

Chapter 258

(House Bill 543)

AN ACT concerning

Baltimore City – Housing Authority of Baltimore City – Subsidiary Entities

FOR the purpose of providing that a not-for-profit entity shall be deemed controlled by the Housing Authority of Baltimore City under certain circumstances; altering the applicability of certain tax exemption provisions for property of a subsidiary entity of a Baltimore Housing Authority entity; altering a certain definition; and generally relating to the Housing Authority of Baltimore City.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 12-104
Annotated Code of Maryland
(2006 Volume and 2014 Supplement)

BY repealing and reenacting, without amendments,
Article – Housing and Community Development
Section 12-502(h)
Annotated Code of Maryland
(2006 Volume and 2014 Supplement)

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

Article – Housing and Community Development

12-104.

(a) In this section, “Baltimore Housing Authority entity” means an entity:

(1) that is **CONTROLLED OR** wholly owned by the Housing Authority of Baltimore City; or

(2) in which the Housing Authority of Baltimore City or an entity **CONTROLLED OR** wholly owned by the Housing Authority of Baltimore City has an ownership interest, **EITHER DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES.**

(B) A NOT-FOR-PROFIT ENTITY SHALL BE DEEMED CONTROLLED BY THE HOUSING AUTHORITY OF BALTIMORE CITY UNDER SUBSECTION (A) OF THIS SECTION IF:

(1) THE NOT-FOR-PROFIT ENTITY IS ESTABLISHED BY THE HOUSING AUTHORITY OF BALTIMORE CITY UNDER § 12-502(H) OF THIS TITLE; AND

(2) THE HOUSING AUTHORITY OF BALTIMORE CITY:

(I) HAS THE POWER TO APPOINT A MAJORITY OF THE BOARD OF DIRECTORS OF THE NOT-FOR-PROFIT ENTITY; OR

(II) IS THE SOLE MEMBER OF THE NOT-FOR-PROFIT ENTITY.

[(b)] (C) (1) In this subsection, “nonprofit housing corporation” means a nonprofit or charitable private corporation that provides safe and sanitary housing to persons of eligible income in such a way that the corporation works essentially like an authority under this Division II.

(2) Property is used for essential public and governmental purposes and is exempt from all taxes and special assessments of the State or a political subdivision if the property:

(i) belongs to an authority or a nonprofit housing corporation; or

(ii) is used as housing for persons of eligible income and **[(belongs to)] IS OWNED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES OF** a Baltimore Housing Authority entity.

(3) In lieu of those taxes and special assessments, an authority, a nonprofit housing corporation, or a Baltimore Housing Authority entity shall pay the political subdivision in which a housing project is wholly or partly located an amount, if any, that may be set by mutual agreement and that does not exceed the amount of regular taxes levied on similar property.

[(c)] (D) (1) Except as provided in paragraph (2) or (3) of this subsection:

(i) all real property of an authority is exempt from levy and sale by virtue of an execution;

(ii) an execution or other judicial process may not issue against the real property; and

(iii) a judgment against an authority is not a charge or lien on the authority’s real property.

(2) Paragraph (1) of this subsection does not limit a right to foreclose or otherwise enforce:

(i) a mortgage or deed of trust recorded against property of an authority; or

(ii) a pledge or lien given by an authority on its rents, fees, or revenues.

(3) This subsection does not deprive a political subdivision of its right to collect money agreed to be paid in lieu of taxes in the same manner as taxes are now or may be collected under State law and the laws of the political subdivision.

12-502.

(h) An authority may also establish and control not-for-profit entities, including corporations and limited liability companies, that may own, operate, and take steps necessary or convenient to develop or otherwise undertake housing projects in the authority's area of operation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015.

Approved by the Governor, May 12, 2015.