

SENATE BILL 664  
EMERGENCY BILL

Unofficial Copy  
C8

1998 Regular Session  
8lr2455  
CF 8lr2456

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By: **Senator McFadden**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Taxes - Property of Housing Authorities**

3 FOR the purpose of clarifying the applicability of a certain provision providing a tax  
4 exemption and providing for payments in lieu of taxes for property of a housing  
5 authority; making this Act an emergency measure; and generally relating to a  
6 tax exemption and payments in lieu of taxes for certain property of a housing  
7 authority.

8 BY repealing and reenacting, with amendments,  
9 Article 44A - Housing Authorities  
10 Section 1-104  
11 Annotated Code of Maryland  
12 (1994 Replacement Volume and 1997 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article 44A - Housing Authorities**

16 1-104.

17 (a) (1) IN THIS SECTION, "ENTITY RELATED TO AN AUTHORITY" MEANS AN  
18 ENTITY:

19 (I) THAT IS WHOLLY OWNED BY AN AUTHORITY; OR

20 (II) IN WHICH AN AUTHORITY OR AN ENTITY WHOLLY OWNED BY  
21 AN AUTHORITY HAS AN OWNERSHIP INTEREST.

22 [(1)] (2) The property of an authority or of a nonprofit housing  
23 corporation OR ANY PROPERTY USED AS HOUSING FOR PERSONS OF ELIGIBLE  
24 INCOME THAT IS OWNED BY AN ENTITY RELATED TO AN AUTHORITY, is declared to be  
25 used for essential public and governmental purposes and such property and an  
26 authority shall be exempt from all taxes and special assessments of the city, the  
27 county, the State, or any political subdivision thereof.

1            [(2)]    (3)    In lieu of such taxes and special assessments, an authority, AN  
2 ENTITY RELATED TO AN AUTHORITY, or a nonprofit housing corporation shall make  
3 payments to the city, the county, or the political subdivision of the State in which a  
4 housing project is wholly or partly located in such amount, if any, as may be set by  
5 mutual agreement between such authority, ENTITY RELATED TO AN AUTHORITY, or  
6 nonprofit housing corporation and the city, the county, or the political subdivision of  
7 the State; provided, however, that the sum to be paid to the local government shall  
8 not exceed an amount equal to the regular taxes levied upon similar property.

9            (b)    (1)    Except as set forth in paragraph (2) or (3) of this subsection, all real  
10 property of an authority shall be exempt from levy and sale by virtue of an execution,  
11 and no execution or other judicial process shall issue against the same nor shall any  
12 judgment against an authority be a charge or lien upon its real property.

13            (2)    The provisions of paragraph (1) of this subsection shall not limit a  
14 right to foreclose or otherwise enforce:

15                    (i)    Any mortgage or deed of trust recorded against any property of  
16 an authority; or

17                    (ii)   Any pledge or lien given by an authority on its rents, fees, or  
18 revenues.

19            (3)    The provisions of paragraphs (1) and (2) of this subsection may not  
20 deprive any city or county of its right to collect any service charge agreed upon in lieu  
21 of taxes in the same manner as all such taxes are now, or may hereafter be, collectible  
22 under the laws of this State and of said cities or counties.

23            SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
24 measure, is necessary for the immediate preservation of the public health and safety,  
25 has been passed by a ye and nay vote supported by three-fifths of all the members  
26 elected to each of the two Houses of the General Assembly, and shall take effect from  
27 the date it is enacted.