

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

House Bill 1246 (Delegate Oaks, *et al.*)  
Environmental Matters

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**Reduction of Lead Risk in Housing – Qualified Offer – Housing Subsidy**

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This bill reclassifies 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 (MDE) as a housing subsidy so that owner-occupied dwellings purchased by a permanently relocated tenant may be covered. The subsidy would be equal to the difference between the rent previously paid by the tenant and the mortgage payment now due. 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.

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**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.

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**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" encompass 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-utero. 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 1,830 cases in 1996 to 260 cases in 2002), lead paint remains a significant health issue. According to MDE, 22,972 owners of residential rental property are currently registered with MDE.

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### **Additional Information**

**Prior Introductions:** Identical legislation was introduced as HB 714 of 2003. The bill received an unfavorable report from the House Environmental Matters Committee.

**Cross File:** None.

**Information Source(s):** Maryland Department of the Environment, Department of Housing and Community Development, Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2004  
mam/ljm

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