

households; providing that the exemption begins when certain requirements are met; and generally relating to a certain exemption from municipal corporation property taxation for real property used for low to moderate income housing.

BY adding to

Article - Tax - Property

Section 7-506.2

Annotated Code of Maryland

(1986 Volume and 1990 Supplement)

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

Article - Tax - Property

7-506.2.

(A) REAL PROPERTY MAY BE EXEMPT FROM MUNICIPAL CORPORATION PROPERTY TAX IF:

(1) THE REAL PROPERTY IS OWNED BY:

(I) A FORMER TENANT OF THE REAL PROPERTY;

(II) AN ASSOCIATION OF TENANTS OR FORMER TENANTS OF THE REAL PROPERTY;

(III) AN ENTITY IN WHICH FORMER TENANTS OR AN ASSOCIATION OF TENANTS OR FORMER TENANTS HOLDS A MAJORITY INTEREST; OR

(IV) A COOPERATIVE HOUSING CORPORATION THAT:

1. OPERATES ON A NONPROFIT BASIS;

2. OPERATES ON A LIMITED EQUITY BASIS; OR

3. IS SUBJECT TO CONTROLS ON THE CORPORATION'S RATES OF RETURN;

(2) THE OWNER AND THE GOVERNING BODY OF THE MUNICIPAL CORPORATION WHERE THE REAL PROPERTY IS LOCATED AGREE THAT THE OWNER SHALL PAY A NEGOTIATED AMOUNT IN LIEU OF THE APPLICABLE MUNICIPAL CORPORATION PROPERTY TAX; AND

(3) THE OWNER OF THE REAL PROPERTY AGREES TO MAINTAIN A PORTION OF THE REAL PROPERTY AT LEAST 10% OF THE TOTAL NUMBER OF RESIDENTIAL UNITS AS HOUSING FOR LOW TO MODERATE INCOME HOUSEHOLDS, AS SET FORTH IN AN AGREEMENT BETWEEN THE OWNER AND THE GOVERNING BODY OF THE MUNICIPAL CORPORATION WHERE THE REAL PROPERTY IS LOCATED.