

PAYMENT IN LIEU OF TAXES (PILOT) OPTION FOR LOCAL GOVERNMENTS

Senate Bill 432 - Senator Wayne Schmidt



SUMMARY OF BILL

Would allow local governments the ability to develop PILOT policies and enter into PILOT agreements with developers who are building or rehabbing affordable housing units.

HOW DOES IT WORK?

Currently, many local governments allow PILOTs for developments as part of the developers process to be awarded low-income housing tax credits through MSHDA. However, local governments don't have discretion to award a PILOT unless the developer is applying for and awarded the highly competitive MSHDA tax credits. This legislation would allow local governments the discretion to allow PILOT agreements for developments that are not applicants for state or federal tax credits, thus allowing a needed tool for governments and developers/builders to partner together to address local workforce housing needs.

The local unit of government would work with developers to determine the details of the PILOT, including the agreement length, amount, target Area Median Income (AMI), project type, etc.