

WILLIAM DONALD SCHAEFER, Governor

the Annotated Code of Maryland, now recodified as § 7-202(b) of the Tax - General Article.

While I recognize that health maintenance organizations are important factors in providing quality medical services to the residents of Maryland, I also believe that special exemptions from property taxes should be sparingly granted. The provisions of current Maryland law, that an otherwise eligible organization is entitled to a tax exemption only for property used for a "charitable or educational purpose," represents sound tax policy and has served the State well. All other health care providers, including non-profit hospitals, must meet the same tests as are applicable to health maintenance organizations.

Further, if special treatment is now given to health maintenance organizations, we can expect many other non-profit organizations that do not enjoy tax exemptions under current law to demand similar treatment. This would not be a desirable use of State and local tax revenues.

For these reasons, I have vetoed Senate Bill 801.

Sincerely,  
William Donald Schaefer  
Governor

Senate Bill No. 801

AN ACT concerning

Property Tax - Health Maintenance Organizations

FOR the purpose of exempting from property tax certain nonprofit property owned by certain health maintenance organizations.

~~BY-repealing-and-reenacting,-with-amendments,-~~

BY adding to

Article - Tax - Property  
Section ~~7-202(b)(1)~~ 7-206.1  
Annotated Code of Maryland  
(1986 Volume and 1987 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - Property