

FILE NO. 74468r

June 1, 1942

Mr. George A. Carter  
Highways Engineer  
Municipal Office Building  
Baltimore, Maryland

Dear Mr. Carter:

On May 26th, 1942, you wrote me with reference to the levying of special paving taxes on the property owned by the Housing Authority of Baltimore abutting on Gusryan Street, from O'Donnell Street to Cardiff Avenue, in connection with the construction of a housing development at this location. I understand from my telephone conversation with Mr. Fischer that one-half of the cost of this improvement is being borne by the Housing Authority. It is my further understanding that the Housing Authority is the owner of all of the abutting property which would be subject to the special paving tax, if any.

This creates a situation where the abutting property owner is contributing to the cost and hence is not liable for the paving assessment. The fact that in this situation the property owner and the developer are one and the same person raises no particular difficulty as the Housing Authority is in the business of renting and not of selling and will continue to be the owner of the property. Hence no one else can be contemplated as being required to contribute to the cost of this improvement. It is not my opinion that the exemption from local taxation constitutes an exemption from special assessments. If this improvement were made entirely from funds of the City of Baltimore or of the State of Maryland, with no contribution from the Housing Authority as owner of the abutting property, the Housing Authority would be subject to the special paving tax.

In connection with this letter, I would like to call your special attention to an opinion by Mr. Wyszceki, dated March 31, 1942, on the question of special paving taxes and also my letter to the Chief Engineer dated April 1, 1942, which enclosed Mr. Wyszceki's opinion with the comment that we are reluctant to regard all federal funds collected under the War Acts as actual funds of the United