

HOUSE BILL 1085

C9, Q1, Q2

5lr2644

By: **Delegates Fair, Palakovich Carr, Allen, Charkoudian, Ebersole, Foley, Holmes, Kaufman, Kerr, Schindler, Simpson, Solomon, Spiegel, and Stewart**
Introduced and read first time: February 5, 2025
Assigned to: Environment and Transportation and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Housing Authorities – Tax–Exempt Status – Modifications**

3 FOR the purpose of exempting certain property owned by public housing authorities,
4 certain subsidiary entities of public housing authorities, and certain nonprofit
5 housing corporations from State and local taxation; directing public housing
6 authorities, certain subsidiary entities of public housing authorities, and certain
7 nonprofit housing corporations to make payments in lieu of taxes that may be set by
8 agreements with political subdivisions; and generally relating to the tax–exempt
9 status of public housing authorities in the State.

10 BY repealing and reenacting, with amendments,
11 Article – Housing and Community Development
12 Section 12–104
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2024 Supplement)

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

17 **Article – Housing and Community Development**

18 12–104.

19 (a) [(1)] In this section [the following words have the meanings indicated],
20 **“HOUSING AUTHORITY ENTITY” MEANS AN ENTITY:**

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

7 (3) “Howard County Housing Commission entity” means an entity:

8 (i) that is controlled or wholly owned by the Howard County
9 Housing Commission; or

10 (ii) in which the Howard County Housing Commission or an entity
11 controlled or wholly owned by the Howard County Housing Commission has an ownership
12 interest, either directly or indirectly, through one or more wholly or partially owned
13 subsidiary entities.

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

17 **(1) THAT IS CONTROLLED OR WHOLLY OWNED BY AN AUTHORITY; OR**

18 **(2) IN WHICH AN AUTHORITY OR AN ENTITY CONTROLLED OR WHOLLY**
19 **OWNED BY AN AUTHORITY HAS AN OWNERSHIP INTEREST, EITHER DIRECTLY OR**
20 **INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY**
21 **ENTITIES.**

22 (b) **[(1)]** A nonprofit entity shall be deemed controlled by **[the Housing Authority**
23 **of Baltimore City]** **AN AUTHORITY** under subsection **[(a)(2)] (A)** of this section if:

24 **[(i)]** the nonprofit entity is established by the Housing Authority of
25 Baltimore City under § 12–502(h) of this title; and

26 **[(ii)]** the Housing Authority of Baltimore City:

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

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

30 (2) A nonprofit entity shall be deemed controlled by the Howard County
31 Housing Commission under subsection (a)(3) of this section if:

1 (i) the nonprofit entity is established by the Howard County
2 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 board of
5 directors of the nonprofit entity; or

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

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

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

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

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

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

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

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

19 **(1) THE NONPROFIT ENTITY IS ESTABLISHED BY AN AUTHORITY**
20 **UNDER § 12–502(H) OF THIS TITLE; AND**

21 **(2) THE AUTHORITY:**

22 **(I) HAS THE POWER TO APPOINT A MAJORITY OF THE BOARD OF**
23 **DIRECTORS OF THE NONPROFIT ENTITY; OR**

24 **(II) IS THE SOLE MEMBER OF THE NONPROFIT ENTITY.**

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

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

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

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

8 (iii) 1. is used, or if under construction will be used, as housing
9 for persons of eligible income and is owned in whole or in part, directly or indirectly,
10 through one or more wholly or partially owned subsidiary entities of a Howard County
11 Housing Commission entity;

12 2. has improvements, or has improvements under
13 construction, located on land that is owned by:

14 A. the Howard County Housing Commission; or

15 B. an entity that is controlled or wholly owned by the Howard
16 County Housing Commission; and

17 3. has improvements, or has improvements under
18 construction, owned by an entity:

19 A. for which the Howard County Housing Commission
20 publicly solicited development partners pursuant to its procurement policies; or

21 B. that has a general partner or managing member that is
22 controlled or wholly owned by the Howard County Housing Commission; or

23 (iv) is used as housing for persons of eligible income and is owned by
24 a Montgomery County Housing Authority entity.]

25 **(II) IS USED AS HOUSING FOR PERSONS OF ELIGIBLE INCOME**
26 **AND IS OWNED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, THROUGH ONE OR**
27 **MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES OF A HOUSING**
28 **AUTHORITY ENTITY; OR**

29 **(III) 1. IS USED, OR IF UNDER CONSTRUCTION WILL BE USED,**
30 **AS HOUSING FOR PERSONS OF ELIGIBLE INCOME AND IS OWNED IN WHOLE OR IN**
31 **PART, DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE WHOLLY OR PARTIALLY**
32 **OWNED SUBSIDIARY ENTITIES OF A HOUSING AUTHORITY ENTITY; AND**

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

3 **A. AN AUTHORITY; OR**

4 **B. AN ENTITY THAT IS CONTROLLED OR WHOLLY OWNED**
5 **BY AN AUTHORITY.**

6 (3) In lieu of those taxes and special assessments, an authority, a nonprofit
7 housing corporation, [a Baltimore Housing Authority entity, a Howard County Housing
8 Commission entity, or a Montgomery County Housing Authority entity] **OR A HOUSING**
9 **AUTHORITY ENTITY** shall pay the political subdivision in which a housing project is wholly
10 or partly located an amount, if any, that may be set by mutual agreement and that does
11 not exceed the amount of regular taxes levied on similar property.

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

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

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

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

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

21 (i) a mortgage or deed of trust recorded against property of an
22 authority; or

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

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

28 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect June
29 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.