

# HOUSE BILL 927

C9, P3

2lr1557  
CF SB 744

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By: **Delegate Palakovich Carr**

Introduced and read first time: February 7, 2022

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2022

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Housing and Community Development – Affordable Housing – Listing and**  
3 **Disposal of Excess Real Property**

4 FOR the purpose of requiring the Department of Planning to provide a list of excess real  
5 property owned by the State to the Department of Housing and Community  
6 Development; requiring the Department of Housing and Community Development  
7 to determine whether any of the listed properties are suitable for use or  
8 redevelopment as affordable housing; requiring units of State government to develop  
9 proposals to donate or sell excess real property determined to be suitable for use or  
10 redevelopment as affordable housing; and generally relating to the listing and  
11 disposal of excess real property for use as affordable housing.

12 BY adding to  
13 Article – Housing and Community Development  
14 Section 2–203  
15 Annotated Code of Maryland  
16 (2019 Replacement Volume and 2021 Supplement)

17 ~~BY repealing and reenacting, without amendments,~~  
18 ~~Article – Housing and Community Development~~  
19 ~~Section 4–504(b)~~  
20 ~~Annotated Code of Maryland~~  
21 ~~(2019 Replacement Volume and 2021 Supplement)~~

22 ~~BY repealing and reenacting, with amendments,~~

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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.



~~Article – Housing and Community Development  
Section 4–504(e)  
Annotated Code of Maryland  
(2019 Replacement Volume and 2021 Supplement)~~

BY repealing and reenacting, without amendments,  
Article – State Finance and Procurement  
Section 5–310(a) and (b)  
Annotated Code of Maryland  
(2021 Replacement Volume)

BY adding to  
Article – State Finance and Procurement  
Section 5–310(d)  
Annotated Code of Maryland  
(2021 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 10–305(b) and ~~10–306(e)~~  
Annotated Code of Maryland  
(2021 Replacement Volume)

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

**Article – Housing and Community Development**

**2–203.**

~~(A) IN THIS SECTION, “AFFORDABLE HOUSING” MEANS RESIDENTIAL  
PROPERTY THAT IS:~~

~~(1) RENTED TO THE PUBLIC AT A RATE THAT ALLOWS A HOUSEHOLD  
OF LOW OR MODERATE INCOME IN THE STATE TO PAY NOT MORE THAN 30% OF ITS  
MONTHLY INCOME IN RENT; OR~~

~~(2) SOLD TO THE PUBLIC AT A PRICE THAT IS AFFORDABLE TO A  
HOUSEHOLD OF LOW OR MODERATE INCOME IN THE STATE.~~

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
INDICATED.

(2) “AFFORDABLE HOUSING” MEANS RESIDENTIAL PROPERTY THAT  
IS RENTED OR SOLD TO THE PUBLIC AS LOW-INCOME HOUSING OR WORKFORCE  
HOUSING.

1           **(3) “AREA MEDIAN INCOME” HAS THE MEANING STATED IN § 4-1801**  
2 **OF THIS ARTICLE.**

3           **(4) “LOW-INCOME HOUSING” MEANS HOUSING THAT IS AFFORDABLE**  
4 **FOR A HOUSEHOLD WITH AN AGGREGATE ANNUAL INCOME THAT IS BELOW 60% OF**  
5 **THE AREA MEDIAN INCOME.**

6           **(5) “WORKFORCE HOUSING” HAS THE MEANING STATED IN § 4-1801**  
7 **OF THIS ARTICLE.**

8           **(B) (1) (I) ~~ON RECEIPT OF THE LIST OF EXCESS REAL PROPERTY NOT~~**  
9 **LATER THAN 60 DAYS AFTER THE NOTICE PROVIDED UNDER § ~~5-310~~ 5-310(D) OF**  
10 **THE STATE FINANCE AND PROCUREMENT ARTICLE, THE DEPARTMENT SHALL, IN**  
11 **CONSULTATION WITH THE ~~UNITS~~ UNIT OF STATE GOVERNMENT THAT ~~CONTROL~~**  
12 **CONTROLS THE ~~PROPERTIES~~ PROPERTY, DETERMINE IF ~~ANY OF THE LISTED~~**  
13 **~~PROPERTIES ARE~~ THE PROPERTY IS SUITABLE FOR USE OR REDEVELOPMENT AS**  
14 **AFFORDABLE HOUSING.**

15                           **(II) THE DEPARTMENT SHALL IDENTIFY A PROPERTY AS**  
16 **SUITABLE FOR USE OR REDEVELOPMENT AS AFFORDABLE HOUSING IF THE**  
17 **PROPERTY:**

18   **1. IS LOCATED IN AN AREA DESIGNATED AS A PRIORITY**  
19 **FUNDING AREA UNDER TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND**  
20 **PROCUREMENT ARTICLE;**

21   **2. DOES NOT BELONG IN A CATEGORY OF PROPERTY**  
22 **LISTED IN § 5-310(C)(1)(I) OF THE STATE FINANCE AND PROCUREMENT ARTICLE;**

23   **3. IS ADEQUATELY SIZED FOR ANY TYPE OF**  
24 **RESIDENTIAL USE;**

25   **4. HAS ACCESS TO PUBLIC UTILITIES; AND**

26   **5. HAS ACCESS TO FEASIBLE INGRESS AND EGRESS**  
27 **POINTS.**

28   **(III) THE DEPARTMENT MAY CONSIDER OTHER FACTORS IN**  
29 **ADDITION TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH WHEN**  
30 **DETERMINING THE SUITABILITY OF A PROPERTY FOR USE OR REDEVELOPMENT AS**  
31 **AFFORDABLE HOUSING.**

1           (2) ~~ON OR BEFORE DECEMBER 31, 2023, AND EACH DECEMBER 31~~  
 2 ~~THEREAFTER, THE~~ THE DEPARTMENT SHALL COMPILE AND REGULARLY UPDATE A  
 3 LIST OF PROPERTIES IT HAS DETERMINED ARE SUITABLE FOR USE OR  
 4 REDEVELOPMENT AS AFFORDABLE HOUSING.

5           (3) FOR EACH PROPERTY INCLUDED IN THE LIST REQUIRED UNDER  
 6 PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL:

7           (I) GIVE NOTICE OF THE DETERMINATION TO THE UNIT OF  
 8 STATE GOVERNMENT THAT CONTROLS THE PROPERTY; AND

9           (II) ADVISE THE UNIT OF STATE GOVERNMENT OF THE  
 10 REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION.

11           (4) THE LIST REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION  
 12 SHALL BE MADE AVAILABLE TO THE PUBLIC.

13           (c) (1) (I) EXCEPT AS PROVIDED IN PARAGRAPHS (4) AND (5) OF THIS  
 14 SUBSECTION, ON RECEIPT OF THE NOTICE REQUIRED UNDER SUBSECTION (B)(3) OF  
 15 THIS SECTION, ~~A~~ THE UNIT OF STATE GOVERNMENT SHALL, IN CONSULTATION WITH  
 16 THE DEPARTMENT AND THE DEPARTMENT OF PLANNING, DEVELOP A PROPOSAL TO  
 17 DISPOSE OF ~~THE~~ A LISTED PROPERTY BY:

18                           1. DONATING OR SELLING THE PROPERTY TO A  
 19 NONPROFIT ORGANIZATION THAT INTENDS TO USE OR REDEVELOP THE PROPERTY  
 20 AS AFFORDABLE HOUSING; OR

21                           2. SELLING THE PROPERTY TO A BUYER THAT INTENDS  
 22 TO USE OR REDEVELOP THE PROPERTY AS AFFORDABLE HOUSING.

23           (II) IF, AFTER REASONABLE EFFORT, THE UNIT IS UNABLE TO  
 24 IDENTIFY A SUITABLE NONPROFIT ORGANIZATION OR BUYER IN ACCORDANCE WITH  
 25 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE UNIT SHALL DEVELOP A PROPOSAL  
 26 TO SELL THE PROPERTY AT AUCTION.

27           (III) A PROPOSAL DEVELOPED UNDER THIS PARAGRAPH SHALL  
 28 BE SUBMITTED TO THE BOARD OF PUBLIC WORKS FOR CONSIDERATION IN  
 29 ACCORDANCE WITH § 10-305 OF THE STATE FINANCE AND PROCUREMENT  
 30 ARTICLE.

31           (2) ~~ANY PROCEEDS FROM A SALE OF EXCESS REAL PROPERTY THAT~~  
 32 ~~RESULTS FROM A PROPOSAL DEVELOPED UNDER THIS SUBSECTION SHALL BE~~  
 33 ~~APPLIED TO THE RENTAL HOUSING FUND UNDER § 4-504 OF THIS ARTICLE~~ THE  
 34 UNIT OF STATE GOVERNMENT SHALL CONSIDER THE PROPOSED PERIOD OF

1 AFFORDABILITY, THE NUMBER OF AFFORDABLE HOUSING UNITS CREATED, AND THE  
 2 VIABILITY OF AN OFFER WHEN EVALUATING OFFERS FROM MULTIPLE NONPROFIT  
 3 ORGANIZATIONS OR BUYERS UNDER THIS SUBSECTION.

4 (3) WHEN A PROPERTY IS DISPOSED OF IN ACCORDANCE WITH A  
 5 PROPOSAL DEVELOPED UNDER THIS SUBSECTION, THE UNIT SHALL GIVE NOTICE OF  
 6 THE DISPOSITION TO THE DEPARTMENT.

7 (4) A UNIT MAY NOT PROPOSE TO DISPOSE OF A PROPERTY UNDER  
 8 THIS SUBSECTION IN A MANNER THAT WOULD VIOLATE ANY COVENANT OR  
 9 APPLICABLE FEDERAL LAW.

10 (5) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO  
 11 SUPERSEDE THE RIGHT OF A PERSON FROM WHOM REAL PROPERTY WAS ACQUIRED  
 12 OR THEIR SUCCESSOR IN INTEREST TO REACQUIRE THE PROPERTY UNDER § 8-309  
 13 OF THE TRANSPORTATION ARTICLE.

14 (D) ON OR BEFORE DECEMBER 31, 2024, AND EACH DECEMBER 31  
 15 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN  
 16 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE:

17 (1) THE NUMBER OF PROPOSALS SUBMITTED TO THE BOARD OF  
 18 PUBLIC WORKS UNDER THIS SECTION;

19 (2) THE NUMBER OF PROPERTIES THAT WERE DONATED PURSUANT  
 20 TO PROPOSALS DEVELOPED UNDER THIS SECTION; AND

21 (3) THE NUMBER OF PROPERTIES THAT WERE SOLD PURSUANT TO  
 22 PROPOSALS DEVELOPED UNDER THIS SECTION; AND

23 ~~(4) THE TOTAL AMOUNT OF PROCEEDS APPLIED TO THE RENTAL~~  
 24 ~~HOUSING FUND AS A RESULT OF PROPOSALS DEVELOPED UNDER THIS SECTION.~~

25 ~~4-504.~~

26 ~~(b) There is a Rental Housing Fund.~~

27 ~~(c) The Fund consists of:~~

28 ~~(1) money appropriated by the State for the Rental Housing Program under~~  
 29 ~~§ 4-402 of this title;~~

30 ~~(2) repayments and prepayments of loans made under the Rental Housing~~  
 31 ~~Program and from loan programs under this title that have been repealed;~~

~~(3) money appropriated under § 4-501(e) of this subtitle;~~

~~(4) money transferred to the Fund in accordance with §§ 4-502(e), 4-503(d), and 4-505(h) of this subtitle and § 3-203(i) of this article;~~

~~(5) funds received by the Department or the Administration from the federal government or other public or private sources; [and]~~

~~(6) investment earnings of the Fund; AND~~

~~(7) PROCEEDS FROM SALES OF EXCESS REAL PROPERTY CONDUCTED IN ACCORDANCE WITH PROPOSALS DEVELOPED UNDER § 2-203(C) OF THIS ARTICLE.~~

### Article – State Finance and Procurement

5–310.

(a) Each unit of the State government shall notify the Department in writing of:

(1) any real property that is in excess of the needs of the unit; or

(2) any substantial change to any real property owned by the State.

(b) Subject to subsection (c) of this section, for any real property identified under subsection (a) of this section, the Department shall:

(1) study the proper disposition of the property;

(2) determine whether any local government or unit of the State government is interested in the property; and

(3) make an appropriate recommendation to the using unit of the State government and to the Board of Public Works.

~~(D) ON OR BEFORE JUNE 1, 2023, AND EACH JUNE 1 THEREAFTER, THE THE DEPARTMENT SHALL PROVIDE A LIST OF ALL PROPERTIES NOTIFY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT OF ANY PROPERTY SUBMITTED TO THE DEPARTMENT UNDER SUBSECTION (A)(1) OF THIS SECTION WHICH HAS NOT BEEN DISPOSED OF UNDER SUBSECTION (B) OF THIS SECTION TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.~~

10–305.

(b) (1) (i) Except as provided under subparagraph (ii) of this paragraph, this subsection applies to the sale, transfer, grant, or exchange of:

1                   1.     real property identified under § 5–310(c)(1) of this article;  
2 and

3                   2.     State–owned real or personal property, funded in  
4 accordance with an appropriation act of the General Assembly, that has an appraised value  
5 over \$100,000.

6                   (ii)    This subsection does not apply to the following dispositions of  
7 property identified in subparagraph (i) of this paragraph:

8                   1.     leasing the property; or

9                   2.     the sale, transfer, grant, or exchange of a corrective or  
10 access easement on the property.

11                  (2)    The Board may not approve the sale, transfer, exchange, or grant of  
12 property until:

13                  (i)    the Department of General Services or the Department of  
14 Natural Resources under Title 1, Subtitle 1 of the Natural Resources Article has submitted  
15 to the Board two independent appraisals of the property that:

16                   1.     with regard to real property, consider the value of any  
17 restrictive covenant that may be placed on the property; and

18                   2.     may not be publicly disclosed if the property is to be sold  
19 at auction;

20                  (ii)    the following information has been submitted, by electronic mail  
21 or facsimile and by certified mail, to the Senate Budget and Taxation Committee, the House  
22 Appropriations Committee, and, for property that meets both criteria of paragraph (1)(i) of  
23 this subsection, the Legislative Policy Committee:

24                   1.     a description of the property; and

25                   2.     if applicable, any justification for not selling, transferring,  
26 exchanging, or granting the property in a manner that generates the highest return for the  
27 State;

28                  (iii)  45 days have elapsed since:

29                   1.     the information required by item (ii) of this paragraph was  
30 received by the appropriate committees; and

31                   2.     the Board declared the property surplus; and

1 (iv) except for property sold under paragraph (4) of this subsection,  
2 for property that meets both criteria under paragraph (1)(i) of this subsection and for which  
3 the Board intends to approve a fee simple sale, transfer, exchange, or grant, the General  
4 Assembly has approved the proposed disposition as provided under paragraph (3) of this  
5 subsection.

6 (3) (i) Within 45 days after receiving the information submitted under  
7 paragraph (2) of this subsection, the Legislative Policy Committee shall:

8 1. review the information and the public record created by  
9 the Department of Planning for the property; and

10 2. A. approve the proposed disposition of the surplus  
11 property and refer the property back to the Board for final disposition; or

12 B. refer the proposed disposition of the property to the full  
13 General Assembly and notify the Board of the referral.

14 (ii) If the Legislative Policy Committee fails to take any action under  
15 subparagraph (i)2 of this paragraph within the specified time period, the proposed  
16 disposition shall be deemed approved by the Committee.

17 (iii) 1. If the proposed disposition of the surplus property is  
18 referred by the Legislative Policy Committee to the full General Assembly, the proposed  
19 disposition may not be approved by the Board unless it is approved by the passage of  
20 legislation during the next legislative session of the General Assembly.

21 2. In any legislation passed in accordance with  
22 subsubparagraph 1 of this subparagraph, the General Assembly may approve the proposed  
23 disposition with or without conditions.

24 (4) If the Board has declared the property surplus, the Board shall sell the  
25 property to the federal government, a local government, or a unit of federal or local  
26 government for \$1.00, if:

27 (i) the government or unit has indicated its interest in acquiring the  
28 land; and

29 (ii) a restrictive covenant is placed on the deed of transfer, in  
30 accordance with § 5-906(e)(7) and (8) of the Natural Resources Article, that requires the  
31 property to be maintained in a use that is consistent with its use at the time of transfer.

32 (5) Any revenues derived from the sale, transfer, exchange, or grant of  
33 property identified under paragraph (1)(i)1 of this subsection shall be deposited in the  
34 Advance Option and Purchase Fund under § 5-904(b) of the Natural Resources Article.



1           **(6) ~~(4)~~** IF THE BOARD HAS DECLARED THE PROPERTY SURPLUS,  
2 THE BOARD SHALL DISPOSE OF PROPERTY DETERMINED BY THE DEPARTMENT OF  
3 HOUSING AND COMMUNITY DEVELOPMENT TO BE SUITABLE FOR USE OR  
4 REDEVELOPMENT AS AFFORDABLE HOUSING IN ACCORDANCE WITH A PROPOSAL  
5 DEVELOPED UNDER § 2-203 OF THE HOUSING AND COMMUNITY DEVELOPMENT  
6 ARTICLE.

7           ~~**(H)** ANY REVENUES DERIVED FROM THE SALE, TRANSFER,~~  
8 ~~EXCHANGE, OR GRANT OF PROPERTY IN ACCORDANCE WITH A PROPOSAL~~  
9 ~~DEVELOPED UNDER § 2-203 OF THE HOUSING AND COMMUNITY DEVELOPMENT~~  
10 ~~ARTICLE SHALL BE DEPOSITED IN THE RENTAL HOUSING FUND UNDER § 4-504 OF~~  
11 ~~THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.~~

12 ~~10-306.~~

13           ~~**(e) (1)** THIS SUBSECTION DOES NOT APPLY TO PROPERTY DISPOSED OF~~  
14 ~~IN ACCORDANCE WITH A PROPOSAL DEVELOPED UNDER § 2-203 OF THE HOUSING~~  
15 ~~AND COMMUNITY DEVELOPMENT ARTICLE.~~

16           ~~**(2)** Except as provided in paragraphs [(2) and] (3) AND (4) of this~~  
17 ~~subsection, if cash is received as consideration for the disposition of a capital asset of the~~  
18 ~~State or any unit of the State government, the cash shall be applied to the State Annuity~~  
19 ~~Bond Fund Account for the payment of the principal of and interest on the bonded~~  
20 ~~indebtedness of the State.~~

21           ~~**[(2)] (3)** If the capital asset is real property that is being leased or sold to~~  
22 ~~a private party for the purpose of realizing a transit-oriented development as defined under~~  
23 ~~§ 7-101 of the Transportation Article, at the discretion of the State agency that is disposing~~  
24 ~~of the property, all or a portion of the cash proceeds resulting from the transaction shall be~~  
25 ~~deposited in the Baltimore City Community Enhancement Transit-Oriented Development~~  
26 ~~Fund established under Title 15 of the Economic Development Article for the purposes of~~  
27 ~~that Fund.~~

28           ~~**[(3)] (4)** (i) If cash is received as consideration for the disposition of a~~  
29 ~~capital asset, and if the capital asset was originally purchased with special funds, the cash~~  
30 ~~shall be applied to the special fund.~~

31           ~~(ii) Notwithstanding subparagraph (i) of this paragraph, cash~~  
32 ~~received as consideration for the disposition of helicopters, auxiliary helicopter equipment,~~  
33 ~~ground support equipment, or other capital equipment related to helicopters shall be~~  
34 ~~applied to the State Annuity Bond Fund Account for the payment of the principal of and~~  
35 ~~interest on the bonded indebtedness of the State.~~

1                    ~~[(4)] (5)~~    ~~If cash is received as consideration for the disposition of any real~~  
2 ~~or personal property of the State or any unit of the State government, other than a capital~~  
3 ~~asset, the cash shall be accounted for and paid into the State Treasury.~~

4                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5                    October 1, 2022.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.