

# HOUSE BILL 1306

L2, C8

9lr1673

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By: **Howard County Delegation**

Introduced and read first time: February 14, 2019

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Howard County – Howard County Housing Commission – Subsidiary Entities**

3 **Ho. Co. 26–19**

4 FOR the purpose of providing that a nonprofit entity shall be deemed controlled by the  
5 Howard County Housing Commission under certain circumstances; altering the  
6 applicability of certain tax exemption provisions to include a subsidiary entity of a  
7 certain Howard County Housing Commission entity; defining a certain term; making  
8 stylistic changes; and generally relating to the Howard County Housing Commission.

9 BY repealing and reenacting, with amendments,  
10 Article – Housing and Community Development  
11 Section 12–104  
12 Annotated Code of Maryland  
13 (2006 Volume and 2018 Supplement)

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

16 **Article – Housing and Community Development**

17 12–104.

18 (a) (1) In this section the following words have the meanings indicated.

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

20 (i) that is controlled or wholly owned by the Housing Authority of  
21 Baltimore City; or

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) in which the Housing Authority of Baltimore City or an entity  
2 controlled or wholly owned by the Housing Authority of Baltimore City has an ownership  
3 interest, either directly or indirectly, through one or more wholly or partially owned  
4 subsidiary entities.

5 (3) "HOWARD COUNTY HOUSING COMMISSION ENTITY" MEANS AN  
6 ENTITY:

7 (I) THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOWARD  
8 COUNTY HOUSING COMMISSION; OR

9 (II) IN WHICH THE HOWARD COUNTY HOUSING COMMISSION  
10 OR AN ENTITY CONTROLLED OR WHOLLY OWNED BY THE HOWARD COUNTY  
11 HOUSING COMMISSION HAS AN OWNERSHIP INTEREST, EITHER DIRECTLY OR  
12 INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY  
13 ENTITIES.

14 [(3)] (4) "Montgomery County Housing Authority entity" means an entity  
15 that is controlled or wholly owned by the Housing Opportunities Commission of  
16 Montgomery County.

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

19 (i) the nonprofit entity is established by the Housing Authority of  
20 Baltimore City under § 12-502(h) of this title; and

21 (ii) the Housing Authority of Baltimore City:

22 1. has the power to appoint a majority of the board of  
23 directors of the nonprofit entity; or

24 2. is the sole member of the nonprofit entity.

25 (2) A NONPROFIT ENTITY SHALL BE DEEMED CONTROLLED BY THE  
26 HOWARD COUNTY HOUSING COMMISSION UNDER SUBSECTION (A)(3) OF THIS  
27 SECTION IF:

28 (I) THE NONPROFIT ENTITY IS ESTABLISHED BY THE HOWARD  
29 COUNTY HOUSING COMMISSION UNDER § 12-502(H) OF THIS TITLE; AND

30 (II) THE HOWARD COUNTY HOUSING COMMISSION:

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

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

~~[(2)]~~ **(3)** A nonprofit entity shall be deemed controlled by the Housing Opportunities Commission of Montgomery County under subsection ~~[(a)(3)]~~ **(A)(4)** 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;

2. 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 a Baltimore Housing Authority entity; or

**(III) 1. IS USED, OR IF UNDER CONSTRUCTION WILL BE 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 A HOWARD COUNTY HOUSING COMMISSION ENTITY;**

**2. HAS IMPROVEMENTS, OR HAS IMPROVEMENTS UNDER CONSTRUCTION, LOCATED ON LAND THAT IS OWNED BY:**

1                   **A. THE HOWARD COUNTY HOUSING COMMISSION; OR**

2                   **B. AN ENTITY THAT IS CONTROLLED OR WHOLLY OWNED**  
 3 **BY THE HOWARD COUNTY HOUSING COMMISSION; AND**

4                   **3. HAS IMPROVEMENTS, OR HAS IMPROVEMENTS UNDER**  
 5 **CONSTRUCTION, OWNED BY AN ENTITY:**

6                   **A. FOR WHICH THE HOWARD COUNTY HOUSING**  
 7 **COMMISSION PUBLICLY SOLICITED DEVELOPMENT PARTNERS PURSUANT TO ITS**  
 8 **PROCUREMENT POLICIES; OR**

9                   **B. THAT HAS A GENERAL PARTNER OR MANAGING**  
 10 **MEMBER THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOWARD COUNTY**  
 11 **HOUSING COMMISSION; OR**

12                   [(iii)] **(IV)** is used as housing for persons of eligible income and is  
 13 owned by a Montgomery County Housing Authority entity.

14                   (3) In lieu of those taxes and special assessments, an authority, a nonprofit  
 15 housing corporation, a Baltimore Housing Authority entity, **A HOWARD COUNTY**  
 16 **HOUSING COMMISSION ENTITY**, or a Montgomery County Housing Authority entity shall  
 17 pay the political subdivision in which a housing project is wholly or partly located an  
 18 amount, if any, that may be set by mutual agreement and that does not exceed the amount  
 19 of regular taxes levied on similar property.

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

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

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

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

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

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

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

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

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2019.