

## Chapter 323

(House Bill 228)

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,  
Article – Housing and Community Development  
Section 12–105, 12–201, and 12–204(a)  
Annotated Code of Maryland  
(2006 Volume and 2010 Supplement)

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

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

### **Article – Housing and Community Development**

12-105.

- (a) An authority of a municipal corporation or Baltimore City may:
- (1) operate within its territorial boundaries; and
  - (2) without regard to location:
    - (i) administer rent subsidy payments and housing assistance programs for both eligible landlords and tenants;
    - (ii) own or manage housing projects in operation before January 1, 1990; and
    - (iii) develop, own, or operate a housing project at the request of and within the territorial boundaries of another political subdivision.
- (b) (1) Anywhere in its county an authority of a county may:
- (i) administer rent subsidy payments and housing assistance programs for both eligible landlords and tenants; and
  - (ii) own or manage housing projects in operation before:
    1. January 1, 1990, if the authority is of Baltimore City;
    2. January 1, 1991, if the authority is of another county.
- or
- (2) Subject to paragraph (3) of this subsection, an authority of a county may conduct its other operations within the county.
  - (3) An authority of a county other than Baltimore City may not conduct its other operations within a municipal corporation unless the governing body of the municipal corporation consents by resolution to its inclusion in the authority's area of operation.

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

12-201.

**[In] EXCEPT AS PROVIDED IN § 12-208 OF THIS SUBTITLE,** IN each political subdivision, there is a public body corporate and politic known as the "housing

authority” of the political subdivision or as otherwise designated in the articles of organization.

12-204.

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

12-208.

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

(2) “CONSOLIDATION” MEANS THE DISSOLUTION OF SEPARATE EXISTING AUTHORITIES AND THE SIMULTANEOUS CREATION OF A NEW AUTHORITY.

(3) “MERGER” MEANS THE ABSORPTION OF ONE EXISTING AUTHORITY BY ANOTHER EXISTING AUTHORITY IN WHICH THE ONE AUTHORITY DISSOLVES AND THE OTHER AUTHORITY CONTINUES TO EXIST.

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

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

(2) THE PROPOSAL OF UNIFICATION SHALL:

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

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

(D) (1) AFTER BOTH MUNICIPAL CORPORATIONS APPROVE A PROPOSAL OF UNIFICATION, EACH MUNICIPAL CORPORATION SHALL APPOINT

**AN EQUAL NUMBER OF REPRESENTATIVES, WHICH MAY NOT BE LESS THAN THREE NOR MORE THAN FIVE, TO A COMMISSION CHARGED WITH DRAFTING ARTICLES OF ORGANIZATION FOR THE PROPOSED AUTHORITY.**

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

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

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

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

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

**(II) PROVIDE FOR:**

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

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

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

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

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

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

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

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

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

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

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

**Approved by the Governor, May 10, 2011.**