

SENATE BILL 542

C8, L6

11r0587
CF HB 228

By: **Senator Colburn**

Introduced and read first time: February 4, 2011

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: March 15, 2011

CHAPTER _____

1 AN ACT concerning

2 **Housing Authorities – Consolidation or Merger – Talbot County and St.**
3 **Michaels**

4 FOR the purpose of authorizing the Housing Commission of Talbot County and the St.
5 Michaels Housing Authority to unite by consolidation or merger to form one
6 authority under certain circumstances; requiring the unification of the Housing
7 Commission of Talbot County and the St. Michaels Housing Authority to be
8 initiated by the passage of a certain proposal of unification by the legislative
9 body of certain municipal corporations; requiring the appointment of a certain
10 commission to draft proposed articles of organization for a proposed authority
11 under certain circumstances; imposing certain duties on a certain commission;
12 providing that the legislative body of each municipal corporation must adopt or
13 reject certain articles of organization as a whole; prohibiting the articles of
14 organization from being amended or changed except under certain
15 circumstances; requiring a certain custodian of records to file certain articles of
16 organization with the Secretary of State under certain circumstances; requiring
17 the Secretary of State to issue a certificate of approval for certain articles of
18 organization under certain circumstances; prohibiting an authority created
19 under this Act from doing business or exercising its powers unless a certain
20 certificate has been issued; defining certain terms; and generally relating to the
21 consolidation or merger of the Housing Commission of Talbot County and the
22 St. Michaels Housing Authority.

23 BY repealing and reenacting, with amendments,
24 Article – Housing and Community Development

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 12–105, 12–201, and 12–204(a)
 2 Annotated Code of Maryland
 3 (2006 Volume and 2010 Supplement)

4 BY adding to
 5 Article – Housing and Community Development
 6 Section 12–208
 7 Annotated Code of Maryland
 8 (2006 Volume and 2010 Supplement)

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

11 **Article – Housing and Community Development**

12 12–105.

13 (a) An authority of a municipal corporation or Baltimore City may:

14 (1) operate within its territorial boundaries; and

15 (2) without regard to location:

16 (i) administer rent subsidy payments and housing assistance
 17 programs for both eligible landlords and tenants;

18 (ii) own or manage housing projects in operation before January
 19 1, 1990; and

20 (iii) develop, own, or operate a housing project at the request of
 21 and within the territorial boundaries of another political subdivision.

22 (b) (1) Anywhere in its county an authority of a county may:

23 (i) administer rent subsidy payments and housing assistance
 24 programs for both eligible landlords and tenants; and

25 (ii) own or manage housing projects in operation before:

26 1. January 1, 1990, if the authority is of Baltimore City;

27 or

28 2. January 1, 1991, if the authority is of another county.

29 (2) Subject to paragraph (3) of this subsection, an authority of a county
 30 may conduct its other operations within the county.

1 (3) An authority of a county other than Baltimore City may not
2 conduct its other operations within a municipal corporation unless the governing body
3 of the municipal corporation consents by resolution to its inclusion in the authority's
4 area of operation.

5 **(C) AN AUTHORITY CREATED UNDER § 12-208 OF THIS TITLE MAY**
6 **CONDUCT ITS OPERATIONS IN THE AREA PRESCRIBED UNDER ITS ARTICLES OF**
7 **ORGANIZATION.**

8 12-201.

9 **[In] EXCEPT AS PROVIDED IN § 12-208 OF THIS SUBTITLE,** IN each political
10 subdivision, there is a public body corporate and politic known as the "housing
11 authority" of the political subdivision or as otherwise designated in the articles of
12 organization.

13 12-204.

14 (a) **[Each] EXCEPT AS PROVIDED IN § 12-208 OF THIS SUBTITLE, EACH**
15 **pre-existing authority continues to exist.**

16 **12-208.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
18 **MEANINGS INDICATED.**

19 **(2) "CONSOLIDATION" MEANS THE DISSOLUTION OF SEPARATE**
20 **EXISTING AUTHORITIES AND THE SIMULTANEOUS CREATION OF A NEW**
21 **AUTHORITY.**

22 **(3) "MERGER" MEANS THE ABSORPTION OF ONE EXISTING**
23 **AUTHORITY BY ANOTHER EXISTING AUTHORITY IN WHICH THE ONE AUTHORITY**
24 **DISSOLVES AND THE OTHER AUTHORITY CONTINUES TO EXIST.**

25 **(B) THE HOUSING COMMISSION OF TALBOT COUNTY AND THE ST.**
26 **MICHAELS HOUSING AUTHORITY MAY UNITE BY CONSOLIDATION OR MERGER**
27 **TO FORM ONE AUTHORITY.**

28 **(C) (1) THE UNIFICATION OF THE HOUSING COMMISSION OF TALBOT**
29 **COUNTY AND THE ST. MICHAELS HOUSING AUTHORITY SHALL BE INITIATED BY**
30 **THE PASSAGE OF A PROPOSAL OF UNIFICATION IN SUBSTANTIALLY THE SAME**
31 **FORM BY THE LEGISLATIVE BODY OF THE TOWN OF EASTON AND THE**
32 **LEGISLATIVE BODY OF THE TOWN OF ST. MICHAELS.**

33 **(2) THE PROPOSAL OF UNIFICATION SHALL:**

1 **(I) INCLUDE A DESCRIPTION OF THE BOUNDARIES OF THE**
2 **AREA OF OPERATION FOR THE PROPOSED AUTHORITY; AND**

3 **(II) BE APPROVED BY EACH MUNICIPAL CORPORATION IN**
4 **THE SAME MANNER PROVIDED FOR THE ADOPTION OF A RESOLUTION OR**
5 **ORDINANCE IN THE CHARTER OR BYLAWS OF THE MUNICIPAL CORPORATION**
6 **THAT IS CONSIDERING THE PROPOSAL OF UNIFICATION.**

7 **(D) (1) AFTER BOTH MUNICIPAL CORPORATIONS APPROVE A**
8 **PROPOSAL OF UNIFICATION, EACH MUNICIPAL CORPORATION SHALL APPOINT**
9 **AN EQUAL NUMBER OF REPRESENTATIVES, WHICH MAY NOT BE LESS THAN**
10 **THREE NOR MORE THAN FIVE, TO A COMMISSION CHARGED WITH DRAFTING**
11 **ARTICLES OF ORGANIZATION FOR THE PROPOSED AUTHORITY.**

12 **(2) THE MEMBERS OF THE COMMISSION SHALL:**

13 **(I) ADOPT RULES AND ELECT OFFICERS TO GOVERN THEIR**
14 **MEETINGS AND EXPEDITE THE DRAFTING OF THE ARTICLES OF ORGANIZATION;**
15 **AND**

16 **(II) COMPLETE A DRAFT OF THE ARTICLES OF**
17 **ORGANIZATION NO LATER THAN 6 MONTHS AFTER THE APPROVAL OF THE**
18 **PROPOSALS OF UNIFICATION.**

19 **(3) IN THE DRAFT ARTICLES OF ORGANIZATION OR IN A**
20 **SEPARATE DOCUMENT, THE COMMISSION SHALL:**

21 **(I) DESCRIBE THE BOUNDARIES OF THE AREA OF**
22 **OPERATION FOR THE PROPOSED AUTHORITY; AND**

23 **(II) PROVIDE FOR:**

24 **1. THE DISPOSITION OF ANY DEBTS, BONDS, AND**
25 **OTHER OBLIGATIONS OF THE HOUSING COMMISSION OF TALBOT COUNTY AND**
26 **ANY DEBTS, BONDS, AND OTHER OBLIGATIONS OF THE ST. MICHAELS HOUSING**
27 **AUTHORITY;**

28 **2. THE TRANSFER TO THE PROPOSED AUTHORITY OF**
29 **ANY PROPERTY AND OTHER ASSETS OF THE HOUSING COMMISSION OF TALBOT**
30 **COUNTY AND ANY PROPERTY AND OTHER ASSETS OF THE ST. MICHAELS**
31 **HOUSING AUTHORITY; AND**

1 **3. THE DESIGNATION OF THE CHIEF ELECTED**
2 **OFFICIAL, CUSTODIAN OF RECORDS, AND LEGISLATIVE BODY OF WHICH**
3 **MUNICIPAL CORPORATION THAT SHALL GOVERN THE OPERATIONS OF THE**
4 **PROPOSED AUTHORITY.**

5 **(E) (1) THE COMMISSION CREATED UNDER SUBSECTION (D) OF THIS**
6 **SECTION SHALL SUBMIT THE DRAFT ARTICLES OF ORGANIZATION TO THE**
7 **LEGISLATIVE BODY OF EACH MUNICIPAL CORPORATION FOR ADOPTION OR**
8 **REJECTION.**

9 **(2) THE LEGISLATIVE BODY OF EACH MUNICIPAL CORPORATION**
10 **MUST ADOPT OR REJECT THE DRAFT ARTICLES OF ORGANIZATION AS A WHOLE.**

11 **(3) NO AMENDMENT OR CHANGE MAY BE MADE TO THE DRAFT**
12 **ARTICLES OF ORGANIZATION UNLESS THE LEGISLATIVE BODY OF EACH**
13 **MUNICIPAL CORPORATION CONCURS IN THE AMENDMENT OR CHANGE.**

14 **(4) IF THE LEGISLATIVE BODY OF EACH MUNICIPAL**
15 **CORPORATION ADOPTS THE DRAFT ARTICLES OF ORGANIZATION, THE**
16 **APPROPRIATE CUSTODIAN OF RECORDS SHALL FILE THE ARTICLES OF**
17 **ORGANIZATION WITH THE SECRETARY OF STATE.**

18 **(F) (1) IF THE SECRETARY OF STATE FINDS THAT THE APPROPRIATE**
19 **REQUIREMENTS OF §§ 12-205 AND 12-206 OF THIS SUBTITLE HAVE BEEN**
20 **SATISFIED, THE SECRETARY OF STATE SHALL ENDORSE THE ARTICLES AS**
21 **“APPROVED” AND ISSUE A CERTIFICATE OF APPROVAL ATTACHED TO THE**
22 **ENDORSED ARTICLES OF ORGANIZATION.**

23 **(2) WHEN THE CERTIFICATE OF APPROVAL IS ISSUED, THE**
24 **ARTICLES OF ORGANIZATION AS FILED ARE CONSIDERED TO HAVE BEEN**
25 **ADOPTED.**

26 **(3) AN AUTHORITY CREATED UNDER THIS SECTION MAY NOT DO**
27 **BUSINESS OR EXERCISE ITS POWERS UNLESS THE SECRETARY OF STATE HAS**
28 **ISSUED A CERTIFICATE OF APPROVAL.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2011.