

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 714 (Delegate Oaks, *et al.*)
Environmental Matters

Reduction of Lead Risk - Qualified Offer - Housing Subsidy

This bill extends the existing rental subsidy under a “qualified offer” with respect to the Reduction of Lead Risk in Housing Program in the Maryland Department of the Environment to owner-occupied dwellings purchased by a tenant who is permanently relocated. The subsidy would be equal to the difference between the rent paid by a tenant for housing at the time of a qualified offer and the mortgage payment due for the owner-occupied property that is purchased by the tenant and to which the tenant is relocated. The bill expands the types of relocation expenses that would be covered under the housing subsidy to include down payments, earnest money, and closing costs. Finally, the bill requires a person who intends to use funds from a qualified offer for purchasing a house to complete counseling on budgeting, credit issues, and housing affordability.

Fiscal Summary

State Effect: The bill would not directly affect State operations or finances.

Local Effect: The bill would not directly affect local operations or finances.

Small Business Effect: Minimal. The bill is not anticipated to affect a significant number of landlords or to result in a measurable increase in the purchase of homes.

Analysis

Current Law: Chapter 114 of 1994, which established the Lead Paint Poisoning Prevention Program, provides for limited compensation by owners of rental properties to children who are poisoned by lead. A “qualified offer” by a landowner in such instances covers up to \$7,500 for all medically necessary treatments and up to \$9,500 for relocation

benefits. Relocation benefits include relocation expenses, incidental expenses, and a rent subsidy of up to 150% of the existing rent each month for the period until the person at risk reaches the age of six years, or in the case of a pregnant woman, until the child born reaches the age of six years. "Relocation expenses" includes all expenses necessitated by the relocation of a tenant's household to "lead-safe housing," including moving and hauling expenses, specified vacuuming of all upholstered furniture, payment of a security deposit for the lead-safe housing, and installation and connection of utilities and appliances. "Lead safe housing" does not include owner-occupied dwellings.

Background: Lead poisoning impacts the cognitive and physical development of young children. Children are exposed to lead through breathing lead paint dust, eating lead paint chips, or absorbing lead while in-vitro. Most of the exposures to lead can be eliminated by removing lead paint from the homes of children and pregnant women. Although the number of cases of childhood lead poisoning in Maryland has decreased over the past few years (from 772 cases in 1998 to 288 cases in 2001), lead paint remains a significant health issue.

Additional Information

Prior Introductions: Similar legislation was introduced as HB 1107 in 2001. HB 1154 of 2002, among other things, would have expanded the existing rental subsidy to owner-occupied dwellings. Both bills received an unfavorable report by the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2003
mdf/jr

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