

3. A NONPROFIT HOUSING CORPORATION AS DEFINED IN ARTICLE 44A, § 3 OF THE CODE; AND

(II) THE OWNER OF THE REAL PROPERTY IS ENGAGED SOLELY IN CONSTRUCTING, OPERATING, OR MANAGING RENTAL HOUSING AND OTHER RELATED ESSENTIAL SERVICE FACILITIES THAT:

1. ARE SUBSTANTIALLY COMPLETED OR SUBSTANTIALLY REHABILITATED ON AND AFTER JULY 1, 1973, OR, IN MONTGOMERY COUNTY, SUBSTANTIALLY COMPLETED OR SUBSTANTIALLY REHABILITATED ON AND AFTER JANUARY 1, 1968;

2. ARE FINANCED UNDER A GOVERNMENT PROGRAM THAT PROVIDES HOUSING FOR LOW INCOME FAMILIES; AND

3. 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.

(B) PROCEDURE FOR EXEMPTION.

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

(1) THE GOVERNING BODY OF THE POLITICAL SUBDIVISION WHERE THE REAL PROPERTY IS LOCATED APPROVES AN AGREEMENT BETWEEN:

(I) THE POLITICAL SUBDIVISION AND THE OWNER FOR REAL PROPERTY DESCRIBED IN SUBSECTION (A)(2)(I)1. AND 2. OF THIS SECTION; OR

(II) THE COUNTY AND, WHERE APPLICABLE, MUNICIPAL CORPORATION AND THE OWNER FOR REAL PROPERTY DESCRIBED IN SUBSECTION (A)(2)(I)3. OF THIS SECTION; AND

(2) UNDER THE AGREEMENT THE OWNER PAYS THE POLITICAL SUBDIVISION OR THE COUNTY AND, WHERE APPLICABLE, MUNICIPAL CORPORATION A NEGOTIATED AMOUNT IN LIEU OF THE PROPERTY TAX.

(C) REFUND OF TAXES.

(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)3. 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) DISTRIBUTION OF PAYMENTS.