

SENATE BILL 369

C9, Q1

6lr1817
CF 6lr1818

By: **Senator Hettleman**

Introduced and read first time: January 27, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Nonprofit Housing Corporations – Tax and Enforcement of Judgment**
3 **Exemptions – Alterations**

4 FOR the purpose of exempting certain real property owned by certain subsidiary entities
5 of a nonprofit housing corporation from taxes and special assessments of the State
6 or a political subdivision; exempting certain real property of a nonprofit housing
7 corporation from certain procedures for enforcement of a judgment against the
8 nonprofit housing corporation; and generally relating to tax and enforcement of
9 judgment exemptions for nonprofit housing corporations.

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 2025 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) In this section, “housing authority entity” means an entity:

20 (1) that is controlled or wholly owned by an authority; or

21 (2) in which an authority or an entity controlled or wholly owned by an
22 authority has an ownership interest, either directly or indirectly, through one or more
23 wholly or partially owned subsidiary entities.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) A nonprofit entity shall be deemed controlled by an authority under subsection
2 (a) of this section if:

3 (1) the nonprofit entity is established by an authority under § 12–502(h) of
4 this title; and

5 (2) the authority:

6 (i) has the power to appoint a majority of the board of directors of
7 the nonprofit entity; or

8 (ii) is the sole member of the nonprofit entity.

9 (c) (1) In this subsection, “nonprofit housing corporation” means a [nonprofit
10 or charitable private corporation that provides safe and sanitary housing to persons of
11 eligible income in such a way that the corporation works essentially like an authority under
12 this Division II] **CORPORATION:**

13 **(I) INCORPORATED UNDER THE LAWS OF THE STATE OR**
14 **AUTHORIZED TO DO BUSINESS IN THE STATE BY THE STATE DEPARTMENT OF**
15 **ASSESSMENTS AND TAXATION;**

16 **(II) RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN**
17 **ORGANIZATION DESCRIBED IN § 501(C)(3) OF THE INTERNAL REVENUE CODE; AND**

18 **(III) ORGANIZED AND OPERATED FOR THE PRIMARY PURPOSE OF**
19 **DEVELOPING, OWNING, OR OPERATING HOUSING FOR PERSONS OF ELIGIBLE**
20 **INCOME.**

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

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

25 (ii) is used as housing for persons of eligible income and is owned in
26 whole or in part, directly or indirectly, through one or more wholly or partially owned
27 subsidiary entities of a housing authority entity **OR NONPROFIT HOUSING**
28 **CORPORATION;** or

29 (iii) 1. is used, or if planned or under construction will be used,
30 as housing for persons of eligible income and is owned in whole or in part, directly or
31 indirectly, through one or more wholly or partially owned subsidiary entities of a housing
32 authority entity **OR NONPROFIT HOUSING CORPORATION;** and

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

3 A. an authority **OR A NONPROFIT HOUSING**
4 **CORPORATION**; or

5 B. an entity that is controlled or wholly owned by an
6 authority **OR A NONPROFIT HOUSING CORPORATION**.

7 (3) In lieu of those taxes and special assessments, an authority, a nonprofit
8 housing corporation, or a housing authority entity shall pay the political subdivision in
9 which a housing project is wholly or partly located an amount, if any, that may be set by
10 mutual agreement and that does not exceed the amount of regular taxes levied on similar
11 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) ALL REAL PROPERTY OF A NONPROFIT HOUSING**
16 **CORPORATION THAT IS USED AS HOUSING FOR PERSONS OF ELIGIBLE INCOME IS**
17 **EXEMPT FROM LEVY AND SALE BY VIRTUE OF AN EXECUTION;**

18 ~~[(ii)]~~ **(III)** an execution or other judicial process may not issue
19 against the real property **DESCRIBED IN ITEMS (I) AND (II) OF THIS PARAGRAPH; [and]**

20 ~~[(iii)]~~ **(IV)** a judgment against an authority is not a charge or lien on
21 the authority's real property; **AND**

22 **(V) A JUDGMENT AGAINST A NONPROFIT HOUSING**
23 **CORPORATION IS NOT A CHARGE OR LIEN ON THE NONPROFIT HOUSING**
24 **CORPORATION'S REAL PROPERTY THAT IS USED AS HOUSING FOR PERSONS OF**
25 **ELIGIBLE INCOME.**

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

28 (i) a mortgage or deed of trust recorded against property of an
29 authority **OR A NONPROFIT HOUSING CORPORATION**; or

30 (ii) a pledge or lien given by an authority **OR A NONPROFIT**
31 **HOUSING CORPORATION** on its rents, fees, or revenues.

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

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2026.