Bill No.: ____________________
Requested: __________________
Committee: __________________

By: Delegate Feldmark

A BILL ENTITLED

1 AN ACT concerning

2 Howard County – Howard County Housing Commission – Subsidiary Entities

Ho. Co. 26–19

4 FOR the purpose of providing that a nonprofit entity shall be deemed controlled by the
Howard County Housing Commission under certain circumstances; altering the
applicability of certain tax exemption provisions to include a subsidiary entity of a
certain Howard County Housing Commission entity; defining a certain term; making
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.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(a) (1) In this section the following words have the meanings indicated.

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

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

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

(3) "Howard County Housing Commission entity" means an entity:

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

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

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

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

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

(ii) the Housing Authority of Baltimore City:
1. has the power to appoint a majority of the board of directors of the nonprofit entity; or

2. is the sole member of the nonprofit entity.

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

(i) THE NONPROFIT ENTITY IS ESTABLISHED BY THE HOWARD COUNTY HOUSING COMMISSION UNDER § 12–502(H) OF THIS TITLE; AND

(ii) THE HOWARD COUNTY HOUSING COMMISSION:

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

2. IS THE SOLE MEMBER OF THE NONPROFIT ENTITY.

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

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

(ii) the Housing Opportunities Commission of Montgomery County:

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

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

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

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

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

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

(ii) is 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 Baltimore Housing Authority entity, a HOWARD COUNTY
HOUSING COMMISSION ENTITY, or a MONTGOMERY COUNTY HOUSING AUTHORITY
ENTITY.

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

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

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

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

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

(iii) a judgment against an authority is not a charge or lien on the
authority's real property.
(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
Paragraph (1) of this subsection does not limit a right to foreclose or otherwise enforce:

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.