposed, CB-057-2022 establishes an automatic revitalization tax credit of 100% of the first five years in increased property taxes generated by new high-density transit-oriented development projects and projects that include the headquarters or regional offices of Fortune 1000 companies that meet certain size thresholds. In addition, these developments would have to have an approved Supplier Diversity and Equity Plan, referenced in CB-057-2022. The bill's goal is to accelerate the attraction of high-value economic development projects that have long alluded the County at transit locations.

The Office of Law reports CB-057- 2022 to be in proper legislative form with no legal impediments to its enactment.

The Policy Group reports that CB-057-2022 will have an adverse direct fiscal impact equivalent to the amount of the credits awarded for newly eligible construction. However, it is important to note that the credits are limited to the increased assessment attributable to the improvements and are limited to five years. Thus, to the extent that the credit incentivizes improvements that would otherwise not happen, this adverse impact may offset the increase in tax revenues collected over the long term. Indirect impact enactment of CB-057-2022 will likely have a favorable indirect fiscal impact on the County related to the increase in the development around Major Transit Oriented Development.

After discussion, the Prince George's County Council's Government Operations and Fiscal Policy Committee reported CB-057-2022 out favorably, 4-0.