

In most cases it is the mere existence of these liens, rather than their use, that results in the payment of delinquent taxes. The elimination of this enforcement tool will result in a substantial loss in revenues to local governments at a time when localities are pressing to increase education funding and reduce class size in elementary and secondary schools.

In my 1998 veto message, I encouraged the Maryland Association of Counties, Maryland Municipal League and other representatives of local governments to work with the financial community to develop a narrowly tailored approach to the treatment of personal property tax liens in preparation for the 1999 Session. Unfortunately, a compromise was not reached and the Legislature chose instead to pass the identical bill I vetoed last year. My objections to this legislation stand. Once again, I urge local governments and the financial community to develop an alternative that will address the concerns of lenders over the security of loans while protecting the basic ability of local governments to collect delinquent property taxes.

For the above reason, I have vetoed Senate Bill 515.

Sincerely,  
Parris N. Glendening  
Governor

### Senate Bill 515

AN ACT concerning

#### Personal Property Tax - Lien for Unpaid Taxes

FOR the purpose of clarifying that the lien on real property for unpaid tax on personal property is subordinate to all other liens perfected against the real property prior to the attachment of the lien; and providing for the application of this Act.

BY repealing and reenacting, with amendments,

Article - Tax - Property

Section 14-804(b)

Annotated Code of Maryland

(1994 Replacement Volume and 1998 Supplement)

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

#### Article - Tax - Property

14-804.

(b) All unpaid tax on personal property is a lien on the personal property and on the real property of the owner of the personal property in the same manner in which taxes on real property are now liens on the real property with respect to which they are imposed in all subdivisions of the State[; provided], EXCEPT that the lien will attach to the real property only after the notice has been recorded and indexed among the judgment records in the office of the clerk of the circuit court in the county