

REQUIRING political subdivisions to enter into agreements with certain institutions, organizations and corporations for a payment in lieu of real property taxes in connection with the construction, operation and management of certain senior citizens housing.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 9(7) (a-1) of Article 81 of the Annotated Code of Maryland (1969 Replacement Volume), title "Revenue and Taxes," subtitle "What Shall Be Taxed and Where," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

9(7).

(a-1) In any case in which real property owned by such institutions or organizations or by any nonprofit corporation exempt from income taxation under the provisions of Section 288 [(g)] (d) 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 percent (95%) or more of the cost of which was financed under the loan program of the United States government provided for under the senior citizens housing program pursuant to Section 202 of the national Housing Act of 1959, as amended, or any other program of the United States government under which such institution, organization or nonprofit corporation provides housing for senior citizens, shall yield rental revenues which are controlled under such loan program of the United States government so as not to produce any net income and to be operated on a nonprofit basis, the political subdivision in which such property is located ~~is authorized to~~ SHALL enter into an agreement with any such institution, organization or corporation for the payment of a negotiated sum or sums in lieu of taxes, and, upon approval of said agreement by the executive body of such subdivision, and in Baltimore City by the Board of Estimates of the Mayor and City Council of Baltimore, the negotiated payment shall be in lieu of all State and local assessments and taxes upon real property under this article; and said agreement may include the abatement or reduction of any previous tax assessment upon said property. Said payment shall be divided between the State and such political subdivision in accordance with the ratio which the rate of tax imposed by the State bears to the rate of tax imposed by such political subdivision.

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1971.

Approved May 24, 1971.

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CHAPTER 637

(Senate Bill 94)

AN ACT to add new Sections 157N through 157U, inclusive, to Article 56 of the Annotated Code of Maryland (1968 Replacement Volume and 1970 Supplement), title "Licenses," to follow imme-