

REHABILITATION MORTGAGE CREDIT CERTIFICATE TO OFFSET STATE TAXES UNDER THIS SUBSECTION, THE LENDING INSTITUTION SHALL REFUND THE EXCESS TO THE BUSINESS ENTITY OR INDIVIDUAL WITH INTEREST AT A RATE PRESCRIBED BY THE DIRECTOR ANY INTEREST EARNED BY THE INSTITUTION ON THE EXCESS.

(8) A LENDING INSTITUTION THAT ACCEPTS A HISTORIC REHABILITATION MORTGAGE CREDIT CERTIFICATE FROM A BUSINESS ENTITY OR INDIVIDUAL UNDER THIS SUBSECTION SHALL BE ENTITLED TO RELY IN GOOD FAITH ON THE INFORMATION CONTAINED IN AND USED IN CONNECTION WITH OBTAINING THE CERTIFICATE BY THE BUSINESS ENTITY OR INDIVIDUAL INCLUDING, WITHOUT LIMITATION, THE AMOUNT OF THE QUALIFIED REHABILITATION EXPENDITURES.

(9) NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION, A LENDING INSTITUTION IS NOT REQUIRED TO ACCEPT A HISTORIC REHABILITATION MORTGAGE CREDIT CERTIFICATE FROM ANY BUSINESS ENTITY OR INDIVIDUAL.

[(e)] (F) The Director and the Maryland Heritage Areas Authority may adopt regulations to establish procedures and standards for certifying heritage structures and rehabilitations under this section AND FOR ISSUANCE AND USE OF HISTORIC REHABILITATION MORTGAGE CREDIT CERTIFICATES UNDER SUBSECTION (E) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1999 and shall be applicable to all taxable years beginning after December 31, 1998.

May 26, 1999

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate of Maryland  
State House  
Annapolis MD 21401-1991

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I today vetoed Senate Bill 515 - Personal Property Tax - Lien for Unpaid Taxes.

Senate Bill 515 provides that any personal property tax liens placed on real property by a local government are subordinate to any previously filed liens. According to the Attorney General, a lien for personal property tax debt that attaches to the debtor's real property is currently given a priority over other debts, such as mortgages, when recorded. The preferential treatment of this tax lien represents "long-standing Maryland law" that has enabled counties and municipalities to collect millions of dollars in delinquent personal property taxes.

Senate Bill 515 is identical to legislation I vetoed after the 1998 Session. In the past two years, I have received letters from mayors, town officials, county executives and county commissioners throughout Maryland raising serious concerns regarding the impact of this legislation on local revenues. If the current lien priority is eliminated, local governments will lose critical leverage to collect unpaid personal property taxes.