

HOUSE BILL 1061

P1, C9, M5

5lr0753

By: **Delegate Moon**

Introduced and read first time: February 5, 2025

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2025

CHAPTER _____

1 AN ACT concerning

2 **State-Owned Property – Inventory and Disposition – Housing and Solar Energy**
3 **Production**

4 FOR the purpose of requiring each unit of State government to submit to the Department
5 of Planning an inventory of State-owned property used or controlled by the unit;
6 requiring the Department of Planning to determine the suitability of each property
7 for use or redevelopment for housing ~~or solar energy production~~; requiring a unit to
8 sell or donate certain State-owned property in a certain manner for certain uses
9 under certain circumstances; requiring the Department of Housing and Community
10 Development to set certain goals by a certain date; and generally relating to the use
11 and disposition of State-owned property.

12 BY repealing and reenacting, with amendments,
13 Article – Housing and Community Development
14 Section 2–203
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – State Finance and Procurement
19 Section 5–101
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2024 Supplement)

22 BY adding to

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 Article – State Finance and Procurement

2 Section 5–1001 and 5–1002 to be under the new subtitle “Subtitle 10. State–Owned
3 Real Property”

4 Annotated Code of Maryland

5 (2021 Replacement Volume and 2024 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

7 That the Laws of Maryland read as follows:

8 **Article – Housing and Community Development**

9 2–203.

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

11 (2) “Affordable housing” means residential property that is rented or sold
12 to the public as low–income housing or workforce housing.

13 (3) “Area median income” has the meaning stated in § 4–1801 of this
14 article.

15 (4) “Low–income housing” means housing that is affordable for a household
16 with an aggregate annual income that is below 60% of the area median income.

17 (5) “Workforce housing” has the meaning stated in § 4–1801 of this article.

18 (b) (1) (i) Not later than 60 days after the notice provided under § 5–310(d)
19 of the State Finance and Procurement Article, the Department shall, in consultation with
20 the unit of State government that controls the property, determine if the property is
21 suitable for use or redevelopment as affordable housing.

22 (ii) The Department may not identify a property as suitable for use
23 or redevelopment as affordable housing if the property:

24 1. is located outside an area designated as a priority funding
25 area under Title 5, Subtitle 7B of the State Finance and Procurement Article; or

26 2. belongs in a category of property listed in § 5–310(c)(1)(i)
27 of the State Finance and Procurement Article.

28 (iii) When determining if a property is suitable for use or
29 redevelopment as affordable housing, the Department shall consider whether the property:

30 1. is adequately sized for any type of residential use;

31 2. has access to public utilities;

1 3. has access to feasible ingress and egress points; and

2 4. meets any other factors determined by the Department
3 that are necessary for the property to be used or redeveloped as affordable housing.

4 (2) The Department shall compile and regularly update a list of properties
5 it has determined are suitable for use or redevelopment as affordable housing.

6 (3) For each property included in the list required under paragraph (2) of
7 this subsection, the Department shall:

8 (i) give notice of the determination to:

9 1. the unit of State government that controls the property;
10 and

11 2. the State Treasurer; and

12 (ii) advise the unit of State government of the requirements of
13 subsection (c) of this section.

14 (4) The list required under paragraph (2) of this subsection shall be made
15 available to the public.

16 (c) (1) (i) Except as provided in paragraphs (4) and (5) of this subsection,
17 on receipt of the notice required under subsection (b)(3) of this section, the unit of State
18 government shall, in consultation with the Department and the Department of Planning,
19 develop a proposal to donate or sell the listed property by:

20 1. donating or selling the property to a nonprofit
21 organization that contracts to use or redevelop the property, **IN WHOLE OR IN PART**, as
22 affordable housing **OR A MIXED-USE DEVELOPMENT CONTAINING AFFORDABLE**
23 **HOUSING; ~~OR~~**

24 2. **SELLING THE PROPERTY TO A BUYER THAT**
25 **CONTRACTS TO USE OR REDEVELOP THE PROPERTY AS AFFORDABLE HOUSING; OR**

26 **3.** selling the property to a buyer that contracts to use or
27 redevelop the property as **[affordable]** housing **OR A MIXED-USE DEVELOPMENT**
28 **CONTAINING HOUSING.**

29 (ii) **1.** If, after reasonable effort, the unit is unable to identify a
30 suitable nonprofit organization or buyer in accordance with subparagraph (i) of this
31 paragraph, ~~**EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH,**~~
32 the unit shall develop a proposal to sell the property at auction.

~~2. IF, AFTER REASONABLE EFFORT, THE UNIT IS UNABLE TO IDENTIFY A SUITABLE NONPROFIT ORGANIZATION OR BUYER IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH AND IF THE DEPARTMENT OF PLANNING HAS DETERMINED THAT THE PROPERTY IS SUITABLE FOR USE FOR SOLAR ENERGY PRODUCTION UNDER § 5-1002 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE UNIT SHALL DEVELOP A PROPOSAL TO FIRST ATTEMPT TO LEASE THE PROPERTY FOR SOLAR ENERGY PRODUCTION AND IF THE UNIT IS UNABLE TO LEASE THE PROPERTY, THEN SELL THE PROPERTY AT AUCTION.~~

(iii) A proposal developed under this paragraph shall be submitted to the Board of Public Works for consideration in accordance with § 10-305 of the State Finance and Procurement Article.

(2) The unit of State government shall consider the proposed period of affordability, the number of affordable housing units created, and the viability of an offer when evaluating offers from multiple nonprofit organizations or buyers under this subsection.

(3) When a property is donated or sold in accordance with a proposal developed under this subsection, the unit shall give notice of the disposition to the Department.

(4) A unit may not propose to donate or sell a property under this subsection if the donation or sale would:

(i) violate any covenant or applicable federal law; or

(ii) in the opinion of the State Treasurer, adversely affect the tax-exempt status of an outstanding State bond, the proceeds of which were allocated to purchase or improve the property.

(5) Nothing in this subsection shall be construed to supersede the right of a person from whom real property was acquired or their successor in interest to reacquire the property under § 8-309 of the Transportation Article.

(d) On or before December 31, 2024, and each December 31 thereafter, the Department shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article:

(1) the number of proposals submitted to the Board of Public Works under this section;

(2) the number of properties that were donated pursuant to proposals developed under this section; and

1 (3) the number of properties that were sold pursuant to proposals
2 developed under this section.

3 **Article – State Finance and Procurement**

4 5–101.

5 (a) In this title the following words have the meanings indicated.

6 (b) “Department” means the Department of Planning.

7 (c) “Secretary” means the Secretary of Planning.

8 **SUBTITLE 10. STATE-OWNED REAL PROPERTY.**

9 **5–1001.**

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

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

15 (C) “AREA MEDIAN INCOME” HAS THE MEANING STATED IN § 4–1801 OF THE
16 HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

17 (D) “LOW-INCOME HOUSING” MEANS HOUSING THAT IS AFFORDABLE FOR A
18 HOUSEHOLD WITH AN AGGREGATE ANNUAL INCOME THAT IS BELOW 60% OF THE
19 AREA MEDIAN INCOME.

20 (E) “WORKFORCE HOUSING” HAS THE MEANING STATED IN § 4–1801 OF THE
21 HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

22 **5–1002.**

23 (A) (1) ON OR BEFORE DECEMBER 31, 2027, AND EVERY 5 YEARS
24 THEREAFTER, EACH UNIT OF STATE GOVERNMENT SHALL PROVIDE TO THE
25 DEPARTMENT AN INVENTORY OF ALL STATE-OWNED REAL PROPERTY USED BY OR
26 UNDER THE CONTROL OF THE UNIT.

27 (2) THE INVENTORY SHALL CONTAIN A DESCRIPTION OF EACH
28 PROPERTY AND HOW IT IS USED BY THE UNIT.

1 **(3) IN CONSULTATION WITH THE DEPARTMENT OF HOUSING AND**
 2 **COMMUNITY DEVELOPMENT AND THE MARYLAND ENERGY ADMINISTRATION, THE**
 3 **DEPARTMENT SHALL DETERMINE THE SUITABILITY OF EACH PROPERTY IN THE**
 4 **INVENTORY FOR USE OR REDEVELOPMENT FOR:**

5 **(I) ~~1.~~ AFFORDABLE HOUSING, IN WHOLE OR IN PART; OR**

6 **~~2.~~ (II) A MIXED-USE DEVELOPMENT CONTAINING AFFORDABLE**
 7 **HOUSING; ~~OR~~**

8 **~~(II) SOLAR ENERGY PRODUCTION.~~**

9 **(4) PROPERTY IN THE INVENTORY MAY BE DETERMINED TO BE**
 10 **SUITABLE FOR USE OR REDEVELOPMENT AS HOUSING ONLY IF THE PROPERTY IS**
 11 **LOCATED IN AN AREA ZONED FOR RESIDENTIAL OR MIXED USE.**

12 **(5) WHEN DETERMINING IF A PROPERTY IS SUITABLE FOR USE OR**
 13 **REDEVELOPMENT AS HOUSING, THE DEPARTMENT SHALL CONSIDER WHETHER THE**
 14 **PROPERTY:**

15 **(I) IS ADEQUATELY SIZED FOR ANY TYPE OF RESIDENTIAL USE;**

16 **(II) HAS ACCESS TO PUBLIC UTILITIES;**

17 **(III) HAS ACCESS TO FEASIBLE INGRESS AND EGRESS POINTS;**

18 **AND**

19 **(IV) MEETS ANY OTHER FACTORS DETERMINED BY THE**
 20 **DEPARTMENT THAT ARE NECESSARY FOR THE PROPERTY TO BE USED OR**
 21 **REDEVELOPED AS HOUSING.**

22 **~~(6) THE DEPARTMENT MAY CONSIDER THE SUITABILITY OF~~**
 23 **~~PROPERTY TO BE:~~**

24 **~~(I) LEASED FOR SOLAR ENERGY PRODUCTION; AND~~**

25 **~~(II) USED FOR SOLAR ENERGY PRODUCTION CONCURRENTLY~~**
 26 **~~WITH A SEPARATE USE OF THE PROPERTY BY THE UNIT.~~**

27 **~~(7)~~ FOR EACH PROPERTY, THE DEPARTMENT SHALL SPECIFY:**

28 **(I) WHETHER THE PROPERTY IS APPROPRIATE FOR ONE OF**
 29 **THE USES SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION; AND**

1 (II) WHICH USE IS APPROPRIATE FOR EACH PROPERTY ON THE
2 LIST, IF ANY.

3 ~~(8)~~ (7) ON OR BEFORE JULY 1, 2028, AND EVERY 5 YEARS
4 THEREAFTER, THE DEPARTMENT SHALL SEND THE INVENTORY TO THE GOVERNOR
5 AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
6 GENERAL ASSEMBLY.

7 (B) (1) NOT LATER THAN 60 DAYS AFTER THE NOTICE PROVIDED UNDER
8 § 5-310(D) OF THIS TITLE, THE DEPARTMENT, IN CONSULTATION WITH THE
9 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE MARYLAND
10 ENERGY ADMINISTRATION, SHALL IDENTIFY WHICH RELEVANT PROPERTIES IN THE
11 INVENTORY ARE SUITABLE FOR USE OR REDEVELOPMENT FOR HOUSING ~~OR SOLAR~~
12 ~~ENERGY PRODUCTION.~~

13 (2) FOR EACH PROPERTY IDENTIFIED UNDER PARAGRAPH (1) OF
14 THIS SUBSECTION AS SUITABLE FOR USE OR REDEVELOPMENT FOR HOUSING ~~OR~~
15 ~~SOLAR ENERGY PRODUCTION,~~ THE DEPARTMENT SHALL:

16 (I) GIVE NOTICE OF THE DETERMINATION TO:

17 1. THE UNIT OF STATE GOVERNMENT THAT CONTROLS
18 THE PROPERTY; AND

19 2. THE STATE TREASURER; AND

20 (II) ADVISE THE UNIT OF STATE GOVERNMENT OF THE
21 REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION.

22 (3) THE LIST OF PROPERTIES IDENTIFIED UNDER PARAGRAPH (1) OF
23 THIS SUBSECTION AS SUITABLE FOR USE OR REDEVELOPMENT FOR HOUSING SHALL
24 BE MADE AVAILABLE TO THE PUBLIC.

25 (C) (1) (I) EXCEPT AS PROVIDED IN ~~SUBSECTIONS (D) AND (E)~~
26 ~~SUBSECTION (D)~~ OF THIS SECTION, AND ON RECEIPT OF THE NOTICE REQUIRED
27 UNDER SUBSECTION (B)(2) OF THIS SECTION, THE UNIT OF STATE GOVERNMENT
28 SHALL, IN CONSULTATION WITH THE DEPARTMENT, DEVELOP A PROPOSAL TO
29 DONATE OR SELL THE RELEVANT PROPERTY ~~AS FOLLOWS:~~

30 ~~1. IF THE PROPERTY HAS BEEN DETERMINED TO BE~~
31 ~~SUITABLE FOR HOUSING, INCLUDING AFFORDABLE HOUSING, BY:~~

32 ~~A~~ 1. DONATING OR SELLING THE PROPERTY TO A
33 NONPROFIT ORGANIZATION THAT CONTRACTS TO USE OR REDEVELOP THE

1 PROPERTY IN WHOLE OR IN PART FOR HOUSING, WITH A PRIORITY FOR USE AS
2 AFFORDABLE HOUSING; OR

3 ~~B. 2. SELLING THE PROPERTY TO A BUYER THAT~~
4 ~~CONTRACTS TO USE OR REDEVELOP THE PROPERTY IN WHOLE OR IN PART AS~~
5 ~~HOUSING, WITH A PRIORITY FOR USE AS AFFORDABLE HOUSING; OR~~

6 ~~2. IF THE PROPERTY HAS BEEN DETERMINED TO BE~~
7 ~~SUITABLE FOR SOLAR ENERGY PRODUCTION, BY SELLING THE PROPERTY TO A~~
8 ~~PERSON THAT CONTRACTS TO USE OR REDEVELOP THE PROPERTY FOR SOLAR~~
9 ~~ENERGY PRODUCTION.~~

10 (II) IF THE PROPERTY HAS BEEN DETERMINED TO BE SUITABLE
11 FOR MORE THAN ONE USE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE
12 PROPERTY SHALL BE OFFERED FOR DONATION OR SALE FOR A USE LISTED IN
13 SUBPARAGRAPH (I) OF THIS PARAGRAPH IN THE ORDER THAT THE USES ARE LISTED.

14 (III) IF, AFTER REASONABLE EFFORT, THE UNIT IS UNABLE TO
15 IDENTIFY A SUITABLE NONPROFIT ORGANIZATION OR BUYER IN ACCORDANCE WITH
16 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE UNIT SHALL DEVELOP A PROPOSAL
17 TO SELL THE PROPERTY AT AUCTION.

18 (IV) A PROPOSAL DEVELOPED UNDER THIS PARAGRAPH SHALL
19 BE SUBMITTED TO THE BOARD OF PUBLIC WORKS FOR CONSIDERATION IN
20 ACCORDANCE WITH § 10-305 OF THIS ARTICLE.

21 (2) IF THE PROPERTY SHALL BE USED OR REDEVELOPED, IN WHOLE
22 OR IN PART, FOR AFFORDABLE HOUSING, THE UNIT SHALL CONSIDER THE
23 PROPOSED PERIOD OF AFFORDABILITY, THE NUMBER OF AFFORDABLE HOUSING
24 UNITS CREATED, AND THE VIABILITY OF AN OFFER WHEN EVALUATING OFFERS
25 FROM MULTIPLE NONPROFIT ORGANIZATIONS OR BUYERS UNDER PARAGRAPH
26 ~~(1)(I)A~~ (1)(I)1 OF THIS SUBSECTION.

27 (3) WHEN A PROPERTY IS DONATED OR SOLD IN ACCORDANCE WITH
28 A PROPOSAL DEVELOPED UNDER THIS SUBSECTION, THE UNIT SHALL GIVE NOTICE
29 OF THE DISPOSITION TO THE DEPARTMENT.

30 (D) ~~IF THE DEPARTMENT HAS DETERMINED THAT A PROPERTY IS NOT~~
31 ~~SUITABLE FOR USE AS HOUSING BUT IS SUITABLE FOR USE FOR SOLAR ENERGY~~
32 ~~PRODUCTION, THE UNIT, IN CONSULTATION WITH THE DEPARTMENT, MAY~~
33 ~~CONSIDER:~~

34 ~~(1) LEASING THE PROPERTY FOR SOLAR ENERGY PRODUCTION; OR~~

~~(2) USING THE PROPERTY FOR SOLAR ENERGY PRODUCTION CONCURRENTLY WITH A SEPARATE USE OF THE PROPERTY BY THE UNIT.~~

~~(E)~~ (1) A UNIT MAY NOT PROPOSE TO DONATE OR SELL A PROPERTY UNDER THIS SECTION IF THE DONATION OR SALE WOULD:

(I) VIOLATE ANY COVENANT OR APPLICABLE FEDERAL LAW; OR

(II) IN THE OPINION OF THE STATE TREASURER, ADVERSELY AFFECT THE TAX-EXEMPT STATUS OF AN OUTSTANDING STATE BOND, THE PROCEEDS OF WHICH WERE ALLOCATED TO PURCHASE OR IMPROVE THE PROPERTY.

(2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO SUPERSEDE THE RIGHT OF A PERSON FROM WHOM REAL PROPERTY WAS ACQUIRED OR THE PERSON'S SUCCESSOR IN INTEREST TO REACQUIRE THE PROPERTY UNDER § 8-309 OF THE TRANSPORTATION ARTICLE.

~~(F)~~ (E) ON OR BEFORE DECEMBER 31, 2025, AND EACH DECEMBER 31 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE:

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

(2) THE NUMBER OF PROPERTIES THAT WERE DONATED IN ACCORDANCE WITH PROPOSALS DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION; AND

(3) THE NUMBER OF PROPERTIES THAT WERE SOLD IN ACCORDANCE WITH PROPOSALS DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION; AND

~~(4) THE NUMBER OF PROPERTIES LEASED OR USED CONCURRENTLY WITH A UNIT UNDER SUBSECTION (D) OF THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2030:~~

~~(1) at least 10,000 housing units shall be constructed on land that was owned by the State on the effective date of this Act; and~~

~~(2) at least 55 megawatts of solar energy shall be produced on land that was owned by the State on the effective date of this Act.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
 2 2030, the Department of Housing and Community Development shall set goals for the
 3 construction of housing units on land that was owned by the State on the effective date of
 4 this Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 6 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.