

WHEREAS, THE GENERAL ASSEMBLY OF MARYLAND HAS DETERMINED THAT IT IS NECESSARY AND ADVISABLE TO GRANT TO LOCAL SUBDIVISIONS THE AUTHORITY TO ENTER INTO AGREEMENTS WITH PRIVATE NONPROFIT ORGANIZATIONS FOR PAYMENTS IN LIEU OF TAXES ON REAL PROPERTY OWNED BY THEM, PROVIDED THAT SUCH REAL PROPERTY IS RESTRICTED TO THE PURPOSES SET FORTH ABOVE; AND

WHEREAS, the General Assembly of Maryland desires to encourage eligible nonprofit corporations to create such housing facilities for aged and handicapped persons, and desires to help assure the ability of such nonprofit corporations to operate and manage such housing and related essential facilities by minimizing public taxes and charges levied against them; now, therefore,

SECTION 1. *Be it enacted by the General Assembly of Maryland, That a new section 12H be and it is hereby added to Article 81 THAT A NEW SUBSECTION 7(A)(I) BE AND IT IS HEREBY ADDED TO SECTION 9 OF ARTICLE 81 of the Annotated Code of Maryland (1965 Replacement Volume), title "Revenue and Taxes," subtitle "What Shall be Taxed and Where," to follow immediately after Section 12G thereof, and to TITLE "REVENUE AND TAXES," SUBTITLE "EXEMPTIONS—HOSPITALS, CHARITABLE INSTITUTIONS, ETC.," TO FOLLOW IMMEDIATELY AFTER SUBSECTION 7(A) THEREOF, AND TO read as follows:*

*12H.*

*(a) There is hereby granted and created a tax credit equal to the sum of ordinary taxes levied upon assessments of all property of nonprofit corporations described in subsection (b) hereof owning newly constructed housing facilities for elderly or handicapped families financed, constructed and operated pursuant to Section 202 of the National Housing Act of 1959, as amended, and such credit shall apply to all taxable years beginning after June 30, 1966.*

*(b) The tax credit created by this section shall apply to nonprofit corporations exempt from income taxation under the provisions of Section 233(g) of this Article, engaged solely in the construction, operation and management of multi-family rental housing structures and such related facilities as dining halls, community rooms, infirmaries and other essential service facilities newly constructed after September 23, 1959, ninety-five per cent (95%) or more of the cost of which was financed under Section 202 of the National Housing Act of 1959, as amended, and which rent housing facilities exclusively to elderly or handicapped families.*

*(c) For the purpose of this section, "construction" excludes alteration, conversion, rehabilitation, renovation or remodeling; "cost" means cost of construction of multi-family housing structures and other related facilities and of the land on which it is located, including necessary on-site and off-site improvements; "elderly or handicapped families" means families which consist of two or more persons and the head of which (or his spouse) is 62 years of age or over or is handicapped, and such term also means a single person who is 62 years of age or over or is handicapped and a person shall be considered handicapped if such person has a physical impairment*