

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 228

(Delegates Haddaway-Riccio and Eckardt)

Environmental Matters

Education, Health, and Environmental Affairs

Housing Authorities - Consolidation or Merger - Talbot County and St. Michaels

This bill authorizes the Housing Commission of Talbot County and the St. Michaels Housing Authority to unite by consolidation or merger to form one housing authority. The unification must be initiated by passage of a substantially similar proposal of unification by the legislative bodies of the Town of Easton and the Town of St. Michaels. If created, the new housing authority may conduct its operations in the area prescribed in the authority's articles of organization.

Fiscal Summary

State Effect: None.

Local Effect: None. Consolidating or merging the Housing Commission of Talbot County and St. Michaels Housing Authority will not directly affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The proposal of unification must be approved by each municipal corporation as required by its charter or bylaw for the adoption of resolutions or ordinances. Following approval, each municipal corporation must appoint in equal number, between three and five representatives to serve on a commission, which is to complete a draft of the authority's articles of organization within a period of six months. In the draft, or within a separate document, the commission must provide for the disposition of any debts, bonds, and obligations, as well as the transfer of any property and other assets, of the existing housing entities.

The commission must submit the draft articles of organization to the legislative body of each municipal corporation, which must adopt or reject the articles as a whole. Each legislative body must concur in any amendment or change. On adoption, the commission's appointed custodian of records must file the articles of organization with the Secretary of State. If the Secretary finds that the articles of organization conform to the relevant requirements, he or she must issue a certificate of approval, at which time the authority may begin to exercise its powers.

Current Law/Background: The provision of housing for persons of limited income has been a function of the federal government since the Great Depression, with the enactment of the U.S. Housing Act of 1937. At the State level, the Department of Housing and Community Development is Maryland's primary agent in this field, with a mission to finance housing opportunities and revitalize places for Maryland citizens to live and work. The activities to achieve this mission are carried out through partnerships that include public housing authorities and other local housing agencies.

A housing authority is a public body corporate and politic, and is separate and distinct from the county or municipal government. Separate housing authorities have been established by law for every county and municipal corporation in the State, although many jurisdictions have not exercised the authority to operate a housing authority. The stated purpose of housing authorities is generally to undertake, construct, maintain, or operate housing projects, which have been found by the General Assembly as necessary to remedy a number of housing conditions contrary to the public interest. Housing authorities have the ability to directly own and manage housing units to be rented by needy tenants, which typically possess incomes at or below 30% of the area median and, in accordance with housing authority principles, typically pay no more than 30% of income for rent and utilities. The federal government subsidizes the remaining operating costs through payments directly to housing authorities.

There are two housing authorities in Talbot County, the St. Michaels Housing Authority and the Housing Commission of Talbot County, which changed its name from the Easton Housing Authority in 2005.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Talbot County, Housing Commission of Talbot County,
Department of Housing and Community Development, Office of the Secretary of State,
Department of Legislative Services

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mc/lgc

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