

# HOUSE BILL 220

L2, Q2

8lr0753

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By: **Montgomery County Delegation**

Introduced and read first time: January 18, 2018

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Housing Opportunities Commission of Montgomery**  
3 **County – Subsidiary Entities**

4 **MC 18–18**

5 FOR the purpose of providing that a nonprofit entity shall be deemed controlled by the  
6 Housing Opportunities Commission of Montgomery County under certain  
7 circumstances; altering the applicability of certain tax exemption provisions to  
8 include a subsidiary entity of a Montgomery County Housing Authority entity;  
9 defining a certain term; and generally relating to the Housing Opportunities  
10 Commission of Montgomery County.

11 BY repealing and reenacting, with amendments,  
12 Article – Housing and Community Development  
13 Section 12–104  
14 Annotated Code of Maryland  
15 (2006 Volume and 2017 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – Housing and Community Development  
18 Section 12–502(a) and (h)  
19 Annotated Code of Maryland  
20 (2006 Volume and 2017 Supplement)

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

23 **Article – Housing and Community Development**

24 12–104.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3 (2) “Baltimore Housing Authority entity” means an entity:

4 [(1)] (I) that is controlled or wholly owned by the Housing Authority of  
5 Baltimore City; or

6 [(2)] (II) in which the Housing Authority of Baltimore City or an entity  
7 controlled or wholly owned by the Housing Authority of Baltimore City has an ownership  
8 interest, either directly or indirectly, through one or more wholly or partially owned  
9 subsidiary entities.

10 (3) “MONTGOMERY COUNTY HOUSING AUTHORITY ENTITY” MEANS  
11 AN ENTITY:

12 (I) THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOUSING  
13 OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY; OR

14 (II) IN WHICH THE HOUSING OPPORTUNITIES COMMISSION OF  
15 MONTGOMERY COUNTY OR AN ENTITY CONTROLLED OR WHOLLY OWNED BY THE  
16 HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY HAS AN  
17 OWNERSHIP INTEREST, EITHER DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE  
18 WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES.

19 (b) (1) A nonprofit entity shall be deemed controlled by the Housing Authority  
20 of Baltimore City under subsection [(a)] (A)(2) of this section if:

21 [(1)] (I) the nonprofit entity is established by the Housing Authority of  
22 Baltimore City under § 12–502(h) of this title; and

23 [(2)] (II) the Housing Authority of Baltimore City:

24 [(i)] 1. has the power to appoint a majority of the board of  
25 directors of the nonprofit entity; or

26 [(ii)] 2. is the sole member of the nonprofit entity.

27 (2) A NONPROFIT ENTITY SHALL BE DEEMED CONTROLLED BY THE  
28 HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY UNDER  
29 SUBSECTION (A)(3) OF THIS SECTION IF:

30 (I) THE NONPROFIT ENTITY IS ESTABLISHED BY THE HOUSING  
31 OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY UNDER § 12–502(H) OF

1 THIS TITLE; AND

2 (II) THE HOUSING OPPORTUNITIES COMMISSION OF  
3 MONTGOMERY COUNTY:

4 1. HAS THE POWER TO APPOINT A MAJORITY OF THE  
5 BOARD OF DIRECTORS OF THE NONPROFIT ENTITY; OR

6 2. IS THE SOLE MEMBER OF THE NONPROFIT ENTITY.

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

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

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

15 (ii) is used as housing for persons of eligible income and is owned in  
16 whole or in part, directly or indirectly, through one or more wholly or partially owned  
17 subsidiary entities of:

18 1. a Baltimore Housing Authority entity; OR

19 2. A MONTGOMERY COUNTY HOUSING AUTHORITY  
20 ENTITY.

21 (3) In lieu of those taxes and special assessments, an authority, a nonprofit  
22 housing corporation, [or] a Baltimore Housing Authority entity, OR A MONTGOMERY  
23 COUNTY HOUSING AUTHORITY ENTITY shall pay the political subdivision in which a  
24 housing project is wholly or partly located an amount, if any, that may be set by mutual  
25 agreement and that does not exceed the amount of regular taxes levied on similar property.

26 (d) (1) Except as provided in paragraph (2) or (3) of this subsection:

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

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

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

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

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

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

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

10 12-502.

11                   (a) In addition to any powers set forth elsewhere, an authority has the powers set  
12 forth in this section.

13                   (h) An authority may also establish and control nonprofit entities, including  
14 corporations and limited liability companies, that may own, operate, and take steps  
15 necessary or convenient to develop or otherwise undertake housing projects in the  
16 authority's area of operation.

17                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2018.