
By: **Senators Grosfeld, Giannetti, Gladden, and Teitelbaum**

Introduced and read first time: February 3, 2006

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development - Rental Allowance**
3 **Program Fund**

4 FOR the purpose of repealing a certain provision of law limiting the time period in
5 which the Secretary of Housing and Community Development may provide
6 rental allowances to recipients under the Rental Allowance Program; expanding
7 eligibility for participation in the Rental Allowance Program to households in
8 which a member of the household has a disability; establishing the Rental
9 Allowance Program Fund as a special, nonlapsing fund in the Department of
10 Housing and Community Development; requiring the Secretary of Housing and
11 Community Development to administer the Fund; requiring that the Fund be
12 used for certain purposes; requiring the Treasurer to hold the Fund separately
13 and invest the money of the Fund in a certain manner; requiring that certain
14 revenue, money and earnings be paid into the Fund; requiring the Comptroller
15 to account for the Fund; establishing a certain special transfer tax payable for
16 certain instruments of writing; requiring that the revenue from the special
17 transfer tax be distributed to the Rental Allowance Program Fund; defining
18 certain terms; making certain conforming changes; and generally relating to the
19 Rental Allowance Program Fund.

20 BY repealing and reenacting, with amendments,
21 Article - Housing and Community Development
22 Section 4-1405 and 4-1406
23 Annotated Code of Maryland
24 (2005 Volume)

25 BY adding to
26 Article - Housing and Community Development
27 Section 4-1409
28 Annotated Code of Maryland
29 (2005 Volume)

30 BY repealing and reenacting, with amendments,
31 Article - Tax - Property

1 Section 13-201, 13-202, 13-203(a), and 13-209(a)
2 Annotated Code of Maryland
3 (2001 Replacement Volume and 2005 Supplement)

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

6 **Article - Housing and Community Development**

7 4-1405.

8 The Secretary shall establish:

9 (1) income limits for eligibility of lower income households not exceeding
10 30% of the State or area median income, whichever is higher;

11 (2) the maximum time to provide allowances to a specific household [not
12 exceeding 12 consecutive months, except when the Secretary determines that undue
13 hardship will result if assistance is ended];

14 (3) by household size, the maximum total rent for an assisted unit, the
15 size of an assisted unit, and the amount of the monthly rental allowance payments,
16 taking into account:

17 (i) regional variation in the State;

18 (ii) expected average annual recipient income by household size;

19 (iii) typical rental costs; and

20 (iv) any other factor related to income or rental costs;

21 (4) minimum standards for eligible dwelling units; and

22 (5) a method of selecting locations to implement the Program that
23 ensures the distribution of money among the various regions of the State.

24 4-1406.

25 Rental allowance payments may be given only to or on behalf of:

26 (1) a homeless individual who:

27 (i) does not have permanent housing;

28 (ii) lacks the resources to secure permanent housing;

29 (iii) cannot be served by a federal or more cost effective State
30 housing assistance program; and

31 (iv) can maintain independent living quarters; or

1 (2) an eligible household:

2 (I) with critical and emergency housing needs that cannot be
3 served by a federal or more cost effective State housing assistance program; OR

4 (II) IN WHICH THE HEAD OF HOUSEHOLD, SPOUSE, OR ANY OTHER
5 MEMBER OF THE HOUSEHOLD HAS A DISABILITY.

6 4-1409.

7 (A) IN THIS SECTION, "FUND" MEANS THE RENTAL ALLOWANCE PROGRAM
8 FUND.

9 (B) THERE IS A RENTAL ALLOWANCE PROGRAM FUND.

10 (C) THE PURPOSE OF THE FUND IS TO CARRY OUT THE PURPOSE OF THE
11 RENTAL ALLOWANCE PROGRAM IN ACCORDANCE WITH § 4-1403 OF THIS SUBTITLE.

12 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

13 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
14 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

15 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE
16 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

17 (F) THE FUND CONSISTS OF:

18 (1) REVENUE DISTRIBUTED TO THE FUND FROM THE SPECIAL
19 TRANSFER TAX UNDER § 13-209(A)(1) OF THE TAX - PROPERTY ARTICLE;

20 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

21 (3) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND; AND

22 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
23 BENEFIT OF THE FUND.

24 (G) THE FUND MAY BE USED ONLY FOR THE ADMINISTRATION OF THE
25 RENTAL ALLOWANCE PROGRAM.

26 (H) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE
27 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

28 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
29 THE FUND.

30 (I) MONEY EXPENDED FROM THE FUND FOR THE RENTAL ALLOWANCE
31 PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF
32 FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE RENTAL
33 ALLOWANCE PROGRAM.

1 **Article - Tax - Property**

2 13-201.

3 In this subtitle[, "transfer tax"]:

4 (1) "TRANSFER TAX" means the tax imposed under this subtitle; AND

5 (2) "TRANSFER TAX" INCLUDES THE SPECIAL TRANSFER TAX IMPOSED
6 UNDER § 13-202(B) OF THIS SUBTITLE.

7 13-202.

8 (A) Except as otherwise provided in this subtitle, a transfer tax is imposed on
9 an instrument of writing:

10 (1) recorded with the clerk of the circuit court for a county; or

11 (2) filed with the Department and described in § 12-103(d) of this
12 article.

13 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, IN ADDITION TO
14 THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION, A SPECIAL TRANSFER
15 TAX IS IMPOSED ON AN INSTRUMENT OF WRITING:

16 (1) RECORDED WITH THE CLERK OF THE CIRCUIT COURT FOR A
17 COUNTY; OR

18 (2) FILED WITH THE DEPARTMENT AND DESCRIBED IN § 12-103(D) OF
19 THIS ARTICLE.

20 13-203.

21 (a) (1) (I) Except as provided in subsection (b) of this section, the rate of
22 the transfer tax IMPOSED UNDER § 13-202(A) OF THIS SUBTITLE is 0.5% of the
23 consideration payable for the instrument of writing.

24 (II) The consideration includes the amount of any mortgage or deed
25 of trust assumed by the grantee.

26 (2) THE RATE OF THE SPECIAL TRANSFER TAX IMPOSED UNDER §
27 13-202(B) OF THIS SUBTITLE IS \$5 FOR EACH INSTRUMENT OF WRITING.

28 13-209.

29 (a) (1) THE REVENUE FROM THE SPECIAL TRANSFER TAX IMPOSED UNDER
30 § 13-202(B) OF THIS SUBTITLE IS PAYABLE TO THE COMPTROLLER AND SHALL BE
31 DISTRIBUTED TO THE RENTAL ALLOWANCE PROGRAM FUND ESTABLISHED UNDER §
32 4-1409 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

1 (2) [The] AFTER THE DISTRIBUTION UNDER PARAGRAPH (1) OF THIS
2 SUBSECTION, THE revenue from transfer tax is payable to the Comptroller for deposit
3 in a special fund TO BE USED AS PROVIDED IN THIS SECTION.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2006.