

# HOUSE BILL 1090

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HB 501/23 – ENT

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By: **Delegates Queen, Allen, Foley, Holmes, Lehman, J. Long, Qi, Ruth, and Terrasa**

Introduced and read first time: February 7, 2024

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Revitalizing Neighborhoods Through Homeownership Program and Fund –**  
3 **Established**

4 FOR the purpose of establishing the Revitalizing Neighborhoods Through Homeownership  
5 Program; establishing the Revitalizing Neighborhoods Through Homeownership  
6 Fund as a special, nonlapsing fund to provide financial assistance in the form of loans  
7 under the provisions of the Revitalizing Neighborhoods Through Homeownership  
8 Program; and generally relating to the Revitalizing Neighborhoods Through  
9 Homeownership Program and Fund.

10 BY repealing and reenacting, without amendments,  
11 Article – Housing and Community Development  
12 Section 4–501(a) and (b)  
13 Annotated Code of Maryland  
14 (2019 Replacement Volume and 2023 Supplement)

15 BY adding to  
16 Article – Housing and Community Development  
17 Section 4–510; and 4–3001 through 4–3004 to be under the new subtitle “Subtitle 30.  
18 Revitalizing Neighborhoods Through Homeownership Program”  
19 Annotated Code of Maryland  
20 (2019 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article – State Finance and Procurement  
23 Section 6–226(a)(2)(i)  
24 Annotated Code of Maryland  
25 (2021 Replacement Volume and 2023 Supplement)

26 BY repealing and reenacting, with amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement  
2 Section 6–226(a)(2)(ii)189. and 190.  
3 Annotated Code of Maryland  
4 (2021 Replacement Volume and 2023 Supplement)

5 BY adding to  
6 Article – State Finance and Procurement  
7 Section 6–226(a)(2)(ii)191.  
8 Annotated Code of Maryland  
9 (2021 Replacement Volume and 2023 Supplement)

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

12 **Article – Housing and Community Development**

13 4–501.

14 (a) (1) Each fund established under this subtitle is a continuing, nonlapsing  
15 special fund that is not subject to § 7–302 of the State Finance and Procurement Article.

16 (2) The State Treasurer shall hold and the Comptroller shall account for  
17 each fund established under this subtitle.

18 (b) Money in a fund established under this subtitle shall be invested in the same  
19 way as other State money.

20 **4–510.**

21 **(A) IN THIS SECTION, “FUND” MEANS THE REVITALIZING NEIGHBORHOODS**  
22 **THROUGH HOMEOWNERSHIP FUND.**

23 **(B) THERE IS A REVITALIZING NEIGHBORHOODS THROUGH**  
24 **HOMEOWNERSHIP FUND.**

25 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE IN**  
26 **THE FORM OF LOANS FROM THE REVITALIZING NEIGHBORHOODS THROUGH**  
27 **HOMEOWNERSHIP PROGRAM ESTABLISHED UNDER SUBTITLE 30 OF THIS TITLE.**

28 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

29 **(E) THE FUND CONSISTS OF:**

30 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

1 (2) FEDERAL FUNDING ALLOCATED OR GRANTED TO THE FUND,  
2 INCLUDING FUNDING FROM FEDERAL HOUSING PROGRAMS;

3 (3) REPAYMENTS OF PRINCIPAL AND PAYMENTS OF INTEREST ON  
4 LOANS ISSUED FROM THE FUND;

5 (4) INTEREST EARNINGS OF THE FUND; AND

6 (5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
7 THE BENEFIT OF THE FUND.

8 (F) THE FUND MAY BE USED ONLY FOR THE PURPOSE ESTABLISHED IN  
9 SUBSECTION (C) OF THIS SECTION.

10 (G) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE  
11 FUND.

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

14 SUBTITLE 30. REVITALIZING NEIGHBORHOODS THROUGH HOMEOWNERSHIP  
15 PROGRAM.

16 4-3001.

17 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
18 INDICATED.

19 (B) "HUD" MEANS THE U.S. DEPARTMENT OF HOUSING AND URBAN  
20 DEVELOPMENT.

21 (C) "HUD DOLLAR HOME" MEANS A RESIDENTIAL DWELLING PURCHASED  
22 UNDER THE DOLLAR HOMES - GOVERNMENT SALES PROGRAM OPERATED BY HUD.

23 (D) "LOW- TO MODERATE-INCOME BUYERS" MEANS INDIVIDUALS OR  
24 FAMILIES WITH A HOUSEHOLD INCOME THAT IS LESS THAN OR EQUAL TO A CERTAIN  
25 PERCENTAGE OF THE AREA MEDIAN INCOME, ADJUSTED FOR FAMILY SIZE.

26 (E) "PROGRAM" MEANS THE REVITALIZING NEIGHBORHOODS THROUGH  
27 HOMEOWNERSHIP PROGRAM.

28 4-3002.

1           **(A) THERE IS A REVITALIZING NEIGHBORHOODS THROUGH**  
2 **HOMEOWNERSHIP PROGRAM IN THE DEPARTMENT.**

3           **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL**  
4 **ASSISTANCE IN THE FORM OF LOANS TO POLITICAL SUBDIVISIONS TO SUPPORT THE**  
5 **PURCHASE AND RENOVATION OF HUD DOLLAR HOMES AND ABANDONED**  
6 **RESIDENTIAL PROPERTIES FOR RESALE TO LOW- TO MODERATE-INCOME BUYERS.**

7 **4-3003.**

8           **(A) THE DEPARTMENT SHALL:**

9                   **(1) ADMINISTER THE PROGRAM THROUGH THE ADMINISTRATION;**

10                   **(2) ESTABLISH HOUSEHOLD INCOME LIMITS FOR LOW- TO**  
11 **MODERATE-INCOME BUYERS; AND**

12                   **(3) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.**

13           **(B) THE HOUSEHOLD INCOME LIMITS ESTABLISHED BY THE DEPARTMENT**  
14 **UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL BE CONSISTENT WITH ANY**  
15 **APPLICABLE INCOME LIMITS ESTABLISHED BY THE FEDERAL GOVERNMENT FOR**  
16 **THE DOLLAR HOMES – GOVERNMENT SALES PROGRAM OPERATED BY HUD.**

17 **4-3004.**

18           **(A) THE DEPARTMENT SHALL DEVELOP THE APPLICATION AND**  
19 **ELIGIBILITY CRITERIA FOR LOANS ISSUED UNDER THE PROGRAM.**

20           **(B) A LOAN ISSUED UNDER THE PROGRAM:**

21                   **(1) MAY BE IN AN AMOUNT UP TO \$25,000; AND**

22                   **(2) SHALL BE SECURED BY A MORTGAGE ON THE PROPERTY**  
23 **PURCHASED OR RENOVATED USING THE LOAN PROCEEDS.**

24           **(C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE**  
25 **DEPARTMENT SHALL ESTABLISH REPAYMENT TERMS AND MAY CHARGE INTEREST**  
26 **FOR A LOAN ISSUED UNDER THE PROGRAM.**

27                   **(2) THE INTEREST RATE ON A LOAN ISSUED UNDER THE PROGRAM**  
28 **SHALL BE LESS THAN THE MARKET RATE FOR A SIMILAR LOAN AT THE TIME THE**  
29 **DEPARTMENT APPROVES THE APPLICATION FOR A PROGRAM LOAN.**

1           **(3) THE TERMS OF THE LOAN SHALL REQUIRE REPAYMENT OF THE**  
2 **LOAN PLUS ANY OUTSTANDING INTEREST OWED ON RESALE OF THE RESIDENTIAL**  
3 **PROPERTY TO A LOW- TO MODERATE-INCOME BUYER.**

4                           **Article – State Finance and Procurement**

5 6–226.

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

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

14                           189. the Teacher Retention and Development Fund; [and]

15                           190. the Protecting Against Hate Crimes Grant Fund; AND

16                           **191. THE REVITALIZING NEIGHBORHOODS THROUGH**  
17 **HOMEOWNERSHIP FUND.**

18           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
19 1, 2024.