

Chapter 126

**(House Bill 220)**

AN ACT concerning

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

**MC 18–18**

FOR the purpose of providing that a nonprofit entity shall be deemed controlled by the Housing Opportunities Commission of Montgomery County under certain circumstances; altering the applicability of certain tax exemption provisions to include a ~~subsidiary entity of a certain~~ Montgomery County Housing Authority entity; authorizing a housing authority to establish a certain nonprofit entity as a partnership; defining a certain term; and generally relating to the Housing Opportunities Commission of Montgomery County.

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

BY repealing and reenacting, without amendments,  
Article – Housing and Community Development  
Section 12–502(a) ~~and (h)~~  
Annotated Code of Maryland  
(2006 Volume and 2017 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) **(1)** In this section[,] **THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

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

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

**[(2)] (II)** 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(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 is owned in whole or in part, directly or indirectly, through one or more wholly or partially owned subsidiary entities of:

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

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

(3) In lieu of those taxes and special assessments, an authority, a nonprofit housing corporation, [or] a Baltimore Housing Authority entity, **OR A MONTGOMERY COUNTY 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.

(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.

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

(h) An authority may also establish and control nonprofit entities, including corporations, **PARTNERSHIPS**, 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, 2018.

**Approved by the Governor, April 10, 2018.**