

SENATE BILL 355

L2, Q2

5lr1840
CF 5lr1392

By: **Senator McFadden (By Request – Baltimore City Administration)**

Introduced and read first time: February 6, 2015

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Housing Authority of Baltimore City – Subsidiary Entities**

3 FOR the purpose of providing that a not-for-profit entity shall be deemed controlled by the
4 Housing Authority of Baltimore City under certain circumstances; altering the
5 applicability of certain tax exemption provisions for property of a subsidiary entity
6 of a Baltimore Housing Authority entity; altering a certain definition; and generally
7 relating to the Housing Authority of Baltimore City.

8 BY repealing and reenacting, with amendments,
9 Article – Housing and Community Development
10 Section 12–104
11 Annotated Code of Maryland
12 (2006 Volume and 2014 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Housing and Community Development
15 Section 12–502(h)
16 Annotated Code of Maryland
17 (2006 Volume and 2014 Supplement)

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

20 **Article – Housing and Community Development**

21 12–104.

22 (a) In this section, “Baltimore Housing Authority entity” means an entity:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) that is **CONTROLLED OR** wholly owned by the Housing Authority of
2 Baltimore City; or

3 (2) 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
5 ownership interest, **EITHER DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE**
6 **WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES.**

7 **(B) A NOT-FOR-PROFIT ENTITY SHALL BE DEEMED CONTROLLED BY THE**
8 **HOUSING AUTHORITY OF BALTIMORE CITY UNDER SUBSECTION (A) OF THIS**
9 **SECTION IF:**

10 **(1) THE NOT-FOR-PROFIT ENTITY IS ESTABLISHED BY THE HOUSING**
11 **AUTHORITY OF BALTIMORE CITY UNDER § 12-502(H) OF THIS TITLE; AND**

12 **(2) THE HOUSING AUTHORITY OF BALTIMORE CITY:**

13 **(I) HAS THE POWER TO APPOINT A MAJORITY OF THE BOARD OF**
14 **DIRECTORS OF THE NOT-FOR-PROFIT ENTITY; OR**

15 **(II) IS THE SOLE MEMBER OF THE NOT-FOR-PROFIT ENTITY.**

16 **[(b)] (C) (1)** In this subsection, “nonprofit housing corporation” means a
17 nonprofit or charitable private corporation that provides safe and sanitary housing to
18 persons of eligible income in such a way that the corporation works essentially like an
19 authority under this Division II.

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

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

24 (ii) is used as housing for persons of eligible income and **[(belongs to)]**
25 **IS OWNED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, THROUGH ONE OR**
26 **MORE WHOLLY OR PARTIALLY OWNED SUBSIDIARY ENTITIES OF** a Baltimore Housing
27 Authority entity.

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

33 **[(c)] (D) (1)** Except as provided in paragraph (2) or (3) of this subsection:

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

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

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

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

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

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

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

16 12-502.

17 (h) An authority may also establish and control not-for-profit entities, including
18 corporations and limited liability companies, that may own, operate, and take steps
19 necessary or convenient to develop or otherwise undertake housing projects in the
20 authority's area of operation.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2015.