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Testimony of Delegate Samuel I. Rosenberg

Before the House Ways and Means Committee

In Support Of

House Bill 566

Opportunity Zone Enhancement Program – Eligibility –

Lead-Based Paint Affected Properties

“The Opportunity Zone program brought a wonderful chance for many disinvested communities to receive the economic support needed to lift their poorest residents out of poverty and into the middle class,” said Congressman Cummings. “However, the program did not provide any guidelines to ensure investments made within Opportunity Zones provided for better health outcomes for their residents. Our legislation changes that and would ensure a positive impact on the overall health of residents by eradicating lead poisoning in Opportunity Zones.”¹

Congressman Elijah Cummings and I shared a decades-long passion for preventing Marylanders from suffering the harmful effects of lead poisoning. Time and again, we recognized that lead related injuries affected the most vulnerable among us. In July 2019, Rep. Cummings introduced H.R. 4011, The Opportunity Zone Lead Remediation Impact Act of 2019. While the representative was unable to usher this piece of legislation through Congress, we can honor his memory and protect Maryland residents by enacting similar legislation, House Bill 566, this session.

As this committee well knows, the federal government enacted the Opportunity Zone Enhancement Program (OZEP), a partnership with the states that aims to funnel private investment

¹ Press Release, July 25, 2019, “Cummings, Tlaib Introduce Legislation to Eradicate Lead Poisoning in Opportunity Zones”

dollars into impoverished communities by expanding tax credits for businesses that are located within statutorily specified “opportunity zones.”

In order to qualify for these tax breaks, businesses are required to provide the Maryland Department of Commerce (MDC) with certain information, such as census tract data and qualitative and quantitative impact reports. HB 566 would require that a subgroup of these businesses – specifically, owners of residential rental units built prior to 1978 – register the building with the Maryland Department of the Environment (MDE) and that the owner provide proof to MDC that proper lead inspections have been conducted in accordance with Maryland law.

In 2014, this legislature passed the Maryland Reduction of Lead Risk in Housing Act (MRLRHA), which has resulted in safer housing units and significantly reduced the incidence of childhood lead poisoning. It has also helped rental property owners avoid costly lead poisoning litigation by providing them with the opportunity to comply with standard requirements and procedures. This is a win for all Marylanders – tenants as well as property owners.

The MRLRHA requires owners of buildings constructed prior to 1978 to register with MDE and comply with specific state lead level and lead remediation standards. HB 566 would provide assurances that all property owners who benefit from the generous tax credits offered as part of the OZEP are also in compliance with our lead laws.

Lead poisoning, which can cause intellectual deficits, behavioral disorders, and even death, is 100% preventable with effective laws that overlap and reinforce each other. By requiring property owners in at-risk communities to prove they are lead safe prior to declaring them eligible for financial incentives under OZEP, we are ensuring that no person’s health is put at risk by property owners looking to profit from cracks in the system.

Thank you for your consideration, and I urge a favorable report on HB 566.

February 12, 2020