

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Housing and Community Development
(DLS Control No. 16-052)**

Overview and Legal and Fiscal Impact

These regulations increase the maximum amount of combined grants and deferred or forgiven loans a sponsor may receive per fiscal year to finance lead hazard reduction activities in residential buildings or child care centers under the Lead Hazard Reduction Grant and Loan Program in the Department of Housing and Community Development.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Department of Housing and Community Development:

Special Loan Programs: Lead Hazard Reduction Grant and Loan Program:
COMAR 05.04.06.07 and .09

Legal Analysis

Background

The Lead Hazard Grant and Loan Program is one of the Special Loan Programs in the Department of Housing and Community Development's Division of Development Finance. The program is authorized under Title 4, Subtitle 7 of the Housing and Community Development Article. The purpose of the program is to make grants and loans to owners of residential buildings or child care centers for financing lead hazard reduction activities, especially replacing windows that contain lead-based paint on friction surfaces.

Under the statute, the department is required to administer the program, establish eligibility guidelines for grants and loans, and adopt regulations to carry out the program. The department reports that over the past three years, approximately 65% of the annual program funding has been distributed to homeowners and 35% to sponsors, usually nonprofit housing agencies, that own rental residential property or child care centers.

Summary of Regulations

The regulations (1) increase, from \$100,000 to \$250,000, the maximum amount of combined grants and deferred or forgiven loans a sponsor may receive per fiscal year under

COMAR 05.04.06.07D and COMAR 05.04.06.09C(3); (2) increase, from \$30,000 to \$75,000, the maximum amount of combined grants and deferred loans a sponsor may receive per fiscal year for child care centers under COMAR 05.04.06.07D; and (3) make a technical correction to the reference to the statutory authority for the regulations.

The department reports that the increases in the specified maximum funding amounts will allow the department to provide more funding to those sponsors that are more effective and efficient at completing lead hazard reduction activities, and accordingly facilitate in a more timely manner the reduction of lead hazards in residential buildings and child care centers.

The most recent change to the maximum amount of combined grants and deferred or forgiven loans that a sponsor may receive per fiscal year was in 2003, when the maximum amount was increased from \$50,000 to \$100,000. The most recent change to the maximum amount of combined grants and deferred loans that a sponsor may receive per fiscal year for child care centers was in 2011, when the maximum amount was increased from \$15,000 to \$30,000.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The department cites § 4-706 of the Housing and Community Development Article as statutory authority for the regulations. Section 4-706 requires the department to adopt regulations to carry out the program, which is identified in statute as two distinct programs, the Lead Hazard Reduction Grant Program and the Lead Hazard Reduction Loan Program.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that the regulations have no impact on State or local governments, as they do not alter the total funds available under the Lead Hazard Reduction Grant and Loan Program (projected to total \$2 million in fiscal 2016). The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Contact Information

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