

HOUSE BILL 1176

L6, B1

6lr2707

By: **Delegates Krimm, Hettleman, Hill, Lierman, McKay, and M. Washington**

Introduced and read first time: February 11, 2016

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Rental Deposit Assistance Loan Programs and Fund**

3 FOR the purpose of authorizing a county or municipality to enact an ordinance or a
4 resolution to establish a rental deposit assistance loan program; providing for the
5 purpose and required elements of a program; establishing the Rental Deposit
6 Assistance Fund as a special, nonlapsing fund; specifying the purpose of the Fund;
7 requiring the Secretary of Housing and Community Development to administer the
8 Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account
9 for the Fund; specifying the contents of the Fund; requiring the Governor, each fiscal
10 year beginning with a certain fiscal year, to include in the annual budget bill an
11 appropriation of a certain amount to the Fund; specifying the purpose for which the
12 Fund may be used; providing for the investment of money in and expenditures from
13 the Fund; requiring the Secretary to establish a certain application procedure;
14 requiring the Secretary to make certain grants from the Fund to certain counties
15 and municipalities for a certain purpose; requiring that the amount of a certain
16 grant be in proportion to the number of counties and municipalities that apply for
17 money from the Fund; requiring a county or municipality that receives a grant from
18 the Fund to expend a certain amount of county or municipal funds for the program;
19 requiring a county or municipality that makes a certain application to provide the
20 Secretary with certain information; exempting the Fund from a certain provision of
21 law requiring interest on State money in special funds to accrue to the General Fund
22 of the State; defining certain terms; and generally relating to rental deposit
23 assistance loan programs.

24 BY adding to

25 Article – Local Government

26 Section 1–1401 through 1–1404 to be under the new subtitle “Subtitle 14. Rental
27 Deposit Assistance Programs”

28 Annotated Code of Maryland

29 (2013 Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(i)
4 Annotated Code of Maryland
5 (2015 Replacement Volume)

6 BY repealing and reenacting, with amendments,
7 Article – State Finance and Procurement
8 Section 6–226(a)(2)(ii)84. and 85.
9 Annotated Code of Maryland
10 (2015 Replacement Volume)

11 BY adding to
12 Article – State Finance and Procurement
13 Section 6–226(a)(2)(ii)86.
14 Annotated Code of Maryland
15 (2015 Replacement Volume)

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

18 **Article – Local Government**

19 **SUBTITLE 14. RENTAL DEPOSIT ASSISTANCE PROGRAMS.**

20 **1–1401.**

21 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

23 **(B) “FUND” MEANS THE RENTAL DEPOSIT ASSISTANCE LOAN FUND.**

24 **(C) “PROGRAM” MEANS A RENTAL DEPOSIT ASSISTANCE LOAN PROGRAM**
25 **ESTABLISHED UNDER THIS SECTION.**

26 **(D) “SECRETARY” MEANS THE SECRETARY OF HOUSING AND COMMUNITY**
27 **DEVELOPMENT.**

28 **1–1402.**

29 **(A) A COUNTY OR MUNICIPALITY MAY ENACT AN ORDINANCE OR A**
30 **RESOLUTION TO ESTABLISH A RENTAL DEPOSIT ASSISTANCE LOAN PROGRAM.**

1 **(B) THE PURPOSE OF A PROGRAM IS TO PROVIDE LOANS TO LOW-INCOME**
2 **INDIVIDUALS OR FAMILIES IN NEED OF ASSISTANCE IN FINANCING A SECURITY**
3 **DEPOSIT ON RENTAL HOUSING.**

4 **(C) AN ORDINANCE OR A RESOLUTION ENACTED UNDER THIS SECTION**
5 **SHALL PROVIDE FOR:**

6 **(1) ELIGIBILITY REQUIREMENTS FOR PARTICIPATION IN THE**
7 **PROGRAM;**

8 **(2) LOAN TERMS AND CONDITIONS; AND**

9 **(3) MONEY REPAID FROM LOANS MADE UNDER THE PROGRAM TO BE**
10 **USED ONLY FOR THE PROGRAM.**

11 **1-1403.**

12 **(A) THERE IS A RENTAL DEPOSIT ASSISTANCE LOAN FUND.**

13 **(B) THE PURPOSE OF THE FUND IS TO ASSIST COUNTIES AND**
14 **MUNICIPALITIES TO CREATE AND FINANCE PROGRAMS.**

15 **(C) THE SECRETARY SHALL ADMINISTER THE FUND.**

16 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
17 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

18 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
19 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

20 **(E) (1) THE FUND CONSISTS OF:**

21 **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
22 **FUND;**

23 **(II) INVESTMENT EARNINGS OF THE FUND; AND**

24 **(III) MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE**
25 **BENEFIT OF THE FUND.**

26 **(2) FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER,**
27 **THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET AN APPROPRIATION TO**
28 **THE FUND IN THE AMOUNT OF \$100,000.**

1 (F) THE FUND MAY BE USED ONLY TO PROVIDE MATCHING FUNDS TO A
2 COUNTY OR MUNICIPALITY THAT HAS ENACTED A PROGRAM UNDER THIS SUBTITLE.

3 (G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
4 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

5 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE PAID INTO THE
6 FUND.

7 (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
8 WITH THE STATE BUDGET.

9 1-1404.

10 (A) THE SECRETARY SHALL ESTABLISH PROCEDURES FOR COUNTIES AND
11 MUNICIPALITIES TO APPLY FOR MONEY FROM THE FUND.

12 (B) A COUNTY OR MUNICIPALITY THAT APPLIES FOR MONEY FROM THE
13 FUND SHALL PROVIDE THE SECRETARY WITH:

14 (1) THE ELIGIBILITY REQUIREMENTS FOR PARTICIPATION IN THE
15 PROGRAM; AND

16 (2) ANY OTHER INFORMATION THAT THE SECRETARY CONSIDERS
17 NECESSARY.

18 (C) (1) THE SECRETARY SHALL MAKE GRANTS FROM THE FUND TO
19 COUNTIES AND MUNICIPALITIES TO SUPPORT PROGRAMS.

20 (2) THE AMOUNT OF EACH GRANT SHALL BE IN PROPORTION TO THE
21 NUMBER OF COUNTIES AND MUNICIPALITIES THAT APPLY FOR MONEY FROM THE
22 FUND.

23 (D) A COUNTY OR MUNICIPALITY THAT RECEIVES A GRANT FROM THE FUND
24 SHALL EXPEND AN AMOUNT EQUAL TO THE AMOUNT OF THE GRANT PLUS AN EQUAL
25 AMOUNT OF COUNTY OR MUNICIPAL FUNDS FOR THE PROGRAM.

26 (E) THE COUNTY OR MUNICIPALITY SHALL SUBMIT TO THE SECRETARY
27 PROOF OF:

28 (1) EXPENDITURES OF AN EQUAL AMOUNT OF FUNDING FROM THE
29 COUNTY OR MUNICIPALITY FOR THE PROGRAM; AND

1 **(2) EXPENDITURES OF THE GRANT FOR THE PROGRAM.**

2 **Article – State Finance and Procurement**

3 6–226.

4 (a) (2) (i) Notwithstanding any other provision of law, and unless
5 inconsistent with a federal law, grant agreement, or other federal requirement or with the
6 terms of a gift or settlement agreement, net interest on all State money allocated by the
7 State Treasurer under this section to special funds or accounts, and otherwise entitled to
8 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
9 Fund of the State.

10 (ii) The provisions of subparagraph (i) of this paragraph do not apply
11 to the following funds:

12 84. the Economic Development Marketing Fund; [and]

13 85. the Military Personnel and Veteran–Owned Small
14 Business No–Interest Loan Fund; AND

15 **86. THE RENTAL DEPOSIT ASSISTANCE LOAN FUND.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2016.