

SB0356/459537/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 356
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in their entirety lines 2 and 3 and substitute “Baltimore City – Property Tax Exemption - Low Income Housing”; in line 5, after “property” insert “located in Baltimore City”; in lines 6 and 7, in each instance, strike “limited liability company” and substitute “business entity”; in line 9, strike “making conforming changes” and substitute “authorizing a certain agreement to provide an abatement or reduction of certain property taxes subject to a certain limitation under a certain circumstance; requiring a certain division of certain negotiated payments in lieu of taxes for certain property; defining a certain term”; in line 10, after “exemption” insert “in Baltimore City”; in line 12, strike “repealing and reenacting, with amendments,” and substitute “adding to”; and in line 14, strike “7-503” and substitute “7-503.1”.

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 20 on page 1 through line 32 on page 3, inclusive, and substitute:

“7-503.1.

(A) (1) IN THIS SECTION, “ESSENTIAL SERVICE FACILITIES” INCLUDES DINING HALLS, COMMUNITY ROOMS, AND INFIRMARIES.

(2) REAL PROPERTY LOCATED IN BALTIMORE CITY THAT MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION IS NOT SUBJECT TO PROPERTY TAX IF THE OWNER OF THE REAL PROPERTY IS:

(I) 1. A. A PERSON WHO MEETS THE OWNERSHIP REQUIREMENTS OF § 7-202 OF THIS TITLE;

(Over)

B. A NONPROFIT CORPORATION THAT IS EXEMPT FROM INCOME TAX UNDER § 10-104 OF THE TAX – GENERAL ARTICLE;

C. A LIMITED LIABILITY COMPANY THAT IS WHOLLY OWNED BY A NONPROFIT CORPORATION THAT IS EXEMPT FROM INCOME TAX UNDER § 10-104(2) OF THE TAX – GENERAL ARTICLE; OR

D. A NONPROFIT HOUSING CORPORATION AS DEFINED IN § 12-104(B) OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE; AND

2. ENGAGED SOLELY IN CONSTRUCTING, OPERATING, OR MANAGING RENTAL HOUSING AND OTHER RELATED ESSENTIAL SERVICE FACILITIES THAT:

A. ARE SUBSTANTIALLY COMPLETED OR SUBSTANTIALLY REHABILITATED ON AND AFTER JULY 1, 1973;

B. ARE PARTIALLY OR TOTALLY FINANCED UNDER A GOVERNMENT PROGRAM THAT PROVIDES HOUSING FOR LOW INCOME FAMILIES; AND

C. ARE OPERATED ON A NONPROFIT BASIS WITH THE REVENUES FROM THE OPERATION OF THE HOUSING AND FACILITIES CONTROLLED UNDER THE GOVERNMENT PROGRAM IN ORDER NOT TO PRODUCE ANY NET INCOME; OR

(II) 1. A LIMITED PARTNERSHIP WHOSE MANAGING GENERAL PARTNER IS:

A. A HOUSING AUTHORITY AS DEFINED IN § 12-101 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE;

B. A NONPROFIT CORPORATION THAT IS EXEMPT FROM INCOME TAX UNDER § 10-104(2) OF THE TAX – GENERAL ARTICLE;

C. A LIMITED LIABILITY COMPANY THAT IS WHOLLY OWNED BY A NONPROFIT CORPORATION THAT IS EXEMPT FROM INCOME TAX UNDER § 10-104(2) OF THE TAX – GENERAL ARTICLE; OR

D. A FOR PROFIT CORPORATION IN WHICH 100% OF THE STOCK IS OWNED BY A NONPROFIT CORPORATION THAT IS EXEMPT FROM INCOME TAX UNDER § 10-104(2) OF THE TAX – GENERAL ARTICLE; AND

2. ENGAGED IN THE OPERATION, CONSTRUCTION, OR MANAGEMENT OF A QUALIFIED LOW INCOME HOUSING PROJECT AS DEFINED IN THE INTERNAL REVENUE CODE.

(B) THE REAL PROPERTY DESCRIBED IN SUBSECTION (A) OF THIS SECTION MAY BE EXEMPT FROM PROPERTY TAX ONLY IF:

(1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY ENTER INTO AN AGREEMENT WITH THE OWNER OF REAL PROPERTY DESCRIBED IN SUBSECTION (A) OF THIS SECTION; AND

(2) UNDER THE AGREEMENT THE OWNER PAYS BALTIMORE CITY A NEGOTIATED AMOUNT IN LIEU OF THE PROPERTY TAX.

(C) (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, AN AGREEMENT UNDER SUBSECTION (B) OF THIS SECTION MAY PROVIDE FOR ABATING OR REDUCING PROPERTY TAX PREVIOUSLY IMPOSED ON THE REAL PROPERTY.

(2) FOR AN AGREEMENT CONCERNING REAL PROPERTY DESCRIBED UNDER SUBSECTION (A)(2)(I)1D OF THIS SECTION, THE ABATEMENT OR REDUCTION OF PROPERTY TAX PREVIOUSLY IMPOSED IS FROM THE DATE DURING THE TAXABLE YEAR WHEN THE INSTRUMENT TRANSFERRING TITLE TO THAT REAL PROPERTY WAS RECORDED.

(D) FOR PROPERTY DESCRIBED IN SUBSECTION (A)(2)(I) OF THIS SECTION, ANY AMOUNT NEGOTIATED UNDER THIS SECTION IN LIEU OF PROPERTY TAX SHALL BE DIVIDED BETWEEN THE STATE AND BALTIMORE CITY IN THE RATIO THAT THE TAX RATE OF THE STATE AND BALTIMORE CITY EACH BEARS TO THE TOTAL OF THE TAX RATES OF THE STATE AND BALTIMORE CITY.”