

HOUSE BILL 220

L2, Q2

8lr0753

By: **Montgomery County Delegation**

Introduced and read first time: January 18, 2018

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2018

CHAPTER _____

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 certain~~ Montgomery County Housing Authority
9 entity; authorizing a housing authority to establish a certain nonprofit entity as a
10 partnership; defining a certain term; and generally relating to the Housing
11 Opportunities Commission of Montgomery County.

12 BY repealing and reenacting, with amendments,
13 Article – Housing and Community Development
14 Section 12–104 and 12–502(h)
15 Annotated Code of Maryland
16 (2006 Volume and 2017 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Housing and Community Development
19 Section 12–502(a) ~~and (h)~~
20 Annotated Code of Maryland
21 (2006 Volume and 2017 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Housing and Community Development**

4 12–104.

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

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

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

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

14 (3) **“MONTGOMERY COUNTY HOUSING AUTHORITY ENTITY” MEANS**
15 **AN ENTITY;**

16 ~~(4) THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOUSING~~
17 ~~OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY; OR~~

18 ~~(II) IN WHICH THE HOUSING OPPORTUNITIES COMMISSION OF~~
19 ~~MONTGOMERY COUNTY OR AN ENTITY CONTROLLED OR WHOLLY OWNED BY THE~~
20 ~~HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY HAS AN~~
21 ~~OWNERSHIP INTEREST, EITHER DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE~~
22 ~~WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES.~~

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

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

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

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

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

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

4 **(I) THE NONPROFIT ENTITY IS ESTABLISHED BY THE HOUSING**
 5 **OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY UNDER § 12-502(H) OF**
 6 **THIS TITLE; AND**

7 **(II) THE HOUSING OPPORTUNITIES COMMISSION OF**
 8 **MONTGOMERY COUNTY:**

9 **1. HAS THE POWER TO APPOINT A MAJORITY OF THE**
 10 **BOARD OF DIRECTORS OF THE NONPROFIT ENTITY; ~~OR~~**

11 **2. ~~IS THE SOLE MEMBER OF THE NONPROFIT ENTITY~~**
 12 **HOLDS A MAJORITY OF ALL MANAGING MEMBER INTERESTS IN THE ENTITY;**

13 **3. HOLDS A MAJORITY OF THE GENERAL PARTNER**
 14 **INTERESTS IN THE ENTITY; OR**

15 **4. HOLDS A MAJORITY OF ALL OWNERSHIP INTERESTS IN**
 16 **THE ENTITY.**

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

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

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

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

28 ~~1.~~ a Baltimore Housing Authority entity; OR

29 ~~2.~~ **(III) IS USED AS HOUSING FOR PERSONS OF**
 30 **ELIGIBLE INCOME AND IS OWNED BY A MONTGOMERY COUNTY HOUSING**
 31 **AUTHORITY ENTITY.**

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

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

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

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

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

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

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

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

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

22 12-502.

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

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

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