

HOUSE BILL 1306

L2, C8

9lr1673

By: **Howard County Delegation**

Introduced and read first time: February 14, 2019

Assigned to: Rules and Executive Nominations

Re-referred to: Environment and Transportation, March 11, 2019

Committee Report: Favorable

House action: Adopted

Read second time: March 21, 2019

CHAPTER _____

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.

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

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

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

8 (3) **“HOWARD COUNTY HOUSING COMMISSION ENTITY” MEANS AN**
9 **ENTITY:**

10 (I) **THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOWARD**
11 **COUNTY HOUSING COMMISSION; OR**

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

17 [(3)] (4) “Montgomery County Housing Authority entity” means an entity
18 that is controlled or wholly owned by the Housing Opportunities Commission of
19 Montgomery County.

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

22 (i) the nonprofit entity is established by the Housing Authority of
23 Baltimore City under § 12–502(h) of this title; and

24 (ii) the Housing Authority of Baltimore City:

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

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

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

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

3 **(II) THE HOWARD COUNTY HOUSING COMMISSION:**

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 **[(2)] (3)** A nonprofit entity shall be deemed controlled by the Housing
8 Opportunities Commission of Montgomery County under subsection **[(a)(3)] (A)(4)** of this
9 section if:

10 (i) the nonprofit entity is established by the Housing Opportunities
11 Commission of Montgomery County under § 12-502(h) of this title; and

12 (ii) the Housing Opportunities Commission of Montgomery County:

13 1. has the power to appoint a majority of the board of
14 directors of the nonprofit entity;

15 2. holds a majority of all managing member interests in the
16 entity;

17 3. holds a majority of the general partner interests in the
18 entity; or

19 4. holds a majority of all ownership interests in the entity.

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

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

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

28 (ii) is used as housing for persons of eligible income and is owned in
29 whole or in part, directly or indirectly, through one or more wholly or partially owned
30 subsidiary entities of a Baltimore Housing Authority entity; or

1 **(III) 1. IS USED, OR IF UNDER CONSTRUCTION WILL BE USED,**
 2 **AS HOUSING FOR PERSONS OF ELIGIBLE INCOME AND IS OWNED IN WHOLE OR IN**
 3 **PART, DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY**
 4 **OWNED SUBSIDIARY ENTITIES OF A HOWARD COUNTY HOUSING COMMISSION**
 5 **ENTITY;**

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

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

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

11 **3. HAS IMPROVEMENTS, OR HAS IMPROVEMENTS UNDER**
 12 **CONSTRUCTION, OWNED BY AN ENTITY:**

13 **A. FOR WHICH THE HOWARD COUNTY HOUSING**
 14 **COMMISSION PUBLICLY SOLICITED DEVELOPMENT PARTNERS PURSUANT TO ITS**
 15 **PROCUREMENT POLICIES; OR**

16 **B. THAT HAS A GENERAL PARTNER OR MANAGING**
 17 **MEMBER THAT IS CONTROLLED OR WHOLLY OWNED BY THE HOWARD COUNTY**
 18 **HOUSING COMMISSION; OR**

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

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

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

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

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

32 (iii) a judgment against an authority is not a charge or lien on the
 33 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 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.