

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1216 (Delegate Krysiak, *et al.*)
Economic Matters

Homeownership Opportunities for Nurses

This bill creates a program to increase homeownership opportunities for nurses. It authorizes the Department of Housing and Community Development (DHCD) to dedicate up to \$25 million over five years to provide mortgage loans to nurses who are licensed in the State, employed by a hospital, and agree to continue practicing at a hospital for at least three years (assuming work is available). The loans, which would be provided at an interest rate below the prevailing rate for similar programs, are available for property purchased in priority funding areas and to first-time homebuyers. The program must be developed in consultation with the Maryland Board of Nursing and relevant professional nursing associations.

Fiscal Summary

State Effect: The program could be administered with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Priority funding areas include the following:

- a municipal corporation;
- a designated neighborhood;
- a State or federally designated enterprise zone;

- a certified heritage area, an area designed by a county; and
- areas located between Interstate 495 and the District of Columbia and between Interstate 695 and Baltimore City.

The department is authorized to dedicate up to \$25 million over five years to provide low-interest mortgage loans to teachers.

Background: The State, as well as the nation, faces a potential nursing shortage in the future. According to the U.S. Department of Health and Human Services, there will be only 635,000 registered nurses to fill nearly 1.8 million positions in 2010. The General Assembly created the Statewide Commission on the Crisis in Nursing in 2000 (Chapter 258) to address ways to alleviate this problem. The commission identified several factors that may contribute to a decline of nurses, including recruitment, working environment, and compensation.

State Expenditures: DHCD advises that the nursing homeownership program would be administered with existing resources under the Maryland Home Mortgage Program, which provides reduced-interest mortgage loans to eligible homebuyers through participating lending institutions. The program is supported by the sale of tax-exempt bonds. Approximately \$240 million in bond loans are expected to be purchased in fiscal 2002.

The Department of Legislative Services notes that to the extent that eligible nurses use the program, fewer funds may be available to other homebuyers or DHCD may need to issue additional bonds. There were 46,675 active registered nurses and 7,945 licensed practical nurses in December 2000, according to the Maryland Board of Nursing.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Board of Nursing, Department of Housing and Community Development, Department of Legislative Services

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