

Continued

giving it proper care. It is claimed, however, by Mr. Chapman, in behalf of his client, that the Hospital being the equitable owner of the property which is not now suited for any other purpose, that it should not have been assessed for taxation so long as the Provident Hospital was the equitable owner, although it was not actually used by the Hospital. This position, in view of Article 81, Section 7, Sub-section 8 of the Code, cannot be legally tenable, since the statute specifically states that in order to be exempt the property must be "necessary" for the use of the hospital.

With respect to the theory that the Hospital is the equitable owner of the property, and, therefore, the property should be exempt from taxation, the case of Knights of Pythias vs. Baltimore, 157 Md. 542, is directly in point here. Here the Knights of Pythias incorporated for charitable and benevolent purposes, caused the incorporation of a "Building Commission" to acquire land and erect a building thereon, holding title to the building and retaining possession during construction. The property was assessed to the Building Commission, and not to the Lodge. The Court held that:

"In controversies involving the construction of revenue laws which relate to the assessment, levy, imposition and collection of taxes, the Court is governed by rules of law and not by principles of equity, and, consequently, cannot allow an exemption which is not within either the letter or spirit of the statute."

Although it is probably true that in the event the property is sold for taxes it will not bring the amount due to the City of Baltimore, and Mr. Chapman's client will have to either purchase the property or lose her entire investment in the ground rents, in view of the foregoing authorities, there is nothing that the City of Baltimore can legally do to protect the equitable interests of the parties involved, since the statute must be strictly construed, and the point involved has been decided by the Court of Appeals in the case of Knights of Pythias vs. Baltimore, 157 Md. ⁵⁴² 452.

Very truly yours,

(signed) HECTOR J. CIOTTI

Assistant City Solicitor

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