

Bill No.: \_\_\_\_\_  
Requested: \_\_\_\_\_  
Committee: \_\_\_\_\_

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By: **Delegate Feldmark**

**A BILL ENTITLED**

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.

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.



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

2 (2) "Baltimore Housing Authority entity" means an entity:

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

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

9 (3) "HOWARD COUNTY HOUSING COMMISSION ENTITY" MEANS AN  
10 ENTITY:

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

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

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

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

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

25 (ii) the Housing Authority of Baltimore City:

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

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

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

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

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

10                   1.     **HAS THE POWER TO APPOINT A MAJORITY OF THE**  
11 **BOARD OF DIRECTORS OF THE NONPROFIT ENTITY; OR**

12                   2.     **IS THE SOLE MEMBER OF THE NONPROFIT ENTITY.**

13                   **[(2)] (3)** A nonprofit entity shall be deemed controlled by the Housing  
14 Opportunities Commission of Montgomery County under subsection **[(a)(3)] (A)(4)** of this  
15 section if:

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

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

19                   1.     has the power to appoint a majority of the board of  
20 directors of the nonprofit entity;

21                   2.     holds a majority of all managing member interests in the  
22 entity;

23                   3.     holds a majority of the general partner interests in the  
24 entity; or

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

1 (c) (1) In this subsection, "nonprofit housing corporation" means a nonprofit  
2 or charitable private corporation that provides safe and sanitary housing to persons of  
3 eligible income in such a way that the corporation works essentially like an authority under  
4 this Division II.

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

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

9 (ii) is used as housing for persons of eligible income and is owned in  
10 whole or in part, directly or indirectly, through one or more wholly or partially owned  
11 subsidiary entities of a Baltimore Housing Authority entity, ~~OR A HOWARD COUNTY~~  
12 ~~HOUSING COMMISSION ENTITY~~; or INSERT ON NEXT PAGE

13 ~~(iii)~~(iv) is used as housing for persons of eligible income and is owned by  
14 a Montgomery County Housing Authority entity.

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

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

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

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

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

INSERT

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

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

A. THE HOWARD COUNTY HOUSING COMMISSION; OR

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

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

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

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

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.