

(PRE-FILED)

By: **The Speaker (Department of Legislative Services - Code Revision)**

Requested: July 1, 2004

Introduced and read first time: January 12, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development**

3 FOR the purpose of adding a new article to the Annotated Code of Maryland, to be
4 designated and known as the "Housing and Community Development Article",
5 to revise, restate, and recodify the laws relating to the Department of Housing
6 and Community Development and its component parts, including the Division of
7 Credit Assurance, the Division of Development Finance, the Division of
8 Historical and Cultural Programs, the Division of Neighborhood Revitalization,
9 the Assisted Housing Preservation Act, Community Action Agencies, the
10 Community Reinvestment Fund, the Maryland Affordable Housing Trust, and
11 the Maryland State Appalachian Housing Fund; revising, restating, and
12 recodifying certain provisions relating to the functions and responsibilities of
13 the Department of Housing and Community Development, the Maryland
14 Housing Fund, the Community Development Administration, the Down
15 Payment and Settlement Expense Loan Program, the Elderly Rental Housing
16 Program, the Homeownership Programs Fund, the Partnership Rental Housing
17 Fund, the Rental Housing Programs Fund, the Special Loan Programs Fund,
18 the Group Home Financing Program, the Lead Hazard Reduction Grant
19 Program and the Lead Hazard Reduction Loan Program, the Maryland Home
20 Financing Program, the Maryland Housing Rehabilitation Program, the
21 Neighborhood Housing Services Fund, Operating Assistance Grants
22 Demonstration Projects, the Partnership Rental Housing Program, the Radium
23 Pilot Grant Program, the Rental Housing Production Program, residential
24 mortgage programs for certain counties, the Rental Allowance Program, and the
25 Self-Help Homeownership Technical Assistance Program; revising, restating,
26 and recodifying certain provisions relating to the functions and responsibilities
27 of the Commission on African American History and Culture, the Commission
28 on Indian Affairs, and the Maryland Historical Trust and to historic funds and
29 capital projects of the Maryland Historical Trust; revising, restating, and
30 recodifying certain provisions relating to the regulation of the excavation of
31 submerged archaeological sites, terrestrial archaeological sites, and caves and
32 acquiring certain easements and property for historic preservation; revising,

1 restating, and recodifying certain provisions of the Historical and Cultural
2 Museum Assistance Program; revising, restating, and recodifying certain
3 provisions of the Community Legacy Program, the Neighborhood Business
4 Development Program, and the Neighborhood and Community Assistance
5 Program; revising, restating, and recodifying certain provisions relating to the
6 sale or conveyance of certain buildings containing dwelling units and certain
7 tenant protection assistance measures; revising, restating, and recodifying
8 certain provisions relating to the rights and duties of tenants and owners of
9 certain dwelling units; defining certain terms; providing for the construction
10 and application of this Act; providing for the continuity of certain units and the
11 terms of certain officials; providing for the continuity of the status of certain
12 transactions, employees, rights, duties, titles, interests, licenses, registrations,
13 certifications, and permits; requiring the Department of Housing and
14 Community Development to send a certain certification to the Department of
15 Legislative Services within a certain time; providing for the continuation of
16 implementation and termination provisions of certain provisions of this Act; and
17 generally relating to laws of the State relating to housing and community
18 development.

19 BY repealing

20 Article 83B - Department of Housing and Community Development
21 Section 1-101 and the subtitle "Subtitle 1. Definitions"; 1-201 through 1-206,
22 the subtitle "Subtitle 2. Department Established and Organized", and the
23 title "Title 1. Organization of Department"; 2-101 and the subtitle
24 "Subtitle 1. Division Established"; 2-201 through 2-208 and the subtitle
25 "Subtitle 2. Community Development Administration"; 2-301 through
26 2-308 and 2-310 through 2-313 and the subtitle "Subtitle 3. Maryland
27 Housing Rehabilitation Program"; 2-401 through 2-409 and the subtitle
28 "Subtitle 4. Residential Mortgage Program"; 2-501 through 2-510 and the
29 subtitle "Subtitle 5. Rental Housing Production Program"; 2-601 through
30 2-614 and the subtitle "Subtitle 6. Maryland Home Financing Program";
31 2-701 through 2-709 and the subtitle "Subtitle 7. Group Home Financing
32 Program"; 2-801 through 2-810 and the subtitle "Subtitle 8. Elderly
33 Rental Housing Program"; 2-901 through 2-907 and the subtitle "Subtitle
34 9. Rental Allowance Program"; 2-1001 through 2-1008 and the subtitle
35 "Subtitle 10. Settlement Expense Loan Program"; 2-1101 through 2-1110
36 and the subtitle "Subtitle 11. Partnership Rental Housing Program";
37 2-1201 through 2-1205 and the subtitle "Subtitle 12. Operating Assistance
38 Grants Demonstration Projects"; 2-1301 through 2-1306 and the subtitle
39 "Subtitle 13. Neighborhood Housing Services Fund"; 2-1401 through
40 2-1411 and the subtitle "Subtitle 14. Lead Hazard Reduction Grant
41 Program and Lead Hazard Reduction Loan Program"; 2-1501 through
42 2-1509 and the subtitle "Subtitle 15. Self-Help Homeownership Technical
43 Assistance Program"; 2-1601, the subtitle "Subtitle 16. Radium Pilot
44 Grant Program", and the title "Title 2. Division of Development Finance";
45 3-101 and 3-102 and the subtitle "Subtitle 1. Division Established"; 3-201
46 through 3-208, the subtitle "Subtitle 2. Maryland Housing Fund", and the

1 title "Title 3. Division of Credit Assurance"; 4-101 and the subtitle
2 "Subtitle 1. Division Established"; 4-201 through 4-209 and the subtitle
3 "Subtitle 2. Neighborhood Business Development Program"; 4-701
4 through 4-706 and the subtitle "Subtitle 7. Neighborhood and Community
5 Assistance Program"; 4-801 through 4-812, the subtitle "Subtitle 8.
6 Community Legacy Program", and the title "Title 4. Division of
7 Neighborhood Revitalization"; 5-101 and the subtitle "Subtitle 1. Division
8 Established"; 5-301 through 5-306 and the subtitle "Subtitle 3.
9 Commission on African American History and Culture"; 5-401 through
10 5-406 and the subtitle "Subtitle 4. Commission on Indian Affairs"; 5-601
11 and 5-602 and the part "Part 1. General Provisions", 5-603 through 5-610
12 and the part "Part 2. Creation and Organization of Trust", 5-611 through
13 5-630 and the part "Part 3. Historic Funds and Capital Projects", and the
14 subtitle "Subtitle 6. Maryland Historical Trust"; 5-701 through 5-705 and
15 the subtitle "Subtitle 7. Historical and Cultural Museum Assistance
16 Program"; 5-801, the subtitle "Subtitle 8. Rehabilitation Tax Credits", and
17 the title "Title 5. Division of Historical and Cultural Programs"; the
18 subtitle designation "Subtitle 1. In General" in Title 7 and the title
19 designation "Title 7. Maryland Energy Office"; 9-101 through 9-114 and
20 the title "Title 9. Assisted Housing Preservation Act"; 10-101 through
21 10-111 and the title "Title 10. Community Reinvestment Fund"; 11-101
22 through 11-107 and the title "Title 11. Maryland Affordable Housing
23 Trust"; 12-101 and the title "Title 12. Community Action Agencies"; and
24 13-101 through 13-103 and the title "Title 13. Maryland State
25 Appalachian Housing Fund"
26 Annotated Code of Maryland
27 (2003 Replacement Volume and 2004 Supplement)

28 BY repealing
29 Article 78A - Public Works
30 Section 14B and 14C
31 Annotated Code of Maryland
32 (2003 Replacement Volume and 2004 Supplement)

33 BY adding
34 New Article - Housing and Community Development
35 Section 1-101 through 11-106, inclusive, and the various titles
36 Annotated Code of Maryland

37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
38 MARYLAND, That the following Section(s) of the Annotated Code of Maryland be
39 repealed:

40 Article 83B - Department of Housing and Community Development

1 Section 1-101 and the subtitle "Subtitle 1. Definitions"; 1-201 through 1-206,
2 the subtitle "Subtitle 2. Department Established and Organized", and the title "Title
3 1. Organization of Department"; 2-101 and the subtitle "Subtitle 1. Division
4 Established"; 2-201 through 2-208 and the subtitle "Subtitle 2. Community
5 Development Administration"; 2-301 through 2-308 and 2-310 through 2-313 and
6 the subtitle "Subtitle 3. Maryland Housing Rehabilitation Program"; 2-401 through
7 2-409 and the subtitle "Subtitle 4. Residential Mortgage Program"; 2-501 through
8 2-510 and the subtitle "Subtitle 5. Rental Housing Production Program"; 2-601
9 through 2-614 and the subtitle "Subtitle 6. Maryland Home Financing Program";
10 2-701 through 2-709 and the subtitle "Subtitle 7. Group Home Financing Program";
11 2-801 through 2-810 and the subtitle "Subtitle 8. Elderly Rental Housing Program";
12 2-901 through 2-907 and the subtitle "Subtitle 9. Rental Allowance Program";
13 2-1001 through 2-1008 and the subtitle "Subtitle 10. Settlement Expense Loan
14 Program"; 2-1101 through 2-1110 and the subtitle "Subtitle 11. Partnership Rental
15 Housing Program"; 2-1201 through 2-1205 and the subtitle "Subtitle 12. Operating
16 Assistance Grants Demonstration Projects"; 2-1301 through 2-1306 and the subtitle
17 "Subtitle 13. Neighborhood Housing Services Fund"; 2-1401 through 2-1411 and the
18 subtitle "Subtitle 14. Lead Hazard Reduction Grant Program and Lead Hazard
19 Reduction Loan Program"; 2-1501 through 2-1509 and the subtitle "Subtitle 15.
20 Self-Help Homeownership Technical Assistance Program"; 2-1601, the subtitle
21 "Subtitle 16. Radium Pilot Grant Program", and the title "Title 2. Division of
22 Development Finance"; 3-101 and 3-102 and the subtitle "Subtitle 1. Division
23 Established"; 3-201 through 3-208, the subtitle "Subtitle 2. Maryland Housing
24 Fund", and the title "Title 3. Division of Credit Assurance"; 4-101 and the subtitle
25 "Subtitle 1. Division Established"; 4-201 through 4-209 and the subtitle "Subtitle 2.
26 Neighborhood Business Development Program"; 4-701 through 4-706 and the
27 subtitle "Subtitle 7. Neighborhood and Community Assistance Program"; 4-801
28 through 4-812, the subtitle "Subtitle 8. Community Legacy Program", and the title
29 "Title 4. Division of Neighborhood Revitalization"; 5-101 and the subtitle "Subtitle 1.
30 Division Established"; 5-301 through 5-306 and the subtitle "Subtitle 3. Commission
31 on African American History and Culture"; 5-401 through 5-406 and the subtitle
32 "Subtitle 4. Commission on Indian Affairs"; 5-601 and 5-602 and the part "Part 1.
33 General Provisions", 5-603 through 5-610 and the part "Part 2. Creation and
34 Organization of Trust", 5-611 through 5-630 and the part "Part 3. Historic Funds and
35 Capital Projects", and the subtitle "Subtitle 6. Maryland Historical Trust"; 5-701
36 through 5-705 and the subtitle "Subtitle 7. Historical and Cultural Museum
37 Assistance Program"; 5-801, the subtitle "Subtitle 8. Rehabilitation Tax Credits", and
38 the title "Title 5. Division of Historical and Cultural Programs"; the subtitle
39 designation "Subtitle 1. In General" in Title 7 and the title designation "Title 7.
40 Maryland Energy Office"; 9-101 through 9-114 and the title "Title 9. Assisted
41 Housing Preservation Act"; 10-101 through 10-111 and the title "Title 10.
42 Community Reinvestment Fund"; 11-101 through 11-107 and the title "Title 11.
43 Maryland Affordable Housing Trust"; 12-101 and the title "Title 12. Community
44 Action Agencies"; and 13-101 through 13-103 and the title "Title 13. Maryland State
45 Appalachian Housing Fund"

46 Article 78A - Public Works

47 Section 14B and 14C

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **ARTICLE - HOUSING AND COMMUNITY DEVELOPMENT**

4 **DIVISION I. HOUSING, COMMUNITY, AND HERITAGE PROGRAMS.**

5 **TITLE 1. DEFINITIONS.**

6 1-101. DEFINITIONS.

7 (A) IN GENERAL.

8 IN THIS DIVISION I OF THIS ARTICLE THE FOLLOWING WORDS HAVE THE
9 MEANINGS INDICATED.

10 REVISOR'S NOTE: This subsection is new language derived without
11 substantive change from former Art. 83B, § 1-101(a).

12 The former disclaimer "unless otherwise indicated" is deleted as
13 unnecessary because it merely repeated the normal rule of statutory
14 construction.

15 (B) COMMUNITY ASSISTANCE.

16 (1) "COMMUNITY ASSISTANCE" MEANS ACTIVITIES DESIGNED TO
17 ENHANCE THE PHYSICAL, SOCIAL, OR ECONOMIC ENVIRONMENT OF A COMMUNITY
18 TO IMPROVE THE HEALTH, SAFETY, OR SOCIO-ECONOMIC WELFARE OF ITS CITIZENS.

19 (2) "COMMUNITY ASSISTANCE" INCLUDES THE PROMOTION OF
20 ACTIVITIES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION THROUGH THE
21 CONCENTRATION AND COORDINATION IN COMMUNITIES IN THE STATE OF FEDERAL,
22 STATE, REGIONAL, AND LOCAL PUBLIC AND PRIVATE RESOURCES.

23 REVISOR'S NOTE: This subsection is new language derived without
24 substantive change from former Art. 83B, § 1-101(b).

25 (C) COUNTY.

26 "COUNTY" MEANS A COUNTY OF THE STATE OR BALTIMORE CITY.

27 REVISOR'S NOTE: This subsection is new language derived without
28 substantive change from former Art. 83B, §§ 1-101(c), 2-302(d), and the
29 second sentence of 2-203(u).

30 The former reference to "the Mayor and City Council" of Baltimore is
31 deleted as implicit in the reference to "Baltimore City".

32 (D) DEPARTMENT.

1 "DEPARTMENT" MEANS THE DEPARTMENT OF HOUSING AND COMMUNITY
2 DEVELOPMENT.

3 REVISOR'S NOTE: This subsection formerly was Art. 83B, §§ 1-101(d) and
4 2-1402(c).

5 No changes are made.

6 (E) FINANCIAL ASSISTANCE.

7 (1) "FINANCIAL ASSISTANCE" MEANS ANY FORM OF ASSURANCE,
8 GUARANTEE, GRANT, PAYMENT, OR OTHER ASSISTANCE.

9 (2) "FINANCIAL ASSISTANCE" INCLUDES A LOAN, LOAN GUARANTEE, OR
10 REDUCTION IN THE PRINCIPAL OBLIGATIONS OF OR RATE OF INTEREST PAYABLE ON
11 A LOAN OR PORTION OF A LOAN.

12 REVISOR'S NOTE: This subsection is new language derived without
13 substantive change from former Art. 83B, § 1-101(e).

14 (F) GOVERNMENTAL UNIT.

15 "GOVERNMENTAL UNIT" MEANS AN AGENCY, AUTHORITY, BOARD, COMMISSION,
16 COUNCIL, OFFICE, OR OTHER UNIT OR INSTRUMENTALITY OF THE GOVERNMENT OF
17 THE STATE OR OF A POLITICAL SUBDIVISION OF THE STATE.

18 REVISOR'S NOTE: This subsection is new language patterned after SG §
19 9-101 to allow one consistent reference to substantively similar entities.
20 *See* General Revisor's Note to article.

21 Defined term: "County" § 1-101

22 (G) NONPROFIT ORGANIZATION.

23 "NONPROFIT ORGANIZATION" MEANS A CORPORATION, FOUNDATION, OR
24 OTHER LEGAL ENTITY, NO PART OF THE NET EARNINGS OF WHICH INURES TO THE
25 BENEFIT OF A PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN INTEREST IN
26 THE ENTITY.

27 REVISOR'S NOTE: This subsection is new language derived without
28 substantive change from former Art. 83B, §§ 1-101(h), 2-501(k), 2-601(g),
29 2-701(g), 2-801(f), 2-1201(c), 4-202(f), and 5-601(t).

30 The former reference to a legal entity "that specifies in its charter or
31 bylaws" that no part of the net earnings may inure to the benefit of any
32 private shareholder or individual holding any interest in such entity is
33 deleted as surplusage.

34 The former reference to a "governmental entity" is deleted as included in
35 the reference to "other legal entity".

1 (H) PERSON.

2 "PERSON" MEANS AN INDIVIDUAL, RECEIVER, TRUSTEE, GUARDIAN, PERSONAL
3 REPRESENTATIVE, FIDUCIARY, REPRESENTATIVE OF ANY KIND, PARTNERSHIP, FIRM,
4 ASSOCIATION, CORPORATION, OR OTHER ENTITY.

5 REVISOR'S NOTE: This subsection is new language added to provide an
6 express definition of the term "person" for this Division I.

7 The definition of "person" in this subsection does not include a
8 governmental unit. The Court of Appeals of Maryland has held
9 consistently that the word "person" in a statute does not include the State,
10 its agencies, or subdivisions unless an intention to include these entities is
11 made manifest by the legislature. *See, e.g., Unnamed Physician v.*
12 *Commission on Medical Discipline*, 285 Md. 1, 12-14 (1979).

13 (I) POLITICAL SUBDIVISION.

14 "POLITICAL SUBDIVISION" MEANS A COUNTY OR MUNICIPAL CORPORATION OF
15 THE STATE.

16 REVISOR'S NOTE: This subsection is new language derived without
17 substantive change from former Art. 83B, §§ 2-203(u), 2-302(n), 2-501(m),
18 2-901(b), 2-1301(d), and 2-1402(j).

19 The former references to a municipal corporation "in Maryland subject to
20 the provisions of Article XI-E of the Constitution" are deleted as implicit in
21 the reference to a "municipal corporation".

22 Defined term: "County" § 1-101

23 (J) SECRETARY.

24 "SECRETARY" MEANS THE SECRETARY OF HOUSING AND COMMUNITY
25 DEVELOPMENT.

26 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 1-101(i).

27 No changes are made.

28 TITLE 2. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

29 SUBTITLE 1. DEPARTMENT ESTABLISHED.

30 2-101. ESTABLISHED.

31 THERE IS A DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT,
32 ESTABLISHED AS A PRINCIPAL DEPARTMENT OF STATE GOVERNMENT.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 1-201(a)(1) and (2).

3 2-102. FUNCTIONS AND RESPONSIBILITIES OF DEPARTMENT.

4 THE DEPARTMENT SHALL:

5 (1) ENCOURAGE AND ASSIST POLITICAL SUBDIVISIONS AND PUBLIC
6 AND PRIVATE COMMUNITY ORGANIZATIONS TO DEVELOP MUTUAL AND
7 COOPERATIVE SOLUTIONS TO THEIR COMMON PROBLEMS;

8 (2) SERVE AS A CLEARINGHOUSE FOR INFORMATION AND MATERIALS
9 THAT MAY BE PERTINENT TO SOUND COMMUNITY ASSISTANCE, INCLUDING
10 INFORMATION ON AVAILABLE FEDERAL, STATE, AND PRIVATE FINANCIAL
11 ASSISTANCE AND TECHNICAL ASSISTANCE;

12 (3) IMPLEMENT MODEL OR DEMONSTRATION PROGRAMS AND
13 PROJECTS OR OTHERWISE PROVIDE A PROGRAM OF PRACTICAL RESEARCH IN
14 COMMUNITY ASSISTANCE;

15 (4) PROVIDE GRANTS AND LOANS FOR ENERGY CONSERVATION AND
16 THE USE OF SOLAR ENERGY IN COMMERCIAL AND RESIDENTIAL BUILDINGS;

17 (5) PROVIDE ADVISORY, CONSULTATIVE, TRAINING, AND EDUCATIONAL
18 SERVICES, AND TECHNICAL ASSISTANCE TO ANY POLITICAL SUBDIVISION, LOCAL
19 PUBLIC AGENCY, OR NONPROFIT ORGANIZATION FOR COMMUNITY ASSISTANCE
20 PURPOSES;

21 (6) CONTRACT FOR AND ACCEPT A GIFT, GRANT, CONTRIBUTION, OR
22 LOAN OF MONEY, PROPERTY, OR OTHER AID FOR COMMUNITY ASSISTANCE FROM A
23 GOVERNMENTAL UNIT, THE FEDERAL GOVERNMENT, OR ANOTHER SOURCE AND
24 COMPLY WITH THE TERMS AND CONDITIONS OF THAT AID;

25 (7) ATTACH TERMS AND CONDITIONS TO FINANCIAL ASSISTANCE AS
26 THE SECRETARY DETERMINES;

27 (8) PARTICIPATE WITH POLITICAL SUBDIVISIONS, REGIONAL
28 GOVERNMENTS, ORGANIZATIONS, AND THE FEDERAL GOVERNMENT IN
29 DEVELOPING, FINANCING, AND IMPLEMENTING A PROGRAM TO BUILD THE
30 MANAGEMENT CAPABILITIES OF MUNICIPAL CORPORATIONS BY SUPPLYING
31 NEEDED MANAGERIAL EXPERTISE THROUGH CIRCUIT RIDING MANAGERS; AND

32 (9) ADMINISTER FEDERAL PROGRAMS RELATING TO COMMUNITY
33 ASSISTANCE.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 1-206.

36 In the introductory language of this section, the former phrase "[i]n
37 addition to other functions and responsibilities under this article" is

1 deleted as implicit in each requirement imposed on the Department
2 whenever codified. Similarly, the former reference that the Department
3 shall "have the following functions and responsibilities" is deleted as
4 surplusage.

5 In item (1) of this section, the former reference to "the efforts of" political
6 subdivisions and other public and private community organizations is
7 deleted as surplusage.

8 In item (2) of this section, the former reference to "data" is deleted as
9 included in the reference to "information".

10 In item (6) of this section, as to the substitution of the defined term
11 "governmental unit" for the former reference to an "agency or
12 instrumentality", *see* General Revisor's Note to article.

13 In item (7) of this section, the former reference to "specific" terms and
14 conditions is deleted as surplusage.

15 In item (8) of this section, the former reference to a program "designed" to
16 build management capabilities is deleted as surplusage.

17 Also in item (8) of this section, the former reference to supplying expertise
18 "to municipal corporations" is deleted in light of the reference to
19 "capabilities of municipal corporations".

20 Defined terms: "Department" § 1-101

21 "Financial assistance" § 1-101

22 "Governmental unit" § 1-101

23 "Political subdivision" § 1-101

24 "Secretary" § 1-101

25 2-103. SECRETARY.

26 (A) POSITION AND APPOINTMENT.

27 (1) WITH THE ADVICE AND CONSENT OF THE SENATE, THE GOVERNOR
28 SHALL APPOINT THE SECRETARY.

29 (2) THE SECRETARY IS THE HEAD OF THE DEPARTMENT.

30 (B) OATH.

31 BEFORE TAKING OFFICE, THE SECRETARY SHALL TAKE THE OATH REQUIRED
32 BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.

33 (C) RESPONSIBILITY TO GOVERNOR.

34 (1) THE SECRETARY SERVES AT THE PLEASURE OF THE GOVERNOR AND
35 IS DIRECTLY RESPONSIBLE TO THE GOVERNOR.

1 (2) THE SECRETARY SHALL COUNSEL AND ADVISE THE GOVERNOR ON
2 ALL MATTERS ASSIGNED TO THE DEPARTMENT AND IS RESPONSIBLE FOR CARRYING
3 OUT THE GOVERNOR'S POLICIES ON THOSE MATTERS.

4 (D) COMPENSATION.

5 THE SECRETARY IS ENTITLED TO THE COMPENSATION PROVIDED IN THE STATE
6 BUDGET.

7 REVISOR'S NOTE: Subsection (a) of this section is new language derived
8 without substantive change from former Art. 83B, § 1-201(a)(3).

9 Subsection (b) of this section is standard language added to state the
10 requirement that an individual appointed to any office of profit or trust
11 take the oath specified in Md. Constitution, Art. I, § 9. This addition is
12 supported by 64 Op. Att'y Gen. 246 (1979).

13 Subsection (c) of this section is new language derived without substantive
14 change from former Art. 83B, § 1-201(b)(2).

15 Subsection (d) of this section is new language derived without substantive
16 change from former Art. 83B, § 1-201(b)(1).

17 In subsection (d) of this section, the term "compensation", which denotes
18 fringe benefits as well as salary, is substituted for the former reference to
19 "salary" to conform to the terminology used in § 2-106(b) of this subtitle
20 and similar provisions in other revised articles.

21 Defined terms: "Department" § 1-101

22 "Secretary" § 1-101

23 2-104. ADMINISTRATION OF DEPARTMENT.

24 (A) IN GENERAL.

25 THE SECRETARY IS RESPONSIBLE FOR THE OPERATION OF THE DEPARTMENT
26 AND SHALL ESTABLISH GUIDELINES AND PROCEDURES TO PROMOTE THE ORDERLY
27 AND EFFICIENT ADMINISTRATION OF THE DEPARTMENT.

28 (B) AREAS OF RESPONSIBILITY.

29 THE SECRETARY MAY ESTABLISH, REORGANIZE, OR ABOLISH AREAS OF
30 RESPONSIBILITY IN THE OFFICE OF THE SECRETARY AS NECESSARY TO FULFILL
31 THE DUTIES ASSIGNED TO THE SECRETARY.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 1-201(c).

34 In subsection (b) of this section, the former reference to fulfill "effectively"
35 the duties of the Secretary is deleted as surplusage.

1 Defined terms: "Department" § 1-101

2 "Secretary" § 1-101

3 2-105. SEAL.

4 THE SECRETARY SHALL HAVE A SEAL.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 1-205(c).

7 The former reference to using the seal "for purposes of authentication of
8 copies of records or papers in the Secretary's office" is deleted as implicit in
9 the reference to a "seal" and for consistency with similar provisions in
10 other revised articles of the Code. *See, e.g.*, CS § 2-104, BR § 2-104(b), and
11 HG § 2-104(e).

12 2-106. DEPUTY SECRETARY.

13 (A) POSITION.

14 WITH THE APPROVAL OF THE GOVERNOR, THE SECRETARY SHALL APPOINT A
15 DEPUTY SECRETARY.

16 (B) TENURE AND COMPENSATION.

17 THE DEPUTY SECRETARY:

18 (1) SERVES AT THE PLEASURE OF THE SECRETARY; AND

19 (2) IS ENTITLED TO THE COMPENSATION PROVIDED IN THE STATE
20 BUDGET.

21 (C) DUTIES.

22 THE DEPUTY SECRETARY SHALL HAVE THE DUTIES PROVIDED BY LAW OR
23 DELEGATED BY THE SECRETARY.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 1-202(a).

26 Defined term: "Secretary" § 1-101

27 2-107. STAFF -- OFFICE OF SECRETARY.

28 (A) IN GENERAL.

29 (1) IN THE OFFICE OF THE SECRETARY, THE SECRETARY SHALL HAVE
30 ASSISTANTS, PROFESSIONAL CONSULTANTS, AND EMPLOYEES AS PROVIDED IN THE
31 STATE BUDGET.

1 (2) THE SECRETARY MAY DESIGNATE A STAFF ASSISTANT TO BE IN
2 CHARGE OF A PARTICULAR AREA OF RESPONSIBILITY WITHIN THE OFFICE OF THE
3 SECRETARY.

4 (B) EMPLOYMENT STATUS.

5 IN THE OFFICE OF THE SECRETARY:

6 (1) EACH STAFF ASSISTANT IN CHARGE OF A PARTICULAR AREA OF
7 RESPONSIBILITY AND EACH PROFESSIONAL CONSULTANT SERVES AT THE
8 PLEASURE OF THE SECRETARY; AND

9 (2) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE SECRETARY SHALL
10 APPOINT AND MAY REMOVE ALL OTHER EMPLOYEES IN ACCORDANCE WITH THE
11 STATE PERSONNEL AND PENSIONS ARTICLE.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 1-202(b).

14 In subsection (a)(2) of this section, the reference to a "staff" assistant is
15 added to conform to terminology used in subsection (b)(1) of this section.

16 In subsection (b)(2) of this section, the statement that the Secretary "may"
17 remove other employees is substituted for the former requirement that
18 employees "shall be ... removed" by the Secretary, to avoid the erroneous
19 implication that the Secretary must remove employees.

20 Defined term: "Secretary" § 1-101

21 2-108. SAME -- OTHER GOVERNMENTAL UNITS.

22 (A) APPROVAL BY SECRETARY.

23 THE APPOINTMENT OR REMOVAL OF PERSONNEL BY A GOVERNMENTAL UNIT
24 IN THE DEPARTMENT IS SUBJECT TO THE APPROVAL OF THE SECRETARY.

25 (B) AUTHORITY TO DELEGATE.

26 THE SECRETARY MAY DELEGATE THIS POWER OF APPROVAL TO THE HEAD OR
27 GOVERNING BODY OF THE GOVERNMENTAL UNIT.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 1-202(c).

30 In subsections (a) and (b) of this section, respectively, as to the substitution
31 of the defined term "governmental unit" for the former references to
32 "administration, board, commission, division, or other agency" and
33 "boards, commissions, divisions or other agencies", respectively, *see*
34 General Revisor's Note to article.

35 In subsections (a) and (b) of this section, the former references to "the

1 jurisdiction" of the Department are deleted as surplusage. All
2 governmental units in the Department's jurisdiction are "in the
3 Department". *See* General Revisor's Note to article.

4 Defined terms: "Governmental unit" § 1-101

5 "Secretary" § 1-101

6 2-109. GOVERNMENTAL UNITS TO REPORT TO SECRETARY.

7 EACH GOVERNMENTAL UNIT IN THE DEPARTMENT SHALL REPORT TO THE
8 SECRETARY OR THE SECRETARY'S DESIGNEE AS PROVIDED IN REGULATIONS OR
9 WRITTEN DIRECTIVES THAT THE SECRETARY ISSUES.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 1-205(h).

12 As to the substitution of the defined term "governmental unit" for the
13 former reference to "divisions, commissions, boards, offices, authorities,
14 and other agencies" *see* General Revisor's Note to article.

15 Defined terms: "Department" § 1-101

16 "Governmental unit" § 1-101

17 "Secretary" § 1-101

18 2-110. REMOVAL OF APPOINTEES.

19 WHENEVER LAW PROVIDES THAT AN APPOINTMENT IS TO BE MADE BY THE
20 SECRETARY WITH THE APPROVAL OF THE GOVERNOR AND THE APPOINTEE IS TO
21 SERVE AT THE PLEASURE OF THE SECRETARY, THE SECRETARY MAY NOT REMOVE
22 THE APPOINTEE WITHOUT THE PRIOR APPROVAL OF THE GOVERNOR.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from former Art. 83B, § 1-205(e).

25 The former reference to an appointment "to a particular office within the
26 Department" is deleted as implicit in the reference to an "appointment".

27 Defined terms: "Department" § 1-101

28 "Secretary" § 1-101

29 2-111. REGULATIONS.

30 (A) OFFICE OF SECRETARY.

31 THE SECRETARY IS RESPONSIBLE FOR ADOPTING REGULATIONS FOR THE
32 OFFICE OF THE SECRETARY.

33 (B) REVIEW OF REGULATIONS OF GOVERNMENTAL UNITS.

34 THE SECRETARY SHALL REVIEW AND MAY APPROVE, DISAPPROVE, OR REVISE
35 THE REGULATIONS OF EACH GOVERNMENTAL UNIT IN THE DEPARTMENT.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 1-205(b).

3 In subsection (a) of this section, the reference to the Office "of the
4 Secretary" is added for clarity.

5 In subsection (b) of this section, as to the substitution of the defined term
6 "governmental unit" for the former reference to "boards, offices, agencies,
7 commissions, etc.", *see* General Revisor's Note to article.

8 Also in subsection (b) of this section, the former reference to "the
9 jurisdiction" of the Department is deleted as surplusage. All governmental
10 units in the Department's jurisdiction are "in the Department". *See*
11 General Revisor's Note to article.

12 Defined terms: "Department" § 1-101

13 "Governmental unit" § 1-101

14 "Secretary" § 1-101

15 2-112. SECRETARY'S DUTIES -- BUDGET.

16 THE SECRETARY IS RESPONSIBLE FOR THE BUDGET OF EACH GOVERNMENTAL
17 UNIT IN THE DEPARTMENT.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 1-205(a).

20 As to the substitution of the defined term "governmental unit" for the
21 former references to "the office" and "other boards, offices, and agencies",
22 *see* General Revisor's Note to article.

23 The former reference to "the jurisdiction" of the Department is deleted as
24 surplusage. All governmental units in the Department's jurisdiction are "in
25 the Department". *See* General Revisor's Note to article.

26 Defined terms: "Department" § 1-101

27 "Governmental unit" § 1-101

28 "Secretary" § 1-101

29 2-113. SAME -- PLANNING INITIATIVES.

30 (A) IN GENERAL.

31 THE SECRETARY IS RESPONSIBLE FOR THE COORDINATION AND DIRECTION OF
32 ALL PLANNING INITIATIVES OF THE SECRETARY.

33 (B) AUTHORITY TO REVIEW.

34 THE SECRETARY SHALL KEEP APPRISED OF AND MAY APPROVE, DISAPPROVE,
35 OR MODIFY PLANS, PROPOSALS, AND PROJECTS OF THE DEPARTMENT AND ITS
36 GOVERNMENTAL UNITS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 1-205(d).

3 In subsection (a) of this section, the reference to "planning initiatives of the
4 Secretary" is substituted for the former reference to "planning facilities
5 initiated by the Secretary" for clarity.

6 In subsection (b) of this section, as to the substitution of the defined term
7 "governmental unit" for the former reference to "other agencies or units",
8 *see* General Revisor's Note to article.

9 Also in subsection (b) of this section, the former reference to keeping the
10 Secretary "fully" apprised of plans is deleted as surplusage.

11 Defined terms: "Department" § 1-101

12 "Governmental unit" § 1-101

13 "Secretary" § 1-101

14 2-114. SECRETARY'S POWERS -- CALL FOR MEETINGS.

15 THE SECRETARY MAY CALL A SPECIAL MEETING OF A GOVERNMENTAL UNIT IN
16 THE DEPARTMENT WHENEVER THE SECRETARY CONSIDERS IT NECESSARY.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 1-205(f).

19 As to the substitution of the defined term "governmental unit" for the
20 former reference to "any board or commission", *see* General Revisor's Note
21 to article.

22 The former reference to a subject that the Secretary considers "proper" is
23 deleted as unnecessary in light of the reference to "necessary".

24 The reference to a "special" meeting is substituted for the former phrase
25 "[i]n addition to the meetings of any board or commission within the
26 Department which are provided for by law or are called by the chairman
27 thereof" for clarity.

28 Defined terms: "Department" § 1-101

29 "Governmental unit" § 1-101

30 "Secretary" § 1-101

31 2-115. SAME -- ASSUMPTION OF FUNCTIONS.

32 THE SECRETARY MAY EXERCISE OR PERFORM ANY POWER, DUTY,
33 RESPONSIBILITY, OR FUNCTION ASSIGNED TO A GOVERNMENTAL UNIT IN THE
34 DEPARTMENT.

35 REVISOR'S NOTE: This section is new language derived without substantive
36 change from former Art. 83B, § 1-205(g).

1 %As to the substitution of the defined term "governmental unit" for the
2 former reference to "any of the administrations, boards, commissions,
3 offices, authorities, divisions, or other agencies", *see* General Revisor's
4 Note to article.

5 The former reference to "the jurisdiction" of the Department is deleted as
6 surplusage. All governmental units in the Department's jurisdiction are "in
7 the Department". *See* General Revisor's Note to article.

8 Defined terms: "Department" § 1-101

9 "Governmental unit" § 1-101

10 "Secretary" § 1-101

11 2-116. LEGAL COUNSEL.

12 (A) SCOPE.

13 THIS SECTION DOES NOT APPLY TO A GOVERNMENTAL UNIT IN THE
14 DEPARTMENT TO THE EXTENT THAT THE GOVERNMENTAL UNIT IS AUTHORIZED BY
15 LAW TO EMPLOY ITS OWN LEGAL ADVISER OR COUNSEL.

16 (B) ATTORNEY GENERAL AS LEGAL ADVISER.

17 THE ATTORNEY GENERAL IS THE LEGAL ADVISER TO THE DEPARTMENT.

18 (C) ASSIGNMENT OF ASSISTANTS.

19 THE ATTORNEY GENERAL SHALL ASSIGN TO THE DEPARTMENT THE NUMBER
20 OF ASSISTANT ATTORNEYS GENERAL AUTHORIZED BY LAW FOR THE DEPARTMENT
21 AND ITS GOVERNMENTAL UNITS.

22 (D) QUALIFICATIONS OF ASSISTANTS.

23 AN ASSISTANT ATTORNEY GENERAL SHALL BE A LAWYER OF THE STATE IN
24 GOOD STANDING.

25 (E) COMPENSATION FOR ASSISTANTS.

26 AN ASSISTANT ATTORNEY GENERAL IS ENTITLED TO THE COMPENSATION
27 PROVIDED IN THE STATE BUDGET.

28 (F) COUNSEL.

29 (1) THE ATTORNEY GENERAL SHALL DESIGNATE ONE OF THE
30 ASSISTANT ATTORNEYS GENERAL AS COUNSEL TO THE DEPARTMENT AND MAY NOT
31 REASSIGN THE COUNSEL WITHOUT CONSULTING THE SECRETARY.

32 (2) THE COUNSEL TO THE DEPARTMENT HAS NO DUTY OTHER THAN TO:

33 (I) GIVE THE LEGAL AID, ADVICE, AND COUNSEL THAT THE
34 SECRETARY AND THE OTHER OFFICIALS OF THE DEPARTMENT REQUIRE; AND

1 (II) SUPERVISE THE OTHER ASSISTANT ATTORNEYS GENERAL
2 ASSIGNED TO THE DEPARTMENT.

3 (3) THE COUNSEL SHALL PERFORM THE DUTIES SPECIFIED IN
4 PARAGRAPH (2) OF THIS SUBSECTION SUBJECT TO THE CONTROL AND DISCRETION
5 OF THE ATTORNEY GENERAL.

6 (G) DUTIES OF COUNSEL AND OTHER ASSISTANTS.

7 (1) THE COUNSEL AND THE OTHER ASSISTANT ATTORNEYS GENERAL IN
8 THE DEPARTMENT SHALL PERFORM THOSE DUTIES THAT THE ATTORNEY GENERAL
9 ASSIGNS.

10 (2) THE ATTORNEY GENERAL MAY REQUIRE AN ASSISTANT ATTORNEY
11 GENERAL TO PERFORM, SUBJECT TO THE ATTORNEY GENERAL'S CONTROL AND
12 DISCRETION, ANY DUTY FOR THE DEPARTMENT REQUIRED OF THE ATTORNEY
13 GENERAL BY LAW.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 1-203.

16 In subsection (a) of this section, as to the substitution of the defined term
17 "governmental unit" for the former references to "any divisions,
18 commissions, boards, authorities, or other agencies", *see* General Revisor's
19 Note to article.

20 In subsection (c) of this section, the requirement that the Attorney General
21 assign to the Department the number of assistant attorneys general
22 "authorized by law" for the Department and its units is substituted for the
23 former obsolete requirements that the Attorney General assign to the
24 Department the number of assistant attorneys general "as are now"
25 authorized by law and "such additional number ... as may hereafter be
26 authorized by law".

27 In subsection (g)(1) of this section, the former reference to the duties that
28 the Attorney General may "from time to time" assign to the counsel and
29 the other assistant attorneys general is deleted as surplusage.

30 In subsection (g)(2) of this section, the reference to the Attorney General
31 "requir[ing] an assistant attorney general" to perform duties, is
32 substituted for the former reference to the Attorney General "assign[ing] to
33 them, and each of them" duties, for clarity.

34 Defined terms: "Department" § 1-101

35 "Governmental unit" § 1-101

36 "Secretary" § 1-101

SUBTITLE 2. GOVERNMENTAL UNITS IN DEPARTMENT.

2 2-201. GOVERNMENTAL UNITS IN DEPARTMENT.

3 THE DEPARTMENT CONSISTS OF:

- 4 (1) THE DIVISION OF CREDIT ASSURANCE;
- 5 (2) THE DIVISION OF DEVELOPMENT FINANCE;
- 6 (3) THE DIVISION OF HISTORICAL AND CULTURAL PROGRAMS;
- 7 (4) THE DIVISION OF NEIGHBORHOOD REVITALIZATION;
- 8 (5) THE COMMUNITY DEVELOPMENT ADMINISTRATION;
- 9 (6) THE COMMISSION ON AFRICAN AMERICAN HISTORY AND CULTURE;
- 10 (7) THE COMMISSION ON INDIAN AFFAIRS;
- 11 (8) THE COMMUNITY LEGACY PROGRAM;
- 12 (9) THE COMMUNITY LEGACY BOARD;
- 13 (10) THE ADVISORY COMMITTEE TO THE COMMUNITY LEGACY BOARD;
- 14 (11) THE HOUSING FINANCE REVIEW COMMITTEE;
- 15 (12) THE LEAD HAZARD ADVISORY COMMITTEE;
- 16 (13) THE LIGHTHOUSE PRESERVATION SPECIAL FUND;
- 17 (14) THE MARYLAND HOUSING FUND;
- 18 (15) THE MARYLAND HISTORICAL TRUST;
- 19 (16) THE NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM; AND
- 20 (17) ANY OTHER GOVERNMENTAL UNIT THAT UNDER LAW IS A PART OF
- 21 THE DEPARTMENT.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, §§ 1-204(a) and (b), and, as they placed units
24 in the Department, 2-202(b)(1)(part), 2-1410(a)(part), 4-803(a),
25 5-614.1(b), 4-810(a)(1), 4-201(a), and 4-802(a)(1).

26 In the introductory language of this section, the former reference to the
27 "following agencies, boards, commissions, councils, corporations,
28 authorities, trusts, and divisions" is deleted as implicit in the clause "[t]he
29 Department consists of".

30 The former reference to the "Historic St. Mary's City Commission" is

1 deleted as obsolete. In 1997, the Historic St. Mary's City Commission was
2 made an independent unit in the Office of the Governor. *See* Ch. 583, Acts
3 of 1997.

4 Defined term: "Department" § 1-101

5 2-202. ADVISORY COUNCILS, BOARDS, AND COMMITTEES.

6 (A) IN GENERAL.

7 (1) THE DEPARTMENT SHALL ESTABLISH ADVISORY COUNCILS,
8 BOARDS, AND COMMITTEES AS THE GOVERNOR AND THE SECRETARY DETERMINE.

9 (2) THE GOVERNOR AND THE SECRETARY SHALL DETERMINE:

10 (I) THE SIZE OF THE ADVISORY BODIES;

11 (II) THE QUALIFICATIONS, METHOD OF APPOINTMENT, TERMS,
12 AND COMPENSATION OF MEMBERS;

13 (III) THE MANNER OF REMOVAL OF MEMBERS; AND

14 (IV) THE METHOD OF FILLING VACANCIES.

15 (B) DUTIES.

16 THE ADVISORY UNITS SHALL ADVISE AND ASSIST THE SECRETARY ON
17 POLICIES, PROGRAMS, AND ACTIVITIES OF THE DEPARTMENT.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 1-204(c).

20 Defined terms: "Department" § 1-101

21 "Secretary" § 1-101

22 TITLE 3. DIVISION OF CREDIT ASSURANCE.

23 SUBTITLE 1. DIVISION ESTABLISHED.

24 3-101. "DIVISION" DEFINED.

25 IN THIS SUBTITLE, "DIVISION" MEANS THE DIVISION OF CREDIT ASSURANCE.

26 REVISOR'S NOTE: This section is new language added to provide a convenient
27 reference to the "Division of Credit Assurance".

28 3-102. ESTABLISHED.

29 THERE IS A DIVISION OF CREDIT ASSURANCE.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 3-101(a).

3 The former reference to the Division of Credit Assurance "as an
4 organizational unit within the Department of Housing and Community
5 Development" is deleted in light of § 2-201 of this article.

6 Defined term: "Department" § 1-101

7 3-103. ELEMENTS IN DIVISION.

8 THE DIVISION INCLUDES:

9 (1) THE MARYLAND HOUSING FUND, A GOVERNMENTAL UNIT OF THE
10 DEPARTMENT;

11 (2) LOAN ASSET MANAGEMENT FOR THE DEPARTMENT; AND

12 (3) THE ADMINISTRATION OF STATEWIDE BUILDING AND MATERIAL
13 CODES ESTABLISHED UNDER TITLE 12, SUBTITLES 2, 3, 4, 5, AND 10 OF THE PUBLIC
14 SAFETY ARTICLE.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 3-101(b).

17 Defined terms: "Department" § 1-101

18 "Governmental unit" § 1-101

19 3-104. ADMINISTRATION.

20 THE DIVISION SHALL ADMINISTER EACH PROGRAM ASSIGNED TO THE DIVISION
21 BY LAW OR BY THE SECRETARY.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, § 3-102.

24 The former reference to programs "designated" by the Secretary is deleted
25 in light of the reference to programs "assigned" by the Secretary.

26 Defined terms: "Division" § 3-101

27 "Secretary" § 1-101

28 SUBTITLE 2. MARYLAND HOUSING FUND.

29 3-201. DEFINITIONS.

30 (A) IN GENERAL.

31 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

32 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 3-202(a).

1 No changes are made.

2 (B) CREDIT ENHANCEMENT.

3 "CREDIT ENHANCEMENT" MEANS A GUARANTEE, INCLUDING A GUARANTEE OF
4 AN OBLIGATION BACKED BY A POOL OF MORTGAGES, OR OTHER ASSURANCE OR
5 SECURITY DEVICE ISSUED TO:

6 (1) IMPROVE THE CREDIT OF A QUALIFIED BORROWING ENTITY; OR

7 (2) UPGRADE THE SECURITY OR RATING OF A FINANCIAL OBLIGATION,
8 INCLUDING:

9 (I) A MORTGAGE BACKED SECURITY;

10 (II) A CERTIFICATE OF PARTICIPATION; AND

11 (III) A BOND OR NOTE ISSUED TO FINANCE A DEVELOPMENT
12 ACTIVITY DESCRIBED IN THIS SUBTITLE.

13 REVISOR'S NOTE: This subsection is new language derived without
14 substantive change from former Art. 83B, § 3-202(b).

15 In the introductory language of this subsection, the former references to
16 "any form" and "other form" are deleted as surplusage.

17 Defined term: "Mortgage" § 3-201

18 (C) ENERGY CONSERVATION PROJECT.

19 "ENERGY CONSERVATION PROJECT" HAS THE MEANING STATED IN § 4-201 OF
20 THIS ARTICLE.

21 REVISOR'S NOTE: This subsection is new language derived without
22 substantive change from former Art. 83B, § 3-202(d), as it defined "energy
23 conservation project".

24 (D) FINANCING.

25 "FINANCING" INCLUDES ACQUISITION FINANCING, PERMANENT FINANCING,
26 SHORT-TERM BRIDGE FINANCING, CONSTRUCTION FINANCING, AND REFINANCING
27 OF A LOAN OR PROJECT AUTHORIZED UNDER THIS SUBTITLE.

28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from former Art. 83B, § 3-202(e).

30 The reference to construction financing "and" refinancing is substituted for
31 the former reference to construction financing "or" refinancing as standard
32 language used in a list of items introduced by the word "includes".

33 The former reference to "any type of" loan or project is deleted as

1 surplusage.

2 (E) FUND.

3 "FUND" MEANS THE MARYLAND HOUSING FUND.

4 REVISOR'S NOTE: This subsection is new language added to provide a concise
5 reference to the Maryland Housing Fund.

6 (F) HOUSING.

7 "HOUSING" INCLUDES:

8 (1) A SINGLE DWELLING UNIT;

9 (2) A MULTIPLE DWELLING UNIT;

10 (3) AN ACCESSORY UNIT RESIDENTIAL FACILITY;

11 (4) A SHARED-LIVING UNIT FACILITY, ACCOMMODATING AT LEAST TWO
12 INDIVIDUALS OR FAMILIES, IN WHICH SOME OR ALL OF THE LIVING, DINING,
13 KITCHEN, OR SANITARY FACILITIES ARE SHARED; AND

14 (5) AN ANCILLARY COMMERCIAL OR OTHER FACILITY THAT IS RELATED
15 TO, INCIDENTAL TO, AND SUPPORTIVE OF THE HOUSING.

16 REVISOR'S NOTE: This subsection is new language derived without
17 substantive change from former Art. 83B, § 3-202(f) and (i).

18 (G) INFRASTRUCTURE PROJECT.

19 "INFRASTRUCTURE PROJECT" HAS THE MEANING STATED IN § 4-201 OF THIS
20 ARTICLE.

21 REVISOR'S NOTE: This subsection is new language derived without
22 substantive change from former Art. 83B, § 3-202(d), as it defined
23 "infrastructure project".

24 (H) MORTGAGE.

25 "MORTGAGE" INCLUDES:

26 (1) A DEED OF TRUST, A SECURITY AGREEMENT, AND A PLEDGE; AND

27 (2) ANY OTHER SECURITY ARRANGEMENT SECURING A LOAN,
28 INCLUDING A MORTGAGE, TO FINANCE:

29 (I) THE PURCHASE OF STOCK OR MEMBERSHIP IN A COOPERATIVE
30 OWNERSHIP HOUSING CORPORATION; OR

1 (II) THE CONSTRUCTION OR REHABILITATION OF DWELLING UNITS
2 IN A COOPERATIVE OWNERSHIP HOUSING CORPORATION.

3 REVISOR'S NOTE: This subsection is new language derived without
4 substantive change from former Art. 83B, § 3-202(g).

5 (I) PUBLIC PURPOSE PROJECT.

6 "PUBLIC PURPOSE PROJECT" HAS THE MEANING STATED IN § 4-201 OF THIS
7 ARTICLE.

8 REVISOR'S NOTE: This subsection is new language derived without
9 substantive change from former Art. 83B, § 3-202(d), as it defined "public
10 purpose project".

11 (J) SOLAR ENERGY PROJECT.

12 "SOLAR ENERGY PROJECT" HAS THE MEANING STATED IN § 4-201 OF THIS
13 ARTICLE.

14 REVISOR'S NOTE: This subsection is new language derived without
15 substantive change from former Art. 83B, § 3-202(d), as it defined "solar
16 energy project".

17 3-202. FINDINGS.

18 (A) HOUSING.

19 (1) THE GENERAL ASSEMBLY FINDS THAT:

20 (I) THE FLOW OF PRIVATE INVESTMENT CAPITAL INTO ADEQUATE
21 HOUSING CAN BE STIMULATED BY A SYSTEM INSURING QUALIFIED LENDING
22 INSTITUTIONS AGAINST LOSSES RESULTING FROM NONPAYMENT OF MONEY OWED
23 UNDER THE TERMS OF A NOTE, BOND, OR OTHER EVIDENCE OF INDEBTEDNESS; AND

24 (II) THE INSURANCE CAN HELP STATE AND LOCAL ACTIVITY TO
25 FINANCE HOUSING AND REHABILITATION.

26 (2) THE GENERAL ASSEMBLY ALSO FINDS THAT ADEQUATE HOUSING
27 CAN AND SHOULD BE PROVIDED BY PRIVATE CAPITAL UNDER OUR FREE
28 ENTERPRISE SYSTEM AND IN ACCORDANCE WITH SOUND INVESTMENT PRACTICES.

29 (3) THE GENERAL ASSEMBLY FINDS AS A SUBJECT OF CONCERN THAT:

30 (I) MANY RESIDENTS OF THE STATE ARE LIVING IN SUBSTANDARD
31 HOUSING; AND

32 (II) THERE IS A SHORTAGE OF HOUSING AT REASONABLE COSTS
33 FOR VARIOUS INCOME LEVELS.

34 (B) ENERGY.

1 THE GENERAL ASSEMBLY FINDS THAT IT IS IN THE PUBLIC INTEREST TO
2 PROMOTE ENERGY CONSERVATION PROJECTS AND SOLAR ENERGY PROJECTS BY
3 PROVIDING INSURANCE FOR:

4 (1) LOANS MADE BY QUALIFIED LENDING INSTITUTIONS; AND

5 (2) BONDS OR NOTES ISSUED TO FINANCE THE PROJECTS.

6 (C) SALE OF POOLED MORTGAGES OR SECURITIES.

7 THE GENERAL ASSEMBLY FINDS THAT THE SALE OF POOLED MORTGAGES OR
8 SECURITIES BACKED BY MORTGAGES TO PRIVATE OR PUBLIC INVESTORS,
9 INCLUDING PUBLIC AND PRIVATE PENSION FUNDS, IS IN THE PUBLIC INTEREST AND
10 COULD INCREASE THE INVESTMENT CAPITAL AVAILABLE TO MAKE MORTGAGE
11 LOANS TO ACQUIRE, CONSTRUCT, AND REHABILITATE HOUSING.

12 (D) PUBLIC PURPOSE AND INFRASTRUCTURE PROJECTS.

13 (1) IN THIS SUBSECTION, "DISTRESSED AREA" HAS THE MEANING
14 STATED IN § 4-201 OF THIS ARTICLE.

15 (2) THE GENERAL ASSEMBLY FINDS THAT IT IS IN THE PUBLIC
16 INTEREST TO ENCOURAGE THE FINANCING OF, AND OTHERWISE TO SUPPORT, THE
17 PLANNING, ACQUISITION, DEVELOPMENT, CONSTRUCTION, RECONSTRUCTION,
18 REHABILITATION, REPAIR, RENOVATION, AND OTHER IMPROVEMENT OF:

19 (I) PUBLIC PURPOSE PROJECTS IN DISTRESSED AREAS IN THE
20 STATE; AND

21 (II) INFRASTRUCTURE PROJECTS.

22 (E) LOANS, BONDS, NOTES, MORTGAGES, OR OTHER CREDIT ENHANCEMENTS.

23 THE GENERAL ASSEMBLY FINDS THAT THE FLOW OF PUBLIC AND PRIVATE
24 CAPITAL TO SUPPORT THE ACTIVITIES SPECIFIED IN THIS SECTION WILL BE
25 ENCOURAGED AND EXPANDED BY:

26 (1) INSURING:

27 (I) LOANS MADE BY QUALIFIED LENDING INSTITUTIONS;

28 (II) BONDS OR NOTES ISSUED BY QUALIFIED ISSUERS; AND

29 (III) OBLIGATIONS BACKED BY MORTGAGES; AND

30 (2) PROVIDING OTHER CREDIT ENHANCEMENTS.

31 REVISOR'S NOTE: This section is new language derived without substantive
32 change from former Art. 83B, §§ 3-201(a) through (f) and, as it defined
33 "distressed area", 3-202(d).

1 In subsections (a)(3), (c), (d), and (e) of this section, the references to "finds"
2 are substituted for the former references to "declares" for consistency with
3 similar provisions in other revised articles of the Code. *See, e.g.*, CS §
4 8-102 and BR § 3-102. Accordingly, in the introductory language of
5 subsection (b) of this section, the former reference to "declares" is deleted
6 in light of the reference to "finds".

7 Also in the introductory language of subsection (b) of this section, the
8 former reference to the finding that it is in the public interest "of the
9 citizens of this State to reduce the consumption of energy and to increase
10 the utilization of solar energy" is deleted in light of the finding that it is in
11 the public interest "to promote energy conservation projects and solar
12 energy projects".

13 Defined terms: "Credit enhancement" § 3-201

14 "Energy conservation project" § 3-201

15 "Financing" § 3-201

16 "Housing" § 3-201

17 "Infrastructure project" § 3-201

18 "Mortgage" § 3-201

19 "Public purpose project" § 3-201

20 "Solar energy project" § 3-201

21 3-203. MARYLAND HOUSING FUND.

22 (A) ESTABLISHED.

23 THERE IS A MARYLAND HOUSING FUND.

24 (B) PURPOSE OF FUND.

25 THE FUND SHALL FURTHER THE STATE INTERESTS EXPRESSED IN § 3-202 OF
26 THIS SUBTITLE.

27 (C) ADMINISTRATION.

28 THE DEPARTMENT SHALL MANAGE AND SUPERVISE THE FUND.

29 (D) STATUS.

30 (1) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS
31 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

32 (2) THE DEPARTMENT SHALL DEPOSIT MONEY FOR THE FUND WITH
33 THE STATE TREASURER.

34 (3) THE MONEY SHALL BE HELD IN THE FINANCIAL INSTITUTIONS THAT
35 THE STATE TREASURER CONSIDERS PROPER AND SHALL BE ACCOUNTED FOR BY THE
36 COMPTROLLER IN A SPECIAL ACCOUNT KNOWN AS THE "MARYLAND HOUSING
37 FUND".

1 (4) ALL PREMIUM AND FEE INCOME SHALL BE CREDITED TO THE FUND
2 TO OPERATE THE FUND AND TO PROVIDE ADDITIONAL INSURANCE, GUARANTEES,
3 AND CREDIT ENHANCEMENT.

4 (E) COMPOSITION.

5 THE FUND CONSISTS OF:

6 (1) MONEY APPROPRIATED BY THE STATE TO THE FUND;

7 (2) PROCEEDS OF ANY STATE LOAN TO THE EXTENT PROVIDED BY THE
8 GENERAL ASSEMBLY OR ANY GOVERNMENTAL UNIT AUTHORIZED TO ISSUE BONDS
9 FOR THE FUND;

10 (3) FEES AND PREMIUMS THAT THE DEPARTMENT RECEIVES IN
11 CONNECTION WITH INSURANCE OR OTHER CREDIT ENHANCEMENT PROVIDED BY
12 THE FUND; AND

13 (4) ALL OTHER MONEY MADE AVAILABLE TO THE DEPARTMENT FROM
14 ANY SOURCE FOR THE PURPOSES SET FORTH IN THIS SUBTITLE.

15 (F) INVESTMENTS.

16 MONEY IN THE FUND SHALL BE INVESTED IN THE SAME MANNER AS OTHER
17 STATE MONEY.

18 (G) EXPENDITURES.

19 (1) MONEY IN THE FUND SHALL BE USED TO:

20 (I) INSURE LOANS THAT THE DEPARTMENT ACCEPTS UNDER THIS
21 SUBTITLE;

22 (II) INSURE BONDS OR NOTES ISSUED TO FINANCE A PROJECT
23 THAT IS ELIGIBLE FOR INSURANCE UNDER THIS SUBTITLE; AND

24 (III) PROVIDE OTHER FORMS OF CREDIT ENHANCEMENT UNDER
25 THIS SUBTITLE.

26 (2) MONEY IN THE FUND THAT BY AGREEMENT, CONTRACT,
27 SECRETARIAL DETERMINATION, OR REGULATION HAS BEEN CREATED AS AN
28 IDENTIFIABLE INSURANCE OR CREDIT RESERVE MAY BE USED ONLY IN
29 CONFORMANCE WITH THE TERMS AND CONDITIONS CREATING THE RESERVE.

30 (H) TRANSFERS.

31 THE SECRETARY MAY TRANSFER TO ANY RESERVE:

32 (1) OPERATIONAL MONEY;

33 (2) EARNINGS NOT YET ALLOCATED TO A PARTICULAR RESERVE;

- 1 (3) STATE APPROPRIATED MONEY;
- 2 (4) PROCEEDS OF STATE GENERAL OBLIGATION BONDS; OR
- 3 (5) OTHER MONEY RECEIVED AND NOT ALLOCATED TO A PARTICULAR
- 4 RESERVE.

5 REVISOR'S NOTE: This section is new language derived without substantive
 6 change from former Art. 83B, §§ 3-201(g), 3-203(a) and (b)(1) and (2), and
 7 3-206(a), (b), (c), and (d).

8 In subsection (d)(1) of this section, the reference to the Fund "not [being]
 9 subject to § 7-302 of the State Finance and Procurement Article" is
 10 standard language added to special fund sections to ensure that unspent
 11 balances of the Fund do not revert to the General Fund. Consequently, in
 12 subsection (d)(4) of this section, the former reference to premium and
 13 income that "does not revert to the State's General Fund" is deleted as
 14 redundant.

15 In subsections (d)(2), (f), and (h)(1) of this section, as for the substitution of
 16 "money" for "funds", *see* General Revisor's Note to article.

17 In subsection (e)(4) of this section, the former reference to any "public or
 18 private" source is deleted as implicit in the reference to any "source".

19 In subsection (f) of this section, the former reference to money that is to be
 20 invested "and reinvested" is deleted as implicit in the reference to
 21 "invested".

22 In subsection (g) of this section, the former reference to the Fund "account"
 23 is deleted as surplusage.

24 In subsection (h) of this section, the former reference to a reserve "now
 25 existing or hereafter created" is deleted as surplusage.

26 Former Art. 83B, §§ 3-203(b)(3), 3-206(f), and 3-208, which allowed
 27 money in the Maryland Housing Fund to be used to guarantee obligations
 28 backed by a mortgage if the authority to guarantee was exercised on or
 29 before June 30, 1994, and if the aggregate amount of outstanding
 30 obligations does not exceed \$300 million, are deleted as obsolete.

31 Defined terms: "Credit enhancement" § 3-201

32 "Department" § 1-101

33 "Fund" § 3-201

34 "Governmental unit" § 1-101

35 3-204. INSURANCE, GUARANTEES, AND OTHER CREDIT ENHANCEMENTS.

36 INSURANCE, A GUARANTEE, OR OTHER CREDIT ENHANCEMENT PROVIDED
 37 UNDER THIS SUBTITLE:

1 (1) DOES NOT PLEDGE THE FAITH, CREDIT, OR TAXING POWER OF THE
2 STATE OR THE DEPARTMENT; AND

3 (2) IS PAYABLE ONLY TO THE EXTENT OF THE RESERVE OR OTHER
4 IDENTIFIED MONEY BACKING THE INSURANCE, GUARANTEE, OR CREDIT
5 ENHANCEMENT.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 3-206(e).

8 In item (2) of this section, as for the substitution of "money" for "funds", *see*
9 General Revisor's Note to article.

10 Defined terms: "Credit enhancement" § 3-201

11 "Department" § 1-101

12 3-205. POWERS OF DEPARTMENT.

13 (A) "DEVELOPMENT COSTS" DEFINED.

14 IN THIS SECTION, "DEVELOPMENT COSTS" HAS THE MEANING STATED IN § 4-201
15 OF THIS ARTICLE.

16 (B) ENUMERATED POWERS.

17 THE DEPARTMENT, IN ITS OWN NAME OR IN THE NAME OF THE FUND:

18 (1) MAY INSURE OR GUARANTEE ON TERMS THAT IT SPECIFIES A
19 MORTGAGE OR POOL OF MORTGAGES OFFERED OR BONDS OR NOTES ISSUED THAT
20 ARE ELIGIBLE FOR INSURANCE UNDER § 3-202 OF THIS SUBTITLE;

21 (2) MAY INSURE A TOTAL OF NOT MORE THAN \$30,000,000 OF BRIDGE
22 LOANS THAT ARE:

23 (I) MADE FOR PART OF THE DEVELOPMENT COSTS OF RENTAL
24 HOUSING PROJECTS THAT ARE AWARDED FEDERAL LOW INCOME HOUSING TAX
25 CREDITS; AND

26 (II) SECURED BY PERSONAL RATHER THAN REAL PROPERTY;

27 (3) MAY PROVIDE OTHER FORMS OF CREDIT ENHANCEMENT ON TERMS
28 THAT IT SPECIFIES FOR QUALIFIED LENDERS AND BORROWERS WHO OTHERWISE
29 CANNOT GET CREDIT ENHANCEMENT IN THE PRIVATE MARKET;

30 (4) MAY ISSUE OBLIGATIONS IN ANY FORM BACKED BY A POOL OF
31 MORTGAGES, INCLUDING:

32 (I) SECURITIES;

33 (II) CERTIFICATES OF PARTICIPATION;

1 (III) GRANTOR TRUSTS;
 2 (IV) COLLATERALIZED MORTGAGE OBLIGATIONS; AND
 3 (V) PASS-THROUGH CERTIFICATES;
 4 (5) NOTWITHSTANDING TITLES 10 THROUGH 17 OF THE STATE FINANCE
 5 AND PROCUREMENT ARTICLE, AFTER A DEFAULT UNDER AN OBLIGATION THAT IS
 6 INSURED OR OTHERWISE BACKED BY A CREDIT ENHANCEMENT UNDER THIS
 7 SUBTITLE, MAY ACQUIRE, HOLD, IMPROVE, OPERATE PENDING SALE OR OTHER
 8 DISPOSITION, SELL, ASSIGN, EXCHANGE, TRANSFER, CONVEY, LEASE, MORTGAGE, OR
 9 OTHERWISE DISPOSE OF OR ENCUMBER:

10 (I) REAL PROPERTY OR AN INTEREST IN REAL PROPERTY;

11 (II) PERSONAL PROPERTY OR AN INTEREST IN PERSONAL
 12 PROPERTY; OR

13 (III) EVIDENCE OF INDEBTEDNESS, INCLUDING:

14 1. PASS-THROUGH CERTIFICATES;

15 2. RESIDUAL INTERESTS; AND

16 3. OTHER SECURITIES BACKED BY REAL ESTATE OR A
 17 MORTGAGE; AND

18 (6) IN CONNECTION WITH A PROPERTY, WHETHER OR NOT INSURED BY
 19 THE FUND, ACQUIRED BY THE DEPARTMENT OR THE FUND THROUGH
 20 FORECLOSURE, THROUGH DEED IN LIEU OF FORECLOSURE, OR IN SETTLEMENT FOR
 21 A CLAIM FOR LOSS:

22 (I) MAY CONTRACT WITH A PRIVATE PARTY FOR SERVICES TO
 23 SECURE, MAINTAIN, OPERATE, OR IMPROVE THE PROPERTY IN ANTICIPATION OF
 24 DISPOSITION OF THE PROPERTY, WITHOUT REQUIRING THAT THE CONTRACT
 25 COMPLY WITH DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

26 (II) MAY MAKE A MORTGAGE LOAN TO ASSIST IN THE DISPOSITION
 27 OF THE PROPERTY.

28 REVISOR'S NOTE: This section is new language derived without substantive
 29 change from former Art. 83B, §§ 3-204 and 3-202(c).

30 In subsection (b)(2) of this section, the reference to "total" is substituted for
 31 the former reference to an "aggregate amount" for brevity.

32 In the introductory language of subsection (b)(4) of this section, the former
 33 phrase "without limitation" is deleted as surplusage.

34 In subsection (b)(5)(iii)2 of this section, the reference to residual interests
 35 "and" other securities is substituted for the former reference to residual

1 interests "or" other securities for consistency with the introductory
2 language of item (iii) of that item.

3 In subsection (b)(6) of this section, the former phrase "otherwise pursuant
4 to any other payment" is deleted as surplusage.

5 Defined terms: "Credit enhancement" § 3-201

6 "Department" § 1-101

7 "Housing" § 3-201

8 "Mortgage" § 3-201

9 3-206. ELIGIBILITY STANDARDS FOR INSURANCE AND CREDIT ENHANCEMENTS.

10 (A) IN GENERAL.

11 IN OFFERING INSURANCE AND OTHER FORMS OF CREDIT ENHANCEMENT, THE
12 DEPARTMENT SHALL ADOPT ELIGIBILITY STANDARDS THAT ARE REASONABLE TO
13 AID IN:

14 (1) FINANCING THE PURCHASE, CONSTRUCTION, OR REHABILITATION
15 OF:

16 (I) HOUSING PROJECTS;

17 (II) SPECIAL HOUSING FACILITY PROJECTS, CONSISTING OF THE
18 ACQUISITION, REHABILITATION, IMPROVEMENT, RENOVATION, CONSTRUCTION,
19 FINANCING, OR REFINANCING OF A BUILDING THAT:

20 1. PROVIDES COMMON, SHARED, OR INDEPENDENT LIVING,
21 DINING, KITCHEN, SANITARY, AND SLEEPING FACILITIES;

22 2. MAY INCLUDE SUPPORTIVE SERVICES OR SUPERVISORY
23 LIVE-IN PERSONNEL FOR INDIVIDUALS WITH SPECIALIZED HOUSING NEEDS; AND

24 3. MAY INCLUDE NONRESIDENTIAL FACILITIES TO SERVE
25 INDIVIDUALS WITH SPECIAL NEEDS WHO MAY OR MAY NOT BE RESIDENTS OF THE
26 SPECIAL HOUSING FACILITY;

27 (III) REHABILITATION PROJECTS, AS DEFINED IN § 4-901 OF THIS
28 ARTICLE;

29 (IV) ENERGY CONSERVATION PROJECTS;

30 (V) SOLAR ENERGY PROJECTS;

31 (VI) PUBLIC PURPOSE PROJECTS; OR

32 (VII) INFRASTRUCTURE PROJECTS; AND

33 (2) THE SALE OR OTHER TRANSFER OF AN OBLIGATION THAT IS:

1 (I) DENOTED AS A BOND, NOTE, COLLATERALIZED OBLIGATION,
2 GRANTOR TRUST, CONDUIT, OR OTHER FORM OF SECURITY OR OBLIGATION; AND

3 (II) BACKED DIRECTLY OR INDIRECTLY BY A MORTGAGE OR A
4 PAYMENT DERIVED FROM A MORTGAGE.

5 (B) STANDARDS FOR LENDER.

6 THE STANDARDS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION SHALL
7 ENSURE THAT A LENDER BENEFITING FROM INSURANCE OR OTHER CREDIT
8 ENHANCEMENT PROVIDED BY THE DEPARTMENT IS RESPONSIBLE AND ABLE TO
9 SERVICE THE LOAN.

10 (C) DETERMINATION BY SECRETARY CONCLUSIVE.

11 A DETERMINATION BY THE SECRETARY IS CONCLUSIVE IF IT RELATES TO THE
12 ELIGIBILITY OF A PROJECT, FACILITY, OR UNDERTAKING FOR:

13 (1) INSURANCE OR OTHER CREDIT ENHANCEMENT; OR

14 (2) OTHER ACTION TAKEN BY THE DEPARTMENT, IN ITS OWN NAME OR
15 IN THE NAME OF THE FUND, UNDER THIS SUBTITLE.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, §§ 3-202(h) and (j), 3-205(a) and (b), and
18 3-207(d).

19 In subsection (b) of this section, the former reference to the requirement
20 that standards ensure that a lender be able to service a loan "properly" is
21 deleted as surplusage.

22 In the introductory language of subsection (c) of this section, the former
23 reference to matters "determined therein" is deleted as surplusage.

24 Defined terms: "Credit enhancement" § 3-201

25 "Department" § 1-101

26 "Energy conservation project" § 3-201

27 "Financing" § 3-201

28 "Fund" § 3-201

29 "Housing" § 3-201

30 "Infrastructure project" § 3-201

31 "Mortgage" § 3-201

32 "Public purpose project" § 3-201

33 "Secretary" § 1-101

34 "Solar energy project" § 3-201

35 3-207. REGULATIONS AND REPORTS.

36 (A) DEPARTMENT TO ADOPT REGULATIONS.

1 THE DEPARTMENT SHALL ADOPT REGULATIONS THAT ARE NECESSARY TO
2 CARRY OUT THE PURPOSE OF THIS SUBTITLE.

3 (B) ANNUAL REPORT.

4 (1) ANNUALLY, ON OR BEFORE DECEMBER 1, THE DEPARTMENT SHALL
5 MAKE A WRITTEN REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE
6 STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE FINANCIAL
7 STATUS OF THE FUND AND ITS OPERATIONS FOR THE PRECEDING FISCAL YEAR.

8 (2) THE REPORT SHALL INCLUDE THE TYPES AND AMOUNT OF:

9 (I) INSURANCE RESERVES;

10 (II) INSURANCE ISSUED;

11 (III) PREMIUMS CHARGED; AND

12 (IV) CLAIMS MADE.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 3-207(a) and (b).

15 In subsection (a) of this section, the reference to "regulations" is
16 substituted for the former incorrect reference to "rules" to clarify that the
17 Department is required to adopt regulations that are published in the Code
18 of Maryland Regulations (COMAR), "rules" and provisions that concern
19 the internal working of a governmental unit.

20 Defined terms: "Department" § 1-101

21 "Fund" § 3-201

22 3-208. CONSTRUCTION OF SUBTITLE.

23 THIS SUBTITLE SHALL BE LIBERALLY CONSTRUED TO CARRY OUT THE
24 FINDINGS SET FORTH IN § 3-202 OF THIS SUBTITLE.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 3-207(c).

27 The former reference to "declarations" is deleted as redundant of the word
28 "findings" and for consistency with similar provisions in other revised
29 articles of the Code. *See, e.g.*, CS § 8-102 and BR § 3-102.

30 TITLE 4. DIVISION OF DEVELOPMENT FINANCE.

31 SUBTITLE 1. DIVISION ESTABLISHED; UNITS IN DIVISION.

32 4-101. DEFINITIONS.

33 (A) IN GENERAL.

1 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

2 REVISOR'S NOTE: This subsection is new language added as the standard
3 introductory language to a definition section.

4 (B) ADMINISTRATION.

5 "ADMINISTRATION" MEANS THE COMMUNITY DEVELOPMENT ADMINISTRATION.

6 REVISOR'S NOTE: This subsection is new language derived without
7 substantive change from former Art. 83B, §§ 2-203(b) and 2-801(b).

8 The former phrase "of the Department of Housing and Community
9 Development" is deleted as unnecessary in light of § 2-202 of this article.

10 (C) DIVISION.

11 "DIVISION" MEANS THE DIVISION OF DEVELOPMENT FINANCE.

12 REVISOR'S NOTE: This subsection is new language added to provide a concise
13 reference to the Division of Development Finance.

14 (D) ELDERLY RENTAL HOUSING PROJECT.

15 "ELDERLY RENTAL HOUSING PROJECT" MEANS A PROJECT THAT MEETS THE
16 QUALIFICATIONS IN § 4-407 OF THIS TITLE.

17 REVISOR'S NOTE: This subsection is new language derived without
18 substantive change from the introductory language of former Art. 83B, §
19 2-801(e), as it defined "elderly rental housing project".

20 As for the balance of former Art. 83B, § 2-801(e), *see* § 4-407 of this title.

21 The former alternative defined term "project" is deleted to avoid confusion.

22 (E) NONPROFIT SPONSOR.

23 "NONPROFIT SPONSOR" MEANS A SPONSOR THAT IS:

24 (1) A NONPROFIT ORGANIZATION; OR

25 (2) A LIMITED PARTNERSHIP, IF:

26 (I) 1. EACH GENERAL PARTNER IS A NONPROFIT
27 ORGANIZATION; OR

28 2. EACH GENERAL PARTNER IS A WHOLLY OWNED
29 SUBSIDIARY OF A NONPROFIT ORGANIZATION;

1 (II) THE LIMITED PARTNERSHIP IS FORMED TO UNDERTAKE A
 2 PROJECT THAT IS ELIGIBLE AS A WHOLE OR IN PART FOR A FEDERAL PROGRAM OR
 3 INCENTIVE, INCLUDING LOW-INCOME HOUSING TAX CREDITS; AND

4 (III) A NONPROFIT ORGANIZATION MANAGES THE PROJECT OR WILL
 5 RECEIVE THE NET CASH FLOW OR RESIDUAL SALE PROCEEDS ON THE SALE OF THE
 6 PROJECT.

7 REVISOR'S NOTE: This subsection is new language derived without
 8 substantive change from former Art. 83B, §§ 2-501(l) and 2-801(g).

9 The Housing Article Review Committee notes, for consideration by the
 10 General Assembly, that in item (2)(i)2 of this subsection, the reference to
 11 "each general partner" is substituted for the former references to a "limited
 12 partnership" to avoid the erroneous implication that a limited partnership
 13 may be a wholly owned subsidiary.

14 Defined term: "Nonprofit organization" § 1-101

15 4-102. ESTABLISHED.

16 THERE IS A DIVISION OF DEVELOPMENT FINANCE.

17 REVISOR'S NOTE: This section is new language derived without substantive
 18 change from former Art. 83B, § 2-101(a).

19 The former reference to the Division being "an organizational unit" is
 20 deleted as implicit in the establishment of a "Division".

21 The former reference to the Division being "within the Department" is
 22 deleted in light of § 2-201 of this article.

23 4-103. UNITS IN DIVISION.

24 THE DIVISION INCLUDES:

- 25 (1) THE COMMUNITY DEVELOPMENT ADMINISTRATION;
- 26 (2) THE DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN PROGRAM;
- 27 (3) THE ELDERLY RENTAL HOUSING PROGRAM;
- 28 (4) FEDERAL AND STATE WEATHERIZATION PROGRAMS;
- 29 (5) THE GROUP HOME FINANCING PROGRAM;
- 30 (6) THE LEAD HAZARD REDUCTION GRANT PROGRAM;
- 31 (7) THE LEAD HAZARD REDUCTION LOAN PROGRAM;
- 32 (8) THE LOCAL GOVERNMENT INFRASTRUCTURE PROGRAM;

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- 1 (9) THE MARYLAND HOME FINANCING PROGRAM;
- 2 (10) THE MARYLAND HOUSING REHABILITATION PROGRAM;
- 3 (11) THE NEIGHBORHOOD HOUSING SERVICES FUND;
- 4 (12) THE OPERATING ASSISTANCE GRANTS DEMONSTRATION PROJECTS;
- 5 (13) THE PARTNERSHIP RENTAL HOUSING PROGRAM;
- 6 (14) THE RADIUM PILOT GRANT PROGRAM;
- 7 (15) THE RENTAL ALLOWANCE PROGRAM;
- 8 (16) THE RENTAL HOUSING PRODUCTION PROGRAM; AND
- 9 (17) THE SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE
10 PROGRAM.

11 REVISOR'S NOTE: Items (1) through (5), (8) through (13), and (16) of this
12 section are new language derived without substantive change from former
13 Art. 83B, § 2-101(b).

14 Items (6), (7), and (15) of this section are new language added to state
15 explicitly what was only implied in the former law -- that the Division
16 includes the Lead Hazard Reduction Grant Program, the Lead Hazard
17 Reduction Loan Program, and the Rental Allowance Program.

18 Item (14) of this section is new language derived without substantive
19 change from former Art. 83B, § 2-1601(a).

20 Item (17) of this section is new language derived without substantive
21 change from former Art. 83B, § 2-1503(a).

22 In item (2) of this section, the reference to the "Down Payment and
23 Settlement Expense Loan Program" is substituted for the former obsolete
24 reference to the "Settlement Expense Loan Program".

25 In items (14) and (17) of this section, the former references to the Radium
26 Pilot Program and the Self-Help Homeownership Technical Assistance
27 Program as being in "the Department" are deleted as implicit in including
28 those programs in the Division.

29 SUBTITLE 2. COMMUNITY DEVELOPMENT ADMINISTRATION.

30 PART I. DEFINITIONS; GENERAL PROVISIONS.

31 4-201. DEFINITIONS.

32 (A) IN GENERAL.

1 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

2 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(a).

3 No changes are made.

4 (B) COMMERCIAL BUILDING.

5 "COMMERCIAL BUILDING" MEANS ANY BUILDING THAT:

6 (1) IS USED PRIMARILY TO CARRY ON A BUSINESS WHETHER OR NOT
7 FOR PROFIT;

8 (2) IS NOT A RESIDENTIAL BUILDING; AND

9 (3) IS NOT USED PRIMARILY TO MANUFACTURE OR PRODUCE RAW
10 MATERIALS, PRODUCTS, OR AGRICULTURAL COMMODITIES.

11 REVISOR'S NOTE: This subsection is new language derived without
12 substantive change from former Art. 83B, § 2-203(d).

13 The former phrase "for the purpose of providing financial assistance for an
14 energy conservation project or a solar energy project in a commercial
15 building" is deleted as surplusage.

16 Defined term: "Residential building" § 4-201

17 (C) COMMERCIAL ENERGY AUDIT.

18 "COMMERCIAL ENERGY AUDIT" MEANS:

19 (1) AN ENERGY AUDIT PERFORMED FOR PURPOSES OF TITLE VII OF THE
20 NATIONAL ENERGY CONSERVATION POLICY ACT, 42 U.S.C. §§ 6201 THROUGH 6422; OR

21 (2) AN ONSITE INSPECTION OF A COMMERCIAL BUILDING THAT
22 INCLUDES A DETERMINATION OF, AND PROVIDES INFORMATION ON:

23 (I) THE TYPE, QUANTITY, AND RATE OF ENERGY CONSUMPTION OF
24 THE BUILDING;

25 (II) THE MAINTENANCE AND OPERATION PROCEDURES TO REDUCE
26 THE ENERGY CONSUMPTION OF THE BUILDING; AND

27 (III) THE COST OF IMPLEMENTING AN APPROPRIATE ENERGY
28 CONSERVATION PROJECT, A SOLAR ENERGY PROJECT, OR BOTH, AND THE SAVINGS
29 IN ENERGY COSTS LIKELY TO RESULT FROM THE PROJECT.

30 REVISOR'S NOTE: This subsection is new language derived without
31 substantive change from former Art. 83B, § 2-203(e).

32 In item (2)(ii) of this subsection, the former reference to procedures "that

1 can be employed" to reduce energy consumption is deleted as surplusage.

2 Defined terms: "Commercial building" § 4-201

3 "Energy conservation project" § 4-201

4 "Solar energy project" § 4-201

5 (D) COMMUNITY DEVELOPMENT PROJECT.

6 "COMMUNITY DEVELOPMENT PROJECT" MEANS A PROJECT THAT QUALIFIES
7 UNDER § 4-217 OF THIS SUBTITLE.

8 REVISOR'S NOTE: This subsection is new language added to provide a
9 convenient reference to "community development project".

10 (E) DEVELOPMENT COSTS.

11 (1) "DEVELOPMENT COSTS" MEANS THE COSTS THAT THE DEPARTMENT
12 CONSIDERS REASONABLE AND NECESSARY TO CARRY OUT:

13 (I) A COMMUNITY DEVELOPMENT PROJECT;

14 (II) AN ENERGY CONSERVATION PROJECT;

15 (III) A HOME IMPROVEMENT PROJECT;

16 (IV) AN INFRASTRUCTURE PROJECT;

17 (V) A PUBLIC PURPOSE PROJECT;

18 (VI) A SOLAR ENERGY PROJECT; OR

19 (VII) A SPECIAL HOUSING FACILITY.

20 (2) "DEVELOPMENT COSTS" INCLUDES:

21 (I) THE COSTS OF:

22 1. STUDIES, SURVEYS, PLANS AND SPECIFICATIONS, AND
23 ARCHITECTURAL, ENGINEERING, OR OTHER SPECIAL SERVICES;

24 2. ACQUISITION OF LAND AND ANY BUILDINGS ON THE
25 LAND;

26 3. SITE PREPARATION AND DEVELOPMENT, CONSTRUCTION,
27 RECONSTRUCTION, REHABILITATION, AND IMPROVEMENT; AND

28 4. ACQUISITION OF MACHINERY, EQUIPMENT, AND
29 FURNISHINGS;

30 (II) EXPENSES INCURRED IN CONNECTION WITH INITIAL
31 OCCUPANCY OR OPERATION OF THE PROJECT;

1 (III) AN ALLOCABLE PORTION OF THE ADMINISTRATIVE AND
2 OPERATING EXPENSES OF THE DEPARTMENT;

3 (IV) THE COST OF FINANCING THE PROJECT, INCLUDING INTEREST
4 ON BONDS AND NOTES ISSUED TO FINANCE THE PROJECT FROM THE DATE ISSUED
5 TO THE DATE THE DEPARTMENT DETERMINES THAT THE PROJECT IS
6 SUBSTANTIALLY OCCUPIED OR SUBSTANTIALLY IN OPERATION; AND

7 (V) THE COST OF OTHER ITEMS, INCLUDING INDEMNITY AND
8 SURETY BONDS, PREMIUMS ON INSURANCE, FEES, RELOCATION COSTS, AND
9 CHARGES AND EXPENSES OF TRUSTEES, DEPOSITORIES, AND PAYING AGENTS FOR
10 BONDS AND NOTES ISSUED.

11 REVISOR'S NOTE: This subsection is new language derived without
12 substantive change from former Art. 83B, § 2-203(g).

13 In paragraph (1) of this subsection, the former reference to costs "incurred
14 in carrying out all works and undertakings" is deleted as surplusage.

15 In paragraph (2) of this subsection, the former phrase "but are not
16 necessarily limited to" is deleted in light of the reference to "includes".
17 Article 1, § 30 provides that the term "includes" is used "by way of
18 illustration and not by way of limitation".

19 Defined terms: "Community development project" § 4-201

20 "Department" § 1-101

21 "Energy conservation project" § 4-201

22 "Home improvement project" § 4-201

23 "Infrastructure project" § 4-201

24 "Public purpose project" § 4-201

25 "Solar energy project" § 4-201

26 "Special housing facility" § 4-201

27 (F) DIRECTOR.

28 "DIRECTOR" MEANS THE DIRECTOR OF THE ADMINISTRATION.

29 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(h).

30 No changes are made.

31 Defined term: "Administration" § 4-101

32 (G) ENERGY CONSERVATION PROJECT.

33 "ENERGY CONSERVATION PROJECT" MEANS A PROJECT THAT QUALIFIES
34 UNDER § 4-218 OF THIS SUBTITLE.

35 REVISOR'S NOTE: This subsection is new language added to provide a
36 convenient reference to "energy conservation project".

1 (H) FAMILY OF LIMITED INCOME.

2 "FAMILY OF LIMITED INCOME" MEANS A FAMILY OR INDIVIDUAL WHOSE
3 INCOME DOES NOT EXCEED THE UPPER INCOME LIMITS ESTABLISHED BY THE
4 SECRETARY UNDER § 4-212 OF THIS SUBTITLE.

5 REVISOR'S NOTE: This subsection formerly was the first clause of the first
6 sentence of Art. 83B, § 2-203(1).

7 The reference to an "individual" is substituted for the former reference to
8 "persons" because only individuals, and not the other kinds of entities
9 included in the defined term "person", have the income specified in this
10 subsection.

11 The only other changes are in style.

12 Defined term: "Secretary" § 1-101

13 (I) HOME IMPROVEMENT PROJECT.

14 "HOME IMPROVEMENT PROJECT" MEANS A PROJECT THAT QUALIFIES UNDER §
15 4-219 OF THIS SUBTITLE.

16 REVISOR'S NOTE: This subsection is new language added to provide a
17 convenient reference to "home improvement project".

18 (J) INFRASTRUCTURE PROJECT.

19 "INFRASTRUCTURE PROJECT" MEANS A PROJECT THAT QUALIFIES UNDER §
20 4-220 OF THIS SUBTITLE.

21 REVISOR'S NOTE: This subsection is new language added to provide a
22 convenient reference to "infrastructure project".

23 (K) LIMITED DIVIDEND CORPORATION.

24 "LIMITED DIVIDEND CORPORATION" MEANS A CORPORATION THAT:

25 (1) QUALIFIES AS A LIMITED DIVIDEND CORPORATION UNDER THE
26 MODERATE-INCOME RENTAL PROGRAM OF THE NATIONAL HOUSING ACT, TITLE 12,
27 CHAPTER 13 OF THE UNITED STATES CODE; AND

28 (2) IS OPERATED ONLY TO FURTHER A COMMUNITY DEVELOPMENT
29 PROJECT.

30 REVISOR'S NOTE: This subsection is new language derived without
31 substantive change from former Art. 83B, § 2-203(p).

32 The former phrase "in effect from time to time" is deleted as surplusage.

33 Defined term: "Community development project" § 4-201

1 (L) LOCAL DEVELOPMENT AGENCY.

2 "LOCAL DEVELOPMENT AGENCY" MEANS THE GOVERNMENTAL UNIT OF A
3 POLITICAL SUBDIVISION THAT THE CHIEF EXECUTIVE OFFICER OF THE POLITICAL
4 SUBDIVISION DESIGNATES TO CARRY OUT COMMUNITY DEVELOPMENT UNDER THIS
5 SUBTITLE.

6 REVISOR'S NOTE: This subsection is new language derived without
7 substantive change from former Art. 83B, § 2-203(r).

8 The reference to "governmental unit of a political subdivision" is
9 substituted for the former reference to any "board, commission, agency,
10 department or authority of any municipality or county" for brevity and
11 consistency.

12 Defined terms: "Governmental unit" § 1-101

13 "Political subdivision" § 1-101

14 (M) LOCAL DEVELOPMENT ENTITY.

15 "LOCAL DEVELOPMENT ENTITY" MEANS A CORPORATION OR FOUNDATION, NO
16 PART OF THE NET EARNINGS OF WHICH INURES TO THE BENEFIT OF A PRIVATE
17 SHAREHOLDER OR INDIVIDUAL, THAT IS ORGANIZED AND OPERATED PRIMARILY TO
18 FOSTER, ENCOURAGE, AND ASSIST COMMUNITY DEVELOPMENT IN THE STATE.

19 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(q).

20 The defined term "local development entity" is substituted for the former
21 defined term "local development corporation" to reflect that the defined
22 term encompasses both corporations and foundations.

23 The only changes are in style.

24 Defined term: "Local development entity" § 4-201

25 (N) LOCAL OBLIGATION.

26 "LOCAL OBLIGATION" MEANS A BOND, NOTE, OR OTHER OBLIGATION OF A
27 POLITICAL SUBDIVISION OR A GOVERNMENTAL UNIT OF A POLITICAL SUBDIVISION.

28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from former Art. 83B, § 2-203(s).

30 Defined terms: "County" § 1-101

31 "Governmental unit" § 1-101

32 "Political subdivision" § 1-101

33 (O) PERSON.

34 "PERSON" INCLUDES A FEDERAL, STATE, OR LOCAL GOVERNMENT AND AN
35 AGENCY OR INSTRUMENTALITY OF ANY OF THOSE GOVERNMENTS.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from former Art. 83B, § 2-203(w)(2).

3 The former phrase "for the purpose of providing financial assistance for an
4 energy conservation project or a solar energy project" is deleted as
5 surplusage.

6 Former Art. 83B, § 2-203(w)(1) is deleted in light of the definition of
7 "person" in § 1-101 of this article.

8 (P) PUBLIC PURPOSE PROJECT.

9 "PUBLIC PURPOSE PROJECT" MEANS A PROJECT THAT QUALIFIES UNDER §
10 4-221 OF THIS SUBTITLE.

11 REVISOR'S NOTE: This subsection is new language added to provide a
12 convenient reference to "public purpose project".

13 (Q) RESIDENTIAL BUILDING.

14 "RESIDENTIAL BUILDING" MEANS A SINGLE FAMILY OR MULTIFAMILY
15 STRUCTURE THAT IS USED PRIMARILY FOR HUMAN DWELLING AND THAT HAS A
16 SYSTEM FOR HEATING, COOLING, OR BOTH.

17 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(y).

18 The only changes are in style.

19 (R) RESIDENTIAL ENERGY AUDIT.

20 "RESIDENTIAL ENERGY AUDIT" MEANS:

21 (1) AN INSPECTION OR ENERGY AUDIT OF A RESIDENTIAL BUILDING OR
22 A DWELLING UNIT IN A RESIDENTIAL BUILDING PERFORMED FOR PURPOSES OF
23 TITLE II OR TITLE VII OF THE NATIONAL ENERGY CONSERVATION POLICY ACT, TITLE
24 42, CHAPTER 91 OF THE UNITED STATES CODE; OR

25 (2) AN ONSITE INSPECTION OF A RESIDENTIAL BUILDING OR A
26 DWELLING UNIT IN A RESIDENTIAL BUILDING THAT INCLUDES A DETERMINATION
27 OF AND PROVIDES INFORMATION ON:

28 (I) THE TYPE, QUANTITY, AND RATE OF ENERGY CONSUMPTION OF
29 THE BUILDING OR DWELLING UNIT;

30 (II) MAINTENANCE AND OPERATING PROCEDURES TO REDUCE THE
31 ENERGY CONSUMPTION OF THE RESIDENTIAL BUILDING OR DWELLING UNIT; AND

32 (III) THE COST OF IMPLEMENTING AN APPROPRIATE ENERGY
33 CONSERVATION PROJECT, SOLAR ENERGY PROJECT, OR BOTH, AND THE SAVINGS IN
34 ENERGY COSTS THAT ARE LIKELY TO RESULT FROM THE PROJECT.

1 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(z).

2 The only changes are in style.

3 Defined terms: "Energy conservation project" § 4-201

4 "Residential building" § 4-201

5 "Solar energy project" § 4-201

6 (S) RESIDENTIAL MORTGAGE LOAN.

7 "RESIDENTIAL MORTGAGE LOAN" MEANS A LOAN, INCLUDING A TEMPORARY
8 LOAN OR ADVANCE, THAT IS SECURED BY A MORTGAGE OF REAL PROPERTY IN THE
9 STATE THAT IS:

10 (1) IMPROVED BY A RESIDENTIAL BUILDING; OR

11 (2) UNIMPROVED, IF THE LOAN PROCEEDS ARE TO BE USED TO
12 CONSTRUCT A RESIDENTIAL BUILDING.

13 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(aa).

14 The only changes are in style.

15 Defined term: "Residential building" § 4-201

16 (T) SOLAR ENERGY PROJECT.

17 "SOLAR ENERGY PROJECT" MEANS A PROJECT THAT QUALIFIES UNDER § 4-222
18 OF THIS SUBTITLE.

19 REVISOR'S NOTE: This subsection is new language added to provide a
20 convenient reference to "solar energy project".

21 (U) SPECIAL HOUSING FACILITY.

22 "SPECIAL HOUSING FACILITY" MEANS A PROJECT OR UNDERTAKING FOR THE
23 REFINANCING, ACQUISITION, REHABILITATION, IMPROVEMENT, RENOVATION, OR
24 CONSTRUCTION OF A BUILDING THAT:

25 (1) WILL BE OCCUPIED IN SUBSTANTIAL PART BY FAMILIES OF LIMITED
26 INCOME;

27 (2) WILL PROVIDE COMMON, SHARED, OR INDEPENDENT LIVING,
28 DINING, KITCHEN, SANITARY, AND SLEEPING FACILITIES;

29 (3) MAY INCLUDE SUPPORTIVE SERVICES OR SUPERVISORY LIVE-IN
30 PERSONNEL FOR INDIVIDUALS WITH SPECIALIZED HOUSING NEEDS;

31 (4) MAY INCLUDE NONRESIDENTIAL FACILITIES TO SERVE
32 INDIVIDUALS WITH SPECIAL NEEDS WHO NEED NOT BE RESIDENTS OF THE PROJECT
33 OR UNDERTAKING; AND

1 (5) IS NOT SUBJECT TO § 4-213(B) OF THIS SUBTITLE.

2 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-203(cc).

3 In items (3) and (4) of this subsection, the references to "individuals" are
4 substituted for the former references to "persons" because only individuals,
5 and not the other kinds of entities included in the defined term "person",
6 occupy a special housing facility.

7 The only other changes are in style.

8 Defined term: "Family of limited income" § 4-201

9 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 2-203(c), which defined
10 "Code" to mean the Internal Revenue Code of 1986, as amended, or any
11 successor to it, is deleted to avoid confusion with the Annotated Code of
12 Maryland. In this title, each reference to the Internal Revenue Code is
13 written out in full.

14 4-202. FINDINGS.

15 THE GENERAL ASSEMBLY FINDS THAT:

16 (1) IN THIS ERA OF RAPID POPULATION GROWTH AND EXPANSION AND
17 OF INCREASING URBANIZATION, THERE IS A NEED IN MANY AREAS OF THE STATE TO
18 PROMOTE SOUND COMMUNITY DEVELOPMENT;

19 (2) THE POLITICAL SUBDIVISIONS DO NOT HAVE ADEQUATE
20 RESOURCES TO DEAL EFFECTIVELY WITH ALL OF THE PROBLEMS OF SOUND
21 COMMUNITY DEVELOPMENT, AND THE ORDINARY OPERATIONS OF PRIVATE
22 ENTERPRISE CANNOT DEAL WITH THEM WITHOUT STATE ASSISTANCE;

23 (3) THERE IS A NEED TO COORDINATE AND CONCENTRATE FEDERAL,
24 STATE, REGIONAL, AND LOCAL PUBLIC AND PRIVATE COMMUNITY DEVELOPMENT
25 EFFORTS AND RESOURCES;

26 (4) THERE IS A SHORTAGE OF ADEQUATE, SAFE, AND SANITARY
27 HOUSING FOR FAMILIES OF LIMITED INCOME, AND INCREASING THE HOUSING
28 SUPPLY FOR FAMILIES OF LIMITED INCOME WILL EASE THE SHORTAGE AND
29 PROMOTE SOUND COMMUNITY DEVELOPMENT;

30 (5) INCREASING OPPORTUNITIES FOR HOMEOWNERSHIP IS DESIRABLE
31 AND PROMOTES SOUND COMMUNITY DEVELOPMENT;

32 (6) REDUCING ENERGY CONSUMPTION AND INCREASING THE USE OF
33 SOLAR ENERGY BY PROVIDING FINANCIAL ASSISTANCE TO ENCOURAGE ENERGY
34 CONSERVATION AND SOLAR ENERGY IMPROVEMENTS TO RESIDENTIAL BUILDINGS
35 AND COMMERCIAL BUILDINGS PROMOTE SOUND COMMUNITY DEVELOPMENT AND
36 THE PUBLIC INTEREST;

1 (7) THE PUBLIC INFRASTRUCTURE MAINTAINED BY POLITICAL
 2 SUBDIVISIONS, INCLUDING STREETS, SIDEWALKS, CURBS, SEWER AND WATER
 3 SYSTEMS, BRIDGES, AND PUBLIC BUILDINGS, NEEDS REHABILITATION AND
 4 CONSTRUCTION;

5 (8) THE RESOURCES NECESSARY FOR FINANCING INFRASTRUCTURE
 6 PROJECTS HAVE BECOME SCARCER IN RECENT YEARS;

7 (9) PROVIDING AN ADDITIONAL, ACCESSIBLE, AND UNCOMPLICATED
 8 MECHANISM TO FINANCE INFRASTRUCTURE PROJECTS PROMOTES SOUND
 9 COMMUNITY DEVELOPMENT, IS VITAL TO A STRONG ECONOMY, IMPROVES THE
 10 QUALITY OF THE ENVIRONMENT, AND OTHERWISE PROMOTES THE HEALTH, SAFETY,
 11 AND WELFARE OF THE RESIDENTS OF THE STATE;

12 (10) PROMOTING SOUND COMMUNITY DEVELOPMENT IS A PROPER
 13 PUBLIC PURPOSE AND STATE USE, FOR WHICH PUBLIC MONEY MAY BE SPENT AND
 14 PROPERTY MAY BE ACQUIRED; AND

15 (11) THE FUNCTIONS AND RESPONSIBILITIES OF THE ADMINISTRATION
 16 SET FORTH IN THIS SUBTITLE ARE NECESSARY TO ACHIEVE THE ENDS LISTED IN
 17 THIS SECTION.

18 REVISOR'S NOTE: This section is new language derived without substantive
 19 change from the first through fifth sentences and the seventh through
 20 ninth sentences of former Art. 83B, § 2-201(a).

21 In item (2) of this section, the defined term "political subdivision" is
 22 substituted for the former reference to the "counties and municipalities of
 23 the State" to conform to the terminology used throughout this division.
 24 Similarly, in item (7) of this section, the defined term "political
 25 subdivision" is substituted for the former reference to "local government".

26 In item (6) of this section, the defined terms "residential buildings" and
 27 "commercial buildings" are substituted for the former references to
 28 "housing" and "buildings used for commercial purposes", respectively, to
 29 conform to the terminology used in this subtitle.

30 In item (11) of this section, the former reference to "proper" is deleted in
 31 light of the reference to "necessary".

32 Defined terms: "Administration" § 4-101

33 "Commercial building" § 4-201

34 "Family of limited income" § 4-201

35 "Infrastructure project" § 4-201

36 "Political subdivision" § 1-101

37 "Residential building" § 4-201

38 4-203. PROGRAM FOR TEACHERS.

39 (A) ALLOWED.

1 TO ATTRACT AND RETAIN TEACHERS IN THE STATE BY INCREASING
2 HOMEOWNERSHIP OPPORTUNITIES, THE GENERAL ASSEMBLY FINDS THAT THERE IS
3 A NEED TO AUTHORIZE THE DEPARTMENT TO DEVELOP A PROGRAM TO DEDICATE UP
4 TO \$25,000,000 OVER 5 YEARS TO PROVIDE MORTGAGE LOANS TO TEACHERS AT
5 INTEREST RATES BELOW THE PREVAILING INTEREST RATE FOR SIMILAR PROGRAMS.

6 (B) ELIGIBILITY CRITERIA.

7 (1) A MORTGAGE LOAN UNDER THIS SECTION SHALL BE AVAILABLE TO
8 A TEACHER WHO IS A FIRST-TIME HOME BUYER.

9 (2) THE LOAN SHALL BE CONDITIONED ON AN AGREEMENT BY THE
10 TEACHER TO TEACH IN THE STATE FOR AT LEAST 3 YEARS IF WORK IS AVAILABLE
11 FOR THE TEACHER.

12 (3) THE LOAN SHALL BE USED TO PURCHASE PROPERTY IN A PRIORITY
13 FUNDING AREA AS DEFINED IN §§ 5-7B-02 AND 5-7B-03 OF THE STATE FINANCE AND
14 PROCUREMENT ARTICLE.

15 (C) CONSULTATION REQUIRED.

16 THE ADMINISTRATION SHALL DEVELOP THE PROGRAM IN CONSULTATION
17 WITH:

18 (1) THE STATE DEPARTMENT OF EDUCATION, TO ENSURE THAT THE
19 PROGRAM IS CONSISTENT WITH THE STATE'S STRATEGY TO ATTRACT AND RETAIN
20 TEACHERS; AND

21 (2) LOCAL BOARDS OF EDUCATION, TO ENSURE THAT THE PROGRAM IS
22 PROPERLY MARKETED.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from the sixth sentence of former Art. 83B, § 2-201(a).

25 The Housing Article Review Committee notes, for consideration by the
26 General Assembly, that a program to increase homeownership
27 opportunities for teachers may be implemented by regulation without
28 requiring specific statutory authority.

29 Defined terms: "Administration" § 4-101

30 "Department" § 1-101

31 4-204. ESTABLISHED.

32 THERE IS A COMMUNITY DEVELOPMENT ADMINISTRATION.

33 REVISOR'S NOTE: This section is new language derived without substantive
34 change from former Art. 83B, § 2-201(b)(1), as it established the
35 Administration.

36 It is set forth as a separate section for emphasis.

1 The former reference to the Administration "created as a division of the
2 Department" is deleted in light of § 4-103(1) of this title.

3 Defined terms: "Department" § 1-101

4 "Political subdivision" § 1-101

5 4-205. PURPOSE OF ADMINISTRATION.

6 THE ADMINISTRATION IS CREATED TO:

7 (1) COORDINATE ACTIVITIES AND PROGRAMS THAT CONTRIBUTE TO
8 SOUND COMMUNITY DEVELOPMENT;

9 (2) ENCOURAGE AND FACILITATE THE DEVELOPMENT OF NEW AND
10 EXISTING COMMUNITIES BY REDUCING THE COSTS OF DEVELOPMENT THROUGH
11 GRANTS, LOANS, AND OTHER FORMS OF FINANCIAL ASSISTANCE;

12 (3) ENCOURAGE AND FACILITATE ENERGY CONSERVATION AND THE
13 USE OF SOLAR ENERGY IN RESIDENTIAL BUILDINGS AND COMMERCIAL BUILDINGS
14 THROUGH GRANTS, LOANS, AND OTHER FORMS OF FINANCIAL ASSISTANCE;

15 (4) MAKE LAND AVAILABLE FOR SOUND COMMUNITY DEVELOPMENT;
16 AND

17 (5) ASSIST THE EFFORTS OF PRIVATE ENTERPRISE, POLITICAL
18 SUBDIVISIONS, LOCAL PUBLIC AGENCIES, LOCAL DEVELOPMENT ENTITIES, AND
19 NONPROFIT ORGANIZATIONS.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 2-201(b)(1), except as it established the
22 Administration within the Division of Development Finance.

23 In item (3) of this section, the defined term "residential buildings" is
24 substituted for the former reference to "housing" to conform to the
25 terminology used throughout this division.

26 In item (5) of this section, the defined term "political subdivision[s]" is
27 substituted for the former reference to "municipalities, counties" to
28 conform to the terminology used throughout this division.

29 Also in item (5) of this section, the defined term "local development
30 entities" is substituted for the former reference to "local development
31 corporations" to conform to the terminology used throughout this division.

32 Defined terms: "Administration" § 4-101

33 "Commercial building" § 4-201

34 "Financial assistance" § 1-101

35 "Local development entity" § 4-201

36 "Nonprofit organization" § 1-101

37 "Political subdivision" § 1-101

1 "Residential building" § 4-201

2 4-206. LIMITATION ON GRANTS.

3 (A) IN GENERAL.

4 EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A GRANT OF LAND
5 OR MONEY MAY BE MADE ONLY TO A POLITICAL SUBDIVISION, A LOCAL
6 DEVELOPMENT ENTITY, A LOCAL DEVELOPMENT AGENCY, OR A NONPROFIT
7 ORGANIZATION.

8 (B) EXCEPTIONS.

9 (1) THIS SECTION DOES NOT APPLY TO GRANTS THAT MAY BE AWARDED
10 TO THE ADMINISTRATION UNDER FEDERAL LAW.

11 (2) THE ADMINISTRATION MAY AWARD GRANTS TO HOME BUYERS FOR
12 SETTLEMENT EXPENSES AS PROVIDED BY THE DEPARTMENT UNDER THIS TITLE.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 2-201(b)(2).

15 In subsection (a) of this section, the reference to "political subdivisions" is
16 substituted for the former reference to "organizations which are defined
17 under § 2-203 ... (u) ... of this subtitle" for clarity. Former § 2-203(u)
18 defined "municipality" and "county".

19 Also in subsection (a) of this section, the defined terms "local development
20 entity" and "local development agency" are substituted for the former
21 references to "organizations which are defined under § 2-203(q), (r) ... of
22 this subtitle" for clarity.

23 In subsection (b) of this section, the former reference to "Title V of the
24 Energy Security Act, P.L. 96-294" is deleted as obsolete. Title V of the
25 Energy Security Act, P.L. 96-294 was repealed by P.L. 102-550 (1992).

26 Defined terms: "Administration" § 4-101

27 "Local development agency" § 4-201

28 "Local development entity" § 4-201

29 "Nonprofit organization" § 1-101

30 "Political subdivision" § 1-101

31 4-207. DIRECTOR.

32 (A) APPOINTMENT.

33 WITH THE APPROVAL OF THE GOVERNOR, THE SECRETARY SHALL APPOINT THE
34 DIRECTOR.

35 (B) TERM.

1 THE DIRECTOR SERVES AT THE PLEASURE OF THE SECRETARY.

2 (C) STATUS.

3 THE POSITION OF DIRECTOR IS IN THE EXECUTIVE SERVICE OR MANAGEMENT
4 SERVICE OF THE STATE PERSONNEL MANAGEMENT SYSTEM.

5 (D) DUTIES.

6 THE DIRECTOR SHALL OPERATE AND EXERCISE THE POWERS OF THE
7 ADMINISTRATION UNDER THE DIRECTION OF THE SECRETARY AND IN ACCORDANCE
8 WITH THIS SUBTITLE.

9 (E) COMPENSATION.

10 THE DIRECTOR IS ENTITLED TO:

11 (1) COMPENSATION AS PROVIDED IN THE STATE BUDGET; AND

12 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
13 TRAVEL REGULATIONS AS PROVIDED IN THE STATE BUDGET.

14 (F) STAFF.

15 THE DIRECTOR SHALL HAVE A STAFF AND PROFESSIONAL CONSULTANTS AS
16 PROVIDED IN THE STATE BUDGET.

17 REVISOR'S NOTE: Subsections (a) through (e)(1) and (f) of this section are new
18 language derived without substantive change from former Art. 83B, §
19 2-202(a).

20 Subsection (e)(2) of this section, which provides for reimbursement for
21 expenses, is added as standard language of a compensation provision.

22 In subsection (e)(1) of this section, the reference to "compensation" is
23 substituted for the former overly narrow reference to a "salary" for clarity.

24 In subsection (f) of this section, the former references to "deputies",
25 "assistants", and "employees" are deleted as included in the reference to a
26 "staff".

27 Defined terms: "Administration" § 4-101

28 "Director" § 4-201

29 "Secretary" § 1-101

30 4-208. HOUSING FINANCE REVIEW COMMITTEE.

31 (A) ESTABLISHED.

32 THERE IS A HOUSING FINANCE REVIEW COMMITTEE.

1 (B) COMPOSITION.

2 THE HOUSING FINANCE REVIEW COMMITTEE CONSISTS OF SEVEN MEMBERS
3 APPOINTED BY THE GOVERNOR ON RECOMMENDATION OF THE SECRETARY AS
4 FOLLOWS:

5 (1) THREE EMPLOYEES OF THE DEPARTMENT, ONE OF WHOM MAY BE
6 THE SECRETARY;

7 (2) ONE EMPLOYEE OF THE EXECUTIVE BRANCH OF STATE
8 GOVERNMENT WHO IS NOT EMPLOYED BY THE DEPARTMENT; AND

9 (3) THREE MEMBERS OF THE PUBLIC.

10 (C) TERM.

11 (1) THE TERM OF A PUBLIC MEMBER IS 4 YEARS AND BEGINS ON JULY 1.

12 (2) AT THE END OF A TERM, A PUBLIC MEMBER CONTINUES TO SERVE
13 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

14 (3) A PUBLIC MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN
15 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED
16 AND QUALIFIES.

17 (D) DUTIES.

18 (1) THE HOUSING FINANCE REVIEW COMMITTEE SHALL REVIEW AND
19 MAKE RECOMMENDATIONS TO THE SECRETARY ABOUT:

20 (I) SPECIFIC LOAN REQUESTS OR CATEGORIES OF LOAN
21 REQUESTS; AND

22 (II) THE INVESTMENT AND PROJECT FINANCING POLICIES OF THE
23 ADMINISTRATION.

24 (2) THE SECRETARY MAY APPROVE A SPECIFIC LOAN REQUEST
25 WITHOUT A RECOMMENDATION OF THE HOUSING FINANCE REVIEW COMMITTEE IF
26 THE REQUEST REQUIRES URGENT ACTION.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 2-202(b).

29 In subsection (a) of this section, the former phrase "of the Department" is
30 deleted in light of § 2-201 of this article.

31 In subsection (c)(2) and (3) of this section, the references to "public"
32 members are added to clarify that the members from State government
33 serve indefinite terms.

1 Defined terms: "Administration" § 4-101

2 "Department" § 1-101

3 "Secretary" § 1-101

4 4-209. RESERVED.

5 4-210. RESERVED.

6 PART II. POWERS AND DUTIES OF ADMINISTRATION.

7 4-211. DUTIES.

8 (A) IN GENERAL.

9 THE ADMINISTRATION SHALL:

10 (1) ASSIST THE GOVERNOR IN COORDINATING THE ACTIVITIES OF
11 GOVERNMENTAL UNITS OF THE STATE THAT AFFECT THE SOLUTION OF COMMUNITY
12 DEVELOPMENT PROBLEMS AND THE IMPLEMENTATION OF COMMUNITY PLANS;

13 (2) ENCOURAGE AND ASSIST POLITICAL SUBDIVISIONS TO DEVELOP
14 MUTUAL AND COOPERATIVE SOLUTIONS TO THEIR COMMON PROBLEMS;

15 (3) SERVE AS A CLEARINGHOUSE FOR INFORMATION AND OTHER
16 MATERIALS THAT MAY BE PERTINENT TO SOUND COMMUNITY DEVELOPMENT,
17 INCLUDING INFORMATION ON AVAILABLE FEDERAL, STATE, AND PRIVATE
18 FINANCIAL AND TECHNICAL ASSISTANCE;

19 (4) CARRY OUT CONTINUING STUDIES AND ANALYSES OF SOUND
20 COMMUNITY DEVELOPMENT IN COOPERATION WITH THE DEPARTMENT OF
21 PLANNING;

22 (5) MAKE RECOMMENDATIONS, IN COOPERATION WITH THE
23 DEPARTMENT OF PLANNING, FOR ADMINISTRATIVE OR LEGISLATIVE ACTION,
24 PAYING PARTICULAR ATTENTION TO THE PROBLEMS OF METROPOLITAN,
25 SUBURBAN, AND OTHER AREAS;

26 (6) IMPLEMENT MODEL OR DEMONSTRATION PROGRAMS AND
27 PROJECTS, CONTRACT TO ADMINISTER FUNCTIONS OR SERVICES IN A POLITICAL
28 SUBDIVISION, OR OTHERWISE PROVIDE A PROGRAM OF PRACTICAL RESEARCH IN
29 COMMUNITY DEVELOPMENT;

30 (7) PROMOTE COMMUNITY DEVELOPMENT BY GIVING TO POLITICAL
31 SUBDIVISIONS, LOCAL DEVELOPMENT AGENCIES, LOCAL DEVELOPMENT ENTITIES,
32 OR NONPROFIT ORGANIZATIONS:

33 (I) TECHNICAL ASSISTANCE AND ADVISORY, CONSULTATIVE,
34 TRAINING, AND EDUCATIONAL SERVICES; AND

35 (II) GRANTS AND LOANS TO PAY FOR:

- 1 1. THE SERVICES AND TECHNICAL ASSISTANCE; AND
- 2 2. ANY DEVELOPMENT COSTS;
- 3 (8) (I) CONTRACT FOR AND ACCEPT FROM THE FEDERAL
- 4 GOVERNMENT A GRANT, CONTRIBUTION, OR LOAN OF MONEY, PROPERTY, OR OTHER
- 5 AID IN ANY FORM FOR COMMUNITY DEVELOPMENT; AND
- 6 (II) DO ALL THINGS NECESSARY TO QUALIFY FOR THE GRANT,
- 7 CONTRIBUTION, OR LOAN, INCLUDING THOSE THINGS NECESSARY TO QUALIFY FOR
- 8 ASSISTANCE AS A LOCAL PUBLIC AGENCY OR PUBLIC HOUSING AGENCY UNDER A
- 9 FEDERAL HOUSING OR RENEWAL PROGRAM;
- 10 (9) CONTRACT FOR AND ACCEPT FROM ANY GOVERNMENTAL UNIT OF
- 11 THE STATE OR OTHER SOURCE A GIFT, GRANT, CONTRIBUTION, OR LOAN OF MONEY,
- 12 PROPERTY, OR OTHER AID IN ANY FORM FOR COMMUNITY DEVELOPMENT AND
- 13 COMPLY WITH THE TERMS AND CONDITIONS OF THE GIFT, GRANT, CONTRIBUTION,
- 14 OR LOAN;
- 15 (10) ATTACH TO A SALE OR LEASE OF PROPERTY OR TO A LOAN OR GRANT
- 16 THE TERMS AND CONDITIONS THAT THE DIRECTOR DETERMINES AND THE
- 17 SECRETARY APPROVES;
- 18 (11) ENTER INTO AGREEMENTS TO MAKE ANNUAL PAYMENTS INSTEAD
- 19 OF ASSESSMENTS, CHARGES, OR PROPERTY TAXES TO A POLITICAL SUBDIVISION IN
- 20 RESPECT TO REAL PROPERTY THAT THE ADMINISTRATION OWNS; AND
- 21 (12) PROVIDE MONEY TO PROGRAMS ELIGIBLE TO RECEIVE FUNDING
- 22 FROM THE NEIGHBORHOOD BUSINESS DEVELOPMENT FUND UNDER § 6-309 OF THIS
- 23 ARTICLE.
- 24 (B) COMMUNITY DEVELOPMENT PROJECTS OR PUBLIC PURPOSE PROJECTS.
- 25 TO IMPLEMENT COMMUNITY DEVELOPMENT PROJECTS AND PUBLIC PURPOSE
- 26 PROJECTS IN ACCORDANCE WITH PART V OF THIS SUBTITLE, AND SUBJECT TO §§
- 27 4-213(B) AND 4-214 OF THIS SUBTITLE, THE ADMINISTRATION MAY:
- 28 (1) (I) ACQUIRE, OWN, AND HOLD LAND THAT IS OPEN, MAINLY OPEN,
- 29 OR UNDEVELOPED, OR ANY INTEREST IN THE LAND;
- 30 (II) INSTALL ACCESS AND INTERIOR STREETS AND ROADS AND
- 31 SEWER AND WATER LINES IN OR TO THE LAND AND OTHERWISE IMPROVE THE LAND;
- 32 OR
- 33 (III) TRANSFER, LEASE, MORTGAGE, OR OTHERWISE DISPOSE OF OR
- 34 ENCUMBER THE LAND;
- 35 (2) (I) ACQUIRE, OWN, AND HOLD LAND THAT IS NOT OPEN, MAINLY
- 36 OPEN, OR UNDEVELOPED, AS WELL AS PERSONAL OR MIXED PROPERTY;

- 1 (II) MANAGE AND OPERATE THE PROPERTY;
- 2 (III) CLEAR, IMPROVE, CONSTRUCT, OR REHABILITATE THE
3 PROPERTY;
- 4 (IV) TRANSFER, LEASE, MORTGAGE, OR OTHERWISE DISPOSE OF OR
5 ENCUMBER THE PROPERTY; OR
- 6 (V) TAKE ASSIGNMENTS OF RENTALS OR LEASES FOR THE
7 PROPERTY;
- 8 (3) ARRANGE OR CONTRACT WITH A POLITICAL SUBDIVISION OR
9 PRIVATE PARTY IN CONNECTION WITH A COMMUNITY DEVELOPMENT PROJECT OR
10 PUBLIC PURPOSE PROJECT FOR:
- 11 (I) PLANNING, REPLANNING, ZONING, OR REZONING;
- 12 (II) OPENING, GRADING, OR CLOSING STREETS, ROADS, ALLEYS, OR
13 OTHER PLACES;
- 14 (III) FURNISHING FACILITIES;
- 15 (IV) ACQUIRING PROPERTY OR PROPERTY RIGHTS BY THE
16 POLITICAL SUBDIVISION; OR
- 17 (V) FURNISHING PROPERTY OR SERVICES; AND
- 18 (4) SPEND ADMINISTRATION MONEY FOR AN UNDERTAKING THAT THE
19 SECRETARY APPROVES.

20 (C) WEATHERIZATION PROGRAM.

21 THE ADMINISTRATION SHALL DEVELOP AND IMPLEMENT A WEATHERIZATION
22 PROGRAM TO PROVIDE MONEY FOR INSULATION MATERIALS AND INSULATION
23 COSTS TO HOUSEHOLDS THAT QUALIFY BASED ON INCOME AND THE PROGRAM
24 ELIGIBILITY GUIDELINES THAT THE SECRETARY ESTABLISHES.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, §§ 2-203(j) and 2-204(1) through (6), (8)
27 through (12), (17), and (18).

28 In subsection (a)(5) of this section, the former reference to other areas "in
29 which economic and population factors are rapidly changing" is deleted as
30 surplusage.

31 In subsection (a)(7) of this section, the defined term "local development
32 entit[ies]" is substituted for the former reference to "local development
33 corporations" to conform to the terminology used throughout this division.

34 In subsection (a)(8)(ii) and (9) of this section, the former references to the
35 phrase "subject to the provisions of this subtitle" are deleted as surplusage.

1 In subsection (a)(8)(ii) of this section, the former reference to including
 2 "but not fully enumerative of" things is deleted as implicit in the reference
 3 to "including".

4 Also in subsection (a)(8)(ii) of this section, the former reference to
 5 programs "in effect from time to time" is deleted as surplusage.

6 In subsection (a)(10) of this section, the former reference to a loan or grant
 7 "of funds" is deleted as surplusage.

8 In subsection (a)(11) of this section, the former reference to property that is
 9 "located in such municipality, county, or subdivision" is deleted as implicit
 10 in the requirement that the Administration enter into agreements to make
 11 annual payments to a political subdivision.

12 In subsection (b)(1)(i) and (2)(i) of this section, the former references to
 13 acquiring "by grant, gift, purchase, or otherwise" are deleted as
 14 surplusage.

15 Also in subsection (b)(1)(i) and (2)(i), the former references to "real
 16 property" are deleted in light of the references to "land".

17 In subsection (b)(1)(iii) and (2)(iv) of this section, the former references to
 18 "selling", "assigning", "exchanging", and "conveying" are deleted as implicit
 19 in the reference to "transfer".

20 Defined terms: "Administration" § 4-101

21 "Community development project" § 4-201

22 "Development costs" § 4-201

23 "Director" § 4-201

24 "Governmental unit" § 1-101

25 "Local development agency" § 4-201

26 "Local development entity" § 4-201

27 "Nonprofit organization" § 1-101

28 "Political subdivision" § 1-101

29 "Public purpose project" § 4-201

30 "Secretary" § 1-101

31 4-212. DETERMINATION OF FAMILIES OF LIMITED INCOME.

32 (A) FACTORS.

33 IN ESTABLISHING THE UPPER INCOME LIMITS FOR A FAMILY OF LIMITED
 34 INCOME, THE SECRETARY SHALL CONSIDER FACTORS INCLUDING:

35 (1) THE INCOME OF THE FAMILY AVAILABLE FOR HOUSING;

36 (2) THE SIZE OF THE FAMILY;

37 (3) THE COST AND CONDITION OF AVAILABLE HOUSING;

1 (4) THE ABILITY OF THE FAMILY TO COMPETE IN THE PRIVATE
2 HOUSING MARKET; AND

3 (5) STANDARDS AND DEFINITIONS ESTABLISHED FOR FEDERAL
4 HOUSING PROGRAMS.

5 (B) VARIABILITY.

6 THE LIMITS ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION MAY VARY
7 FOR DIFFERENT:

8 (1) TYPES OF HOUSING;

9 (2) PROGRAMS OF THE ADMINISTRATION; AND

10 (3) AREAS OF THE STATE.

11 (C) LOWER LIMIT FOR PARTICULAR PROJECT.

12 A LIMIT ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION MAY BE
13 SUPPLEMENTED FOR A PARTICULAR PROJECT.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from the second and third sentences of former Art. 83B, § 2-203(1)
16 and items (1) through (5) of the first sentence.

17 In subsection (a)(1) of this section, the former reference to "the amount of
18 the total" income is deleted as surplusage.

19 Also in subsection (a)(1) of this section, the former reference to housing
20 "needs" is deleted as implicit in the reference to "housing".

21 In subsection (a)(4) of this section, the former reference to compete
22 "successfully" is deleted as surplusage.

23 Also in subsection (a)(4) of this section, the former reference to the
24 "normal" housing market is deleted as surplusage.

25 In subsection (a)(5) of this section, the former reference to "pertinent"
26 federal housing programs is deleted as implicit in the reference to "federal
27 housing programs".

28 In subsection (c) of this section, the reference to a limit "established under
29 subsection (a) of this section" is substituted for the former reference to a
30 limit "of general applicability" for clarity.

31 Defined terms: "Administration" § 4-101

32 "Family of limited income" § 4-201

33 "Secretary" § 1-101

1 4-213. PLAN APPROVAL PROCESS.

2 (A) IN GENERAL.

3 IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY ADOPTS, AN
4 AGREEMENT THAT THE ADMINISTRATION MAKES TO CARRY OUT ITS FUNCTIONS
5 AND RESPONSIBILITIES UNDER §§ 4-211, 4-214, AND 4-225 THROUGH 4-235 OF THIS
6 SUBTITLE SHALL BE APPROVED BY:

7 (1) THE SECRETARY; AND

8 (2) THE BOARD OF PUBLIC WORKS, IF ITS APPROVAL IS REQUIRED BY
9 LAW.

10 (B) LOCAL APPROVAL.

11 THE ADMINISTRATION SHALL GET APPROVAL OF THE LAND USE FOR A
12 COMMUNITY DEVELOPMENT PROJECT BY RESOLUTION OF THE APPROPRIATE
13 GOVERNING BODY OF THE LOCALITY IN WHICH THE DEVELOPMENT IS LOCATED
14 BEFORE:

15 (1) (I) ACQUIRING, OWNING, OR HOLDING LAND THAT IS NOT OPEN,
16 MAINLY OPEN, OR UNDEVELOPED, PERSONAL PROPERTY, OR MIXED PROPERTY;

17 (II) CLEARING, IMPROVING, CONSTRUCTING, OR REHABILITATING
18 THE PROPERTY; OR

19 (III) TRANSFERRING, LEASING, MORTGAGING, OR OTHERWISE
20 DISPOSING OF THE PROPERTY; OR

21 (2) BUILDING HOUSING ON ANY LAND.

22 (C) ZONING AND BUILDING CODES.

23 A PROJECT THAT THE ADMINISTRATION FINANCES IS SUBJECT TO APPLICABLE
24 ZONING AND BUILDING CODES.

25 (D) SALE OR LEASE.

26 (1) THIS SUBSECTION APPLIES NOTWITHSTANDING ANY OTHER
27 PROVISION OF THIS SUBTITLE OR OTHER STATE LAW.

28 (2) IN EXERCISING ITS FUNCTIONS AND RESPONSIBILITIES, THE
29 ADMINISTRATION MAY SELL OR LEASE FOR A TERM NOT EXCEEDING 99 YEARS ALL
30 OR PART OF THE REAL, MIXED, OR PERSONAL PROPERTY CONSTITUTING A
31 COMMUNITY DEVELOPMENT PROJECT.

32 (3) A SALE OR LEASE UNDER THIS SECTION MAY BE MADE:

33 (I) WITHOUT PUBLIC BIDDING OR PUBLIC SALE; AND

1 (II) ON TERMS AND CONDITIONS THAT MAKE HOUSING IN THAT
2 DEVELOPMENT ECONOMICALLY FEASIBLE FOR FAMILIES OF LIMITED INCOME.

3 (4) A SALE OR LEASE UNDER THIS SECTION SHALL CONFORM WITH A
4 PLAN FOR COMMUNITY DEVELOPMENT THAT THE SECRETARY APPROVES AT A
5 PUBLIC HEARING HELD AFTER NOTICE IS PUBLISHED IN AT LEAST ONE NEWSPAPER
6 OF GENERAL CIRCULATION IN THE POLITICAL SUBDIVISION IN WHICH THE
7 DEVELOPMENT IS LOCATED.

8 (5) THE PLAN FOR COMMUNITY DEVELOPMENT PRESENTED AT THE
9 HEARING SHALL BE IN ACCORDANCE WITH REGULATIONS THAT THE SECRETARY
10 ADOPTS, REQUIRING:

11 (I) A DESCRIPTION OF THE PROPERTY;

12 (II) A STATEMENT OF THE IDENTITY OF THE PROPOSED
13 PURCHASER OR LESSEE AND THE PROPOSED USE OR REUSE OF THE PROPERTY;

14 (III) THE PRICE OR RENTAL TO BE PAID BY THE PURCHASER OR
15 LESSEE; AND

16 (IV) THE CONDITIONS OF THE SALE OR LEASE THAT ENSURE THAT
17 THE COMMUNITY DEVELOPMENT PURPOSES OF THIS SUBTITLE WILL BE CARRIED
18 OUT.

19 (E) COMPLIANCE WITH LOCAL LAWS.

20 IN CARRYING OUT THIS SUBTITLE, THE ADMINISTRATION SHALL COMPLY WITH
21 LOCAL LAWS APPLICABLE TO THE COMMUNITY DEVELOPMENT PROJECT.

22 (F) COOPERATION WITH LOCALITIES.

23 (1) IN CARRYING OUT THIS SUBTITLE, THE ADMINISTRATION SHALL:

24 (I) WORK CLOSELY, CONSULT, AND COOPERATE WITH LOCAL
25 ELECTED OFFICIALS;

26 (II) GIVE PRIMARY CONSIDERATION TO LOCAL NEEDS AND
27 DESIRES;

28 (III) FOSTER LOCAL INITIATIVE AND PARTICIPATION IN
29 COMMUNITY DEVELOPMENT ACTIVITIES; AND

30 (IV) CONSIDER LOCAL AND REGIONAL GOALS AND POLICIES AS
31 EXPRESSED IN URBAN RENEWAL, COMMUNITY RENEWAL, AND LOCAL
32 COMPREHENSIVE LAND USE PLANS AND REGIONAL PLANS.

33 (2) WHEREVER POSSIBLE, THE ADMINISTRATION SHALL CARRY OUT
34 COMMUNITY DEVELOPMENT PROJECTS TOGETHER WITH AND THROUGH THE USE
35 OF:

- 1 (I) PRIVATE ENTERPRISE;
- 2 (II) LIMITED DIVIDEND CORPORATIONS;
- 3 (III) LOCAL DEVELOPMENT AGENCIES; AND
- 4 (IV) LOCAL DEVELOPMENT ENTITIES.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 2-205.

7 In subsections (a) and (d)(1) of this section, the former references to
8 "regulation" are deleted as included in the references to "law".

9 In subsection (b)(1) of this section, the former reference to acquiring land
10 "by grant, gift, purchase, or otherwise" is deleted as surplusage.

11 In subsection (c) of this section, the former introductory phrase
12 "[n]otwithstanding the provisions of paragraph (1) of this subsection" is
13 deleted as unnecessary because there is no conflict between subsection (c)
14 and former paragraph (1) -- now revised as subsection (b) of this section.

15 In subsection (d)(4) of this section, the defined term "political subdivision"
16 is substituted for the former reference to a "municipality or county" to
17 conform to the terminology used throughout this division.

18 In subsection (e) of this section, the former reference to "the purposes of"
19 this subtitle is deleted as surplusage.

20 Also in subsection (e) of this section, the former reference to "ordinances,
21 codes, charters or regulations" is deleted as included in the reference to
22 "local laws".

23 Defined terms: "Administration" § 4-101

24 "Community development project" § 4-201

25 "Family of limited income" § 4-201

26 "Limited dividend corporation" § 4-201

27 "Local development agency" § 4-201

28 "Local development entity" § 4-201

29 "Political subdivision" § 1-101

30 "Secretary" § 1-101

31 4-214. EMINENT DOMAIN.

32 THE ADMINISTRATION HAS THE POWER OF EMINENT DOMAIN, BUT MAY NOT
33 EXERCISE IT IN A POLITICAL SUBDIVISION WITHOUT THE CONSENT OF THE
34 POLITICAL SUBDIVISION GIVEN BY ORDINANCE OF ITS GOVERNING BODY FOR A
35 SPECIFIC COMMUNITY DEVELOPMENT PROJECT.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 2-204(7).

3 The Housing Article Review Committee notes, for consideration by the
4 General Assembly, that former Art. 83B, § 2-204(7) provided that in
5 exercising its functions and responsibilities "the Administration shall not
6 have or exercise the power of eminent domain unless granted to it by
7 ordinance of a municipality or county in connection with a specific
8 community development project situated therein". Like the former law,
9 this section forbids the Administration to exercise the power of eminent
10 domain in a political subdivision without its project-specific consent. This
11 section also makes it clear, however, that the Administration has the power
12 of eminent domain, and that the power comes from the General Assembly
13 and not from a political subdivision.

14 Defined terms: "Administration" § 4-101

15 "Community development project" § 4-201

16 "Political subdivision" § 1-101

17 4-215. RESERVED.

18 4-216. RESERVED.

19 **PART III. PROJECTS.**

20 4-217. COMMUNITY DEVELOPMENT PROJECT.

21 (A) IN GENERAL.

22 A PROJECT, UNDERTAKING, OR A PART OF A PROJECT OR UNDERTAKING,
23 INCLUDING THE REAL, PERSONAL, AND MIXED PROPERTY INVOLVED, QUALIFIES AS
24 A COMMUNITY DEVELOPMENT PROJECT IF IT IS PLANNED, ACQUIRED, OWNED,
25 DEVELOPED, CONSTRUCTED, RECONSTRUCTED, REHABILITATED, REPAIRED,
26 RENOVATED, OR IMPROVED TO PROMOTE SOUND COMMUNITY DEVELOPMENT.

27 (B) HOUSING AND FACILITIES REQUIREMENTS.

28 A COMMUNITY DEVELOPMENT PROJECT SHALL PROVIDE FOR:

29 (1) NEW OR EXISTING HOUSING:

30 (I) THAT IS OR WILL BE OCCUPIED IN SUBSTANTIAL PART BY
31 FAMILIES OF LIMITED INCOME; OR

32 (II) AT LEAST 20% OF WHICH IS OR WILL BE OCCUPIED BY FAMILIES
33 OF LIMITED INCOME, IF THE PROJECT IS FINANCED WITH BONDS, NOTES, OR OTHER
34 EVIDENCES OF INDEBTEDNESS ISSUED BY THE ADMINISTRATION, THE INCOME
35 FROM WHICH BEING INCLUDABLE IN THE HOLDER'S GROSS INCOME UNDER THE
36 INTERNAL REVENUE CODE AS DETERMINED BY THE ADMINISTRATION AT THE TIME
37 OF ISSUE;

1 (2) ANY IMPROVEMENTS, SUCH AS STREETS, ROADS, SEWER LINES, AND
2 WATER LINES THAT ARE NEEDED TO SUPPORT THE HOUSING; AND

3 (3) THE PUBLIC OR PRIVATE COMMERCIAL, EDUCATIONAL, CULTURAL,
4 RECREATIONAL, COMMUNITY, OR CIVIC FACILITIES THAT ARE NEEDED TO SUPPORT
5 THE HOUSING.

6 (C) OPTIONAL FACILITIES.

7 A COMMUNITY DEVELOPMENT PROJECT MAY INCLUDE PUBLIC OR PRIVATE
8 COMMERCIAL, EDUCATIONAL, CULTURAL, RECREATIONAL, COMMUNITY, OR CIVIC
9 FACILITIES THAT ARE NOT NEEDED TO SUPPORT THE HOUSING, IF:

10 (1) THEY ARE LESS THAN A SUBSTANTIAL PART OF THE PROJECT; OR

11 (2) THE SECRETARY FINDS THAT THEY WILL PROMOTE SOUND
12 COMMUNITY DEVELOPMENT.

13 (D) EXCEPTION TO FAMILIES OF LIMITED INCOME REQUIREMENTS.

14 THE REQUIREMENTS OF SUBSECTION (B)(1) OF THIS SECTION THAT PARTS OF
15 THE HOUSING BE OCCUPIED BY FAMILIES OF LIMITED INCOME DO NOT APPLY TO A
16 COMMUNITY DEVELOPMENT PROJECT THAT:

17 (1) IS IN A DESIGNATED NEIGHBORHOOD APPROVED UNDER § 6-305 OF
18 THIS ARTICLE; AND

19 (2) PROVIDES EMPLOYEES WITH FINANCIAL ASSISTANCE TO BUY
20 HOMES NEAR THEIR WORKPLACES.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, § 2-203(f) and (dd).

23 In subsection (a) of this section, the former definition of "community
24 development project" is revised as a list of financing instruments for a
25 project for brevity.

26 In the introductory language of subsection (b) of this section, the former
27 reference to an exception is deleted as unnecessary in light of the
28 reorganization of this revision.

29 In subsection (b)(1)(ii) of this section, the former definition of "taxable
30 bonds" is revised as a substantive provision for clarity.

31 Defined terms: "Administration" § 4-101

32 "Community development project" § 4-201

33 "Family of limited income" § 4-201

34 "Financial assistance" § 1-101

35 "Secretary" § 1-101

1 4-218. ENERGY CONSERVATION PROJECT.

2 (A) RESIDENTIAL BUILDINGS.

3 A PROJECT FOR A RESIDENTIAL BUILDING QUALIFIES AS AN ENERGY
4 CONSERVATION PROJECT IF IT CONSISTS OF:

5 (1) THE PURCHASE OR INSTALLATION OF:

6 (I) CAULKING OR WEATHER STRIPPING;

7 (II) A CLOCK THERMOSTAT;

8 (III) CEILING, ATTIC, WALL, FLOOR, OR DUCT INSULATION;

9 (IV) WATER HEATER INSULATION;

10 (V) A STORM WINDOW OR DOOR, MULTIGLAZED WINDOW OR DOOR,
11 OR HEAT-ABSORBING OR HEAT-REFLECTING WINDOW OR FLOOR MATERIAL;

12 (VI) A DEVICE ASSOCIATED WITH LOAD MANAGEMENT
13 TECHNIQUES;

14 (VII) AN AUTOMATIC ENERGY CONTROL SYSTEM;

15 (VIII) MACHINERY, EQUIPMENT, OR A FACILITY THAT USES
16 GROUNDWATER AS A HEAT SOURCE FOR A HEATING SYSTEM OR AS A HEAT SINK FOR
17 AN AIR CONDITIONING SYSTEM;

18 (IX) A FURNACE EFFICIENCY MODIFICATION, INCLUDING:

19 1. A REPLACEMENT BURNER, FURNACE, OR BOILER OR ANY
20 COMBINATION OF THEM THAT INCREASES THE ENERGY EFFICIENCY OF THE
21 HEATING SYSTEM;

22 2. A DEVICE FOR MODIFYING A FLUE OPENING THAT
23 INCREASES THE ENERGY EFFICIENCY OF THE HEATING SYSTEM; AND

24 3. AN ELECTRICAL OR MECHANICAL FURNACE IGNITION
25 SYSTEM THAT REPLACES A STANDING GAS PILOT LIGHT; AND

26 (X) ANY OTHER ENERGY CONSERVATION IMPROVEMENT THAT THE
27 ADMINISTRATION DETERMINES BY REGULATION TO BE APPROPRIATE AND
28 CONSISTENT WITH THIS SUBTITLE; OR

29 (2) A PLANNING OR TECHNICAL SERVICE, A RESIDENTIAL ENERGY
30 AUDIT, OR A CONVERSION FROM A MASTER UTILITY METER TO INDIVIDUAL UTILITY
31 METERS IF THE SERVICE, AUDIT, OR CONVERSION IS RELATED TO OR UNDERTAKEN
32 WITH THE INSTALLATION OF AN ITEM SPECIFIED IN ITEM (1) OF THIS SUBSECTION.

33 (B) COMMERCIAL BUILDINGS.

1 A PROJECT FOR A COMMERCIAL BUILDING QUALIFIES AS AN ENERGY
2 CONSERVATION PROJECT IF IT CONSISTS OF:

3 (1) THE PURCHASE, INSTALLATION, OR MODIFICATION OF AN
4 INSTALLATION THAT IS DESIGNED PRIMARILY TO REDUCE THE CONSUMPTION OF
5 ENERGY, INCLUDING:

6 (I) CAULKING OR WEATHER STRIPPING;

7 (II) INSULATING THE BUILDING STRUCTURE OR A SYSTEM IN THE
8 BUILDING;

9 (III) A STORM WINDOW OR DOOR, A MULTIGLAZED WINDOW OR
10 DOOR, A HEAT-ABSORBING OR HEAT-REFLECTING WINDOW OR DOOR SYSTEM,
11 GLAZING, A REDUCTION IN GLASS AREA, OR ANOTHER WINDOW OR DOOR SYSTEM
12 MODIFICATION;

13 (IV) AN AUTOMATIC ENERGY CONTROL SYSTEM;

14 (V) EQUIPMENT THAT IS ASSOCIATED WITH AN AUTOMATIC
15 ENERGY CONTROL SYSTEM AND THAT IS REQUIRED TO OPERATE A VARIABLE STEAM,
16 HYDRAULIC, OR VENTILATION SYSTEM;

17 (VI) THE REPLACEMENT OR MODIFICATION OF A LIGHTING SYSTEM
18 TO INCREASE ENERGY EFFICIENCY WITHOUT INCREASING THE OVERALL
19 ILLUMINATION, UNLESS THE INCREASE IN ILLUMINATION IS NECESSARY TO
20 CONFORM TO STATE OR LOCAL LAW; OR

21 (VII) AN ENERGY RECOVERY SYSTEM;

22 (VIII) A COGENERATION SYSTEM;

23 (IX) MACHINERY, EQUIPMENT, OR A FACILITY THAT USES
24 GROUNDWATER AS A HEAT SOURCE FOR A HEATING SYSTEM OR AS A HEAT SINK FOR
25 AN AIR CONDITIONING SYSTEM;

26 (X) A MODIFICATION OF A FURNACE OR UTILITY PLANT AND
27 DISTRIBUTION SYSTEM INCLUDING:

28 1. A REPLACEMENT BURNER, FURNACE, OR BOILER OR ANY
29 COMBINATION OF THEM THAT INCREASES THE ENERGY EFFICIENCY OF THE
30 HEATING SYSTEM;

31 2. A DEVICE FOR MODIFYING A FLUE OPENING THAT
32 INCREASES THE ENERGY EFFICIENCY OF THE HEATING SYSTEM; AND

33 3. AN ELECTRICAL OR MECHANICAL FURNACE IGNITION
34 SYSTEM THAT REPLACES A STANDING GAS PILOT LIGHT; OR

1 (XI) ANY OTHER ENERGY CONSERVATION IMPROVEMENT THAT THE
 2 ADMINISTRATION DETERMINES BY REGULATION TO BE APPROPRIATE AND
 3 CONSISTENT WITH THIS SUBTITLE; OR

4 (2) A PLANNING OR TECHNICAL SERVICE OR A COMMERCIAL ENERGY
 5 AUDIT, IF THE SERVICE OR AUDIT IS RELATED TO OR UNDERTAKEN WITH THE
 6 INSTALLATION, OR THE MODIFICATION OF AN INSTALLATION OF AN ITEM SPECIFIED
 7 IN ITEM (1) OF THIS SUBSECTION.

8 REVISOR'S NOTE: This section is new language derived without substantive
 9 change from former Art. 83B, § 2-203(k).

10 It is revised as a list of qualification standards for an energy conservation
 11 project, rather than as part of a definition, for emphasis.

12 Defined terms: "Administration" § 4-101

13 "Commercial building" § 4-201

14 "Commercial energy audit" § 4-201

15 "Energy conservation project" § 4-207

16 "Residential building" § 4-201

17 "Residential energy audit" § 4-201

18 4-219. HOME IMPROVEMENT PROJECT.

19 (A) IN GENERAL.

20 A PROJECT OR UNDERTAKING QUALIFIES AS A HOME IMPROVEMENT PROJECT
 21 IF, BY IMPROVEMENT, ALTERATION, ADDITION, OR REPAIR, IT SUBSTANTIALLY
 22 PROTECTS OR IMPROVES THE BASIC LIVEABILITY OF A RESIDENTIAL BUILDING THAT
 23 WILL BE OCCUPIED IN SUBSTANTIAL PART BY FAMILIES OF LIMITED INCOME.

24 (B) MORE THAN FOUR DWELLING UNITS.

25 A HOME IMPROVEMENT PROJECT FOR A RESIDENTIAL BUILDING THAT
 26 CONTAINS MORE THAN FOUR DWELLING UNITS IS SUBJECT TO THE PROVISIONS OF
 27 THIS SUBTITLE THAT APPLY TO A COMMUNITY DEVELOPMENT PROJECT.

28 REVISOR'S NOTE: This section is new language derived without substantive
 29 change from the second sentence of former Art. 83B, § 2-203(n).

30 It is revised as a list of qualification standards for a home improvement
 31 project, rather than as a definition, for emphasis.

32 Defined terms: "Community development project" § 4-201

33 "Family of limited income" § 4-201

34 "Home improvement project" § 4-201

35 "Residential building" § 4-201

1 4-220. INFRASTRUCTURE PROJECT.

2 (A) SCOPE.

3 THIS SECTION DOES NOT APPLY TO A FACILITY IF A LOCAL OBLIGATION THAT
4 FINANCES THE FACILITY IS A PRIVATE ACTIVITY BOND UNDER § 141 OF THE
5 INTERNAL REVENUE CODE, FOR WHICH AN ALLOCATION UNDER § 146 OF THE
6 INTERNAL REVENUE CODE IS REQUIRED.

7 (B) APPLICATION.

8 (1) A PROJECT, UNDERTAKING, OR FACILITY QUALIFIES AS AN
9 INFRASTRUCTURE PROJECT IF IT IS PLANNED, ACQUIRED, OWNED, DEVELOPED,
10 CONSTRUCTED, RECONSTRUCTED, REHABILITATED, OR IMPROVED BY OR ON
11 BEHALF OF A POLITICAL SUBDIVISION TO PROVIDE THE ESSENTIAL PHYSICAL
12 ELEMENTS THAT ARE THE BASIS OF THE PUBLIC SERVICE SYSTEM.

13 (2) INFRASTRUCTURE PROJECTS INCLUDE STREETS, SIDEWALKS,
14 CURBS, SEWER AND WATER SYSTEMS, BRIDGES, AND PUBLIC BUILDINGS THAT ARE
15 OWNED BY A POLITICAL SUBDIVISION OR A GOVERNMENTAL UNIT OF A POLITICAL
16 SUBDIVISION.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 2-203(o).

19 It is revised as a list of qualification standards for an infrastructure
20 project, rather than as part of a definition, for emphasis.

21 In subsection (b)(1) of this section, the defined term "political subdivision"
22 is substituted for the former reference to "county or municipality" to
23 conform to the terminology used throughout this article.

24 Defined terms: "Governmental unit" § 1-101

25 "Infrastructure project" § 4-201

26 "Local obligation" § 4-201

27 "Political subdivision" § 1-101

28 4-221. PUBLIC PURPOSE PROJECT.

29 (A) IN GENERAL.

30 A PROJECT OR UNDERTAKING, INCLUDING THE REAL, PERSONAL, AND MIXED
31 PROPERTY INVOLVED, QUALIFIES AS A PUBLIC PURPOSE PROJECT IF IT IS PLANNED,
32 ACQUIRED, OWNED, DEVELOPED, CONSTRUCTED, RECONSTRUCTED,
33 REHABILITATED, REPAIRED, RENOVATED, OR IMPROVED WITH THE FINANCIAL
34 ASSISTANCE OF THE ADMINISTRATION OR THE ASSISTANCE OF FEDERAL
35 LOW-INCOME HOUSING CREDITS AUTHORIZED BY THE INTERNAL REVENUE CODE,
36 AND IT IS:

1 (1) ELIGIBLE WHOLLY OR PARTLY FOR FEDERAL LOW-INCOME
2 HOUSING CREDITS; OR

3 (2) LOCATED IN A DISTRESSED AREA DESIGNATED UNDER SUBSECTION
4 (E) OF THIS SECTION.

5 (B) CHARACTERISTICS.

6 EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A PUBLIC PURPOSE
7 PROJECT:

8 (1) SHALL PROVIDE IN SUBSTANTIAL PART FOR EXISTING OR NEW
9 HOUSING; AND

10 (2) MAY INCLUDE:

11 (I) ANY IMPROVEMENTS, SUCH AS STREETS, ROADS, SEWER LINES,
12 AND WATER LINES; AND

13 (II) PUBLIC OR PRIVATE COMMERCIAL, EDUCATIONAL, CULTURAL,
14 RECREATIONAL, COMMUNITY, OR CIVIC FACILITIES.

15 (C) PUBLIC OR PRIVATE FACILITIES.

16 A PUBLIC PURPOSE PROJECT MAY INCLUDE A GREATER PROPORTION OF
17 PUBLIC OR PRIVATE FACILITIES IF THE SECRETARY DETERMINES THAT TO DO SO
18 WOULD PROMOTE SOUND COMMUNITY DEVELOPMENT.

19 (D) LIMITED INCOME FAMILIES.

20 ALL OR PART OF THE HOUSING PORTION OF A PUBLIC PURPOSE PROJECT
21 SHALL BE OCCUPIED BY FAMILIES OF LIMITED INCOME.

22 (E) DESIGNATION OF DISTRESSED AREA.

23 AT THE REQUEST OF A POLITICAL SUBDIVISION, THE SECRETARY MAY
24 DESIGNATE A DISTRESSED AREA OF THE POLITICAL SUBDIVISION AFTER
25 CONSIDERING FACTORS INCLUDING:

26 (1) THE AVAILABILITY, COST, AND CONDITION OF HOUSING AND
27 NEIGHBORHOOD FACILITIES, INCLUDING THE AGE AND NUMBER OF ABANDONED
28 AND SUBSTANDARD STRUCTURES;

29 (2) THE INCOMES OF RESIDENTS RELATIVE TO STATE OR AREA-WIDE
30 REGIONAL MEDIAN INCOMES, INCLUDING THE NUMBER OF INDIVIDUALS WHO ARE
31 WELFARE RECIPIENTS, UNEMPLOYED, OR LIVING IN POVERTY;

32 (3) THE NEED TO FINANCE HOUSING OR PUBLIC OR PRIVATE
33 FACILITIES TO UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE
34 DISTRESSED AREA;

1 (4) THE PLANS AND FINANCIAL COMMITMENT OF THE POLITICAL
2 SUBDIVISION TO UNDERTAKE IMPROVEMENTS IN THE DISTRESSED AREA; AND

3 (5) OTHER STANDARDS AND CRITERIA THAT THE SECRETARY
4 CONSIDERS RELEVANT, INCLUDING STANDARDS ESTABLISHED FOR OTHER STATE
5 OR FEDERAL PROGRAMS.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-203(i) and (x).

8 Subsection (e) of this section is revised as a list of factors for designating an
9 area as a distressed area, rather than as part of a definition, for emphasis.

10 In the introductory language of subsection (e) of this section, the former
11 reference to "a geographically defined area or areas of any municipality or
12 county" is deleted as implicit in the reference to a "distressed area".

13 Defined terms: "Family of limited income" § 4-201

14 "Financial assistance" § 1-101

15 "Political subdivision" § 1-101

16 "Public purpose project" § 4-201

17 "Secretary" § 1-101

18 4-222. SOLAR ENERGY PROJECT.

19 (A) IN GENERAL.

20 A PROJECT QUALIFIES AS A SOLAR ENERGY PROJECT IF IT:

21 (1) IS AN ADDITION, ALTERATION, OR IMPROVEMENT TO A RESIDENTIAL
22 BUILDING OR A COMMERCIAL BUILDING; AND

23 (2) IS DESIGNED TO REDUCE THE ENERGY REQUIREMENTS OF THE
24 BUILDING BY USING:

25 (I) WIND ENERGY;

26 (II) ENERGY FROM A WOOD-BURNING APPLIANCE; OR

27 (III) SOLAR ENERGY OF:

28 1. THE ACTIVE TYPE BASED ON MECHANICALLY FORCED
29 ENERGY TRANSFER;

30 2. THE PASSIVE TYPE BASED ON CONVECTIVE, CONDUCTIVE,
31 OR RADIANT ENERGY TRANSFER; OR

32 3. A COMBINATION OF THESE TYPES.

33 (B) EXAMPLES.

1 A SOLAR ENERGY PROJECT MAY INCLUDE:

2 (1) A SOLAR PROCESS HEAT DEVICE;

3 (2) A SOLAR ELECTRIC DEVICE; AND

4 (3) AN EARTH SHELTERED BUILDING IN WHICH THE SHELTERING
5 SUBSTANTIALLY REDUCES THE CONSUMPTION OF ENERGY BY THE BUILDING.

6 (C) EXCLUSION.

7 A SOLAR ENERGY PROJECT MAY NOT INCLUDE A FIREPLACE, UNLESS THE
8 FIREPLACE IS AN INTEGRAL PART OF A SYSTEM DESIGNED TO USE PASSIVE SOLAR
9 ENERGY.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 2-203(bb).

12 It is revised as a list of qualification standards and examples of a solar
13 energy project, rather than as part of a definition, for emphasis.

14 In subsection (c) of this section, the reference to "a fireplace" is substituted
15 for the former reference to "[o]nly those fireplaces" for brevity.

16 Defined terms: "Commercial building" § 4-201

17 "Residential building" § 4-201

18 "Solar energy project" § 4-201

19 4-223. RESERVED.

20 4-224. RESERVED.

21 PART IV. FINANCING.

22 4-225. FINANCING PROCEDURES -- IN GENERAL.

23 (A) RECIPIENTS OF FINANCIAL ASSISTANCE.

24 THE ADMINISTRATION SHALL ADMINISTER A PROGRAM OF FINANCIAL
25 ASSISTANCE FOR:

26 (1) COMMUNITY DEVELOPMENT PROJECTS;

27 (2) ENERGY CONSERVATION PROJECTS;

28 (3) HOME IMPROVEMENT PROJECTS;

29 (4) PUBLIC PURPOSE PROJECTS;

30 (5) SOLAR ENERGY PROJECTS; AND

1 (6) SPECIAL HOUSING FACILITIES.

2 (B) SOURCES OF MONEY.

3 THE ADMINISTRATION SHALL PROVIDE FINANCIAL ASSISTANCE FOR PROJECTS
4 AND FACILITIES UNDER THIS SECTION WITH MONEY THAT THE ADMINISTRATION
5 CAN GET FOR THEM FROM ANY SOURCE, INCLUDING:

6 (1) PAYMENTS UNDER FEDERAL LAW;

7 (2) BONDS OR NOTES ISSUED BY THE ADMINISTRATION;

8 (3) BONDS OR NOTES ISSUED BY THE STATE; AND

9 (4) MORTGAGE-BACKED SECURITIES AND PROCEEDS OF INVESTMENTS
10 IN THEM.

11 (C) MORTGAGE REQUIRED.

12 A LOAN FOR A HOME IMPROVEMENT PROJECT HAVING A PRINCIPAL BALANCE
13 EXCEEDING \$5,000 SHALL BE SECURED BY A MORTGAGE.

14 (D) CONSENT TO MODIFY AGREEMENTS -- AUTHORITY OF ADMINISTRATION.

15 SUBJECT TO AN AGREEMENT WITH NOTEHOLDERS OR BONDHOLDERS, THE
16 ADMINISTRATION MAY CONSENT THAT A LOAN, LOAN COMMITMENT, OR
17 AGREEMENT TO WHICH THE ADMINISTRATION IS A PARTY BE MODIFIED AS TO:

18 (1) THE INTEREST RATE;

19 (2) THE TIME OF PAYMENTS OF AN INSTALLMENT OF PRINCIPAL OR
20 INTEREST;

21 (3) SECURITY; OR

22 (4) ANY OTHER TERM.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from the first through fourth sentences of former Art. 83B, §
25 2-204(15)(i).

26 In the introductory language of subsection (b) of this section, the former
27 phrase "but not limited to" is deleted as implicit in the word "including".
28 *See* Art. 1, § 30.

29 In subsection (b)(1) of this section, the former reference to "Title V of the
30 Energy Security Act (P.L. 96-294)" is deleted as obsolete. Title V of the
31 Energy Security Act (P.L. 96-294) was repealed by P.L. 102-550 (1992).

32 In the introductory language of subsection (d) of this section, the former
33 references to a "contract" are deleted in light of the references to an

1 "agreement".

2 Also in the introductory language of subsection (d) of this section, the
3 former reference to an agreement "of any kind" is deleted as surplusage.

4 Defined terms: "Administration" § 4-101

5 "Community development project" § 4-201

6 "Energy conservation project" § 4-201

7 "Financial assistance" § 1-101

8 "Home improvement project" § 4-201

9 "Public purpose project" § 4-201

10 "Solar energy project" § 4-201

11 "Special housing facility" § 4-201

12 4-226. SAME -- POWERS OF ADMINISTRATION.

13 (A) AUTHORITY TO FORECLOSE OR TAKE SIMILAR ACTION.

14 (1) IN CONNECTION WITH PROPERTY ON WHICH IT HOLDS A MORTGAGE,
15 THE ADMINISTRATION MAY:

16 (I) FORECLOSE ON THE PROPERTY;

17 (II) BEGIN AN ACTION TO PROTECT OR ENFORCE A RIGHT
18 CONFERRED ON THE ADMINISTRATION BY LAW, OR ANY AGREEMENT;

19 (III) BID FOR AND PURCHASE THE PROPERTY AT A FORECLOSURE
20 OR OTHER SALE; AND

21 (IV) ACQUIRE AND TAKE POSSESSION OF THE PROPERTY.

22 (2) IN AN ACTION UNDER THIS SUBSECTION, THE ADMINISTRATION
23 MAY:

24 (I) COMPLETE, ADMINISTER, AND PAY THE PRINCIPAL OF AND
25 INTEREST ON AN OBLIGATION INCURRED IN CONNECTION WITH THE PROPERTY;
26 AND

27 (II) DISPOSE OF AND OTHERWISE DEAL WITH THE PROPERTY, SO AS
28 TO PROTECT THE INTERESTS OF THE ADMINISTRATION.

29 (B) LIENS.

30 (1) THIS SUBSECTION DOES NOT APPLY TO A LIEN HELD IN
31 CONNECTION WITH A PUBLIC PURPOSE PROJECT.

32 (2) THE ADMINISTRATION MAY NOT LEND MONEY ON THE SECURITY OF
33 PROPERTY UNLESS THE LIEN ON THE PROPERTY IS SUPERIOR TO ALL OTHER LIENS,
34 EXCEPT FOR:

1 (I) A LIEN FOR TAXES OWED TO THE STATE OR A POLITICAL
2 SUBDIVISION; OR

3 (II) AN EARLIER MORTGAGE LIEN.

4 (C) SALES OF MORTGAGES.

5 AT PUBLIC OR PRIVATE SALE AND WITH OR WITHOUT PUBLIC BIDDING, THE
6 ADMINISTRATION MAY SELL A MORTGAGE OR OTHER OBLIGATION THAT THE
7 ADMINISTRATION HOLDS.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from the fifth through seventh sentences of former Art. 83B, §
10 2-204(15)(i).

11 In subsection (a)(2)(ii) of this section, the phrase "so as to" is substituted
12 for the former phrase "in a manner as may be necessary or desirable to" for
13 brevity.

14 In subsection (c) of this section, the former reference to "Title V of the
15 Energy Security Act, P.L. 96-294" is deleted as obsolete. Title V of the
16 Energy Security Act, P.L. 96-294, was repealed by P.L. 102-550 (1992).

17 Defined terms: "Administration" § 4-101

18 "Political subdivision" § 1-101

19 "Public purpose project" § 4-201

20 4-227. ENERGY CONSERVATION AND SOLAR ENERGY FINANCING.

21 (A) COORDINATION WITH MARYLAND ENERGY OFFICE.

22 THE ADMINISTRATION SHALL COORDINATE THE PROMOTION OF ITS PROGRAMS
23 OF FINANCIAL ASSISTANCE FOR ENERGY CONSERVATION PROJECTS WITH THE
24 ENERGY CONSERVATION PROMOTION PROGRAMS OF THE MARYLAND ENERGY
25 OFFICE.

26 (B) REGULATIONS ON ASSISTANCE FOR PROJECTS.

27 (1) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO ESTABLISH
28 AND IMPLEMENT PROGRAMS OF FINANCIAL ASSISTANCE FOR ENERGY
29 CONSERVATION PROJECTS AND SOLAR ENERGY PROJECTS.

30 (2) THESE REGULATIONS SHALL BE CONSISTENT WITH THE PROVISIONS
31 OF THIS SUBTITLE THAT GENERALLY CONCERN THE POWERS OF THE
32 ADMINISTRATION TO AWARD FINANCIAL ASSISTANCE FOR ENERGY CONSERVATION
33 PROJECTS AND SOLAR ENERGY PROJECTS.

34 (C) CONTENTS OF REGULATIONS.

35 THE REGULATIONS SHALL INCLUDE PROVISIONS ABOUT:

- 1 (1) ELIGIBILITY AND APPLICATION REQUIREMENTS;
- 2 (2) INTEREST RATES, MAXIMUM LOAN AMOUNTS, AND THE TERMS OF
3 LOANS;
- 4 (3) ALLOCATIONS OF MONEY AMONG CLASSES OF ELIGIBLE BUILDINGS;
- 5 (4) CREDIT AND UNDERWRITING REQUIREMENTS; AND
- 6 (5) WARRANTIES, REPRESENTATIONS, FORMS OF SECURITY,
7 CERTIFICATIONS, INSPECTIONS, AUDITS, AND ANY OTHER MEANS OF ENSURING
8 COMPLIANCE WITH AND ENFORCING THE TERMS OF FINANCIAL ASSISTANCE
9 AWARDED UNDER THIS SUBTITLE.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 2-204(15)(ii) and (v).

12 Former Art. 83B, § 2-204(15)(iii), which required the Administration to
13 coordinate certain programs with the activities of certain organizations
14 involved in implementing the residential conservation service program
15 under Titles II and VII of the National Energy Conservation Policy Act, is
16 deleted as obsolete. The residential conservation service program under
17 Title II terminated on June 30, 1989. Title VII was repealed by P.L. 99-412
18 (1986).

19 Former Art. 83B, § 2-204(15)(iv), which required the Administration to
20 participate in programs of financial assistance for energy conservation
21 projects and solar energy projects under Title V, Subtitle A of the Energy
22 Security Act, P.L. 96-294, is deleted as obsolete. Title V, Subtitle A of the
23 Energy Security Act was repealed by P.L. 99-412 (1986).

24 Defined terms: "Administration" § 4-101

25 "Energy conservation project" § 4-201

26 "Financial assistance" § 1-101

27 "Solar energy project" § 4-201

28 4-228. INFRASTRUCTURE FINANCING.

29 (A) FINANCING OPTIONS.

30 TO FINANCE INFRASTRUCTURE PROJECTS, THE ADMINISTRATION MAY:

- 31 (1) MAKE, PURCHASE, AND PARTICIPATE IN MAKING LOANS;
- 32 (2) PURCHASE LOCAL OBLIGATIONS ISSUED TO FINANCE SUCH
33 PROJECTS; AND
- 34 (3) PROVIDE ANY OTHER FORM OF FINANCIAL ASSISTANCE OTHER
35 THAN GRANTS.

36 (B) REQUIRED DOCUMENTATION.

1 ALL TRANSACTIONS UNDER SUBSECTION (A) OF THIS SECTION SHALL BE
2 EVIDENCED BY INSTRUMENTS CONTAINING THE TERMS AND CONDITIONS
3 NECESSARY TO SECURE PAYMENT OF ALL OBLIGATIONS AND CHARGES DUE TO THE
4 ADMINISTRATION.

5 (C) CONSENT TO MODIFY AGREEMENTS -- AUTHORITY OF ADMINISTRATION.

6 SUBJECT TO AN AGREEMENT WITH HOLDERS OF ITS BONDS, NOTES, OR OTHER
7 OBLIGATIONS, THE ADMINISTRATION MAY CONSENT THAT A LOAN, LOCAL
8 OBLIGATION, COMMITMENT, INSTRUMENT, OR AGREEMENT THAT THE
9 ADMINISTRATION HOLDS OR TO WHICH IT IS A PARTY MAY BE MODIFIED AS TO:

10 (1) INTEREST RATE;

11 (2) TIME OF PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR
12 INTEREST;

13 (3) SECURITY; OR

14 (4) ANY OTHER TERM.

15 (D) SECURITY -- AUTHORITY OF ADMINISTRATION.

16 (1) IN CONNECTION WITH ANY SECURITY THAT IT RECEIVES OR OWNS,
17 INCLUDING A LOCAL OBLIGATION, THE ADMINISTRATION MAY:

18 (I) SUE TO PROTECT OR ENFORCE ITS RIGHTS UNDER ANY LAW OR
19 AGREEMENT; OR

20 (II) ACQUIRE OR TAKE POSSESSION OF THE SECURITY.

21 (2) IF THE ADMINISTRATION BEGINS SUCH AN ACTION, IT MAY:

22 (I) ADMINISTER THE SECURITY;

23 (II) PAY THE PRINCIPAL AND INTEREST ON ANY OBLIGATION
24 INCURRED IN CONNECTION WITH THE SECURITY;

25 (III) DISPOSE OF THE SECURITY; AND

26 (IV) OTHERWISE DEAL WITH THE SECURITY SO AS TO PROTECT THE
27 ADMINISTRATION'S INTERESTS.

28 (E) SALE.

29 THE ADMINISTRATION MAY SELL A LOAN, AGREEMENT, LOCAL OBLIGATION, OR
30 OTHER OBLIGATION THAT IT HOLDS AT PUBLIC OR PRIVATE SALE WITH OR WITHOUT
31 PUBLIC BIDDING.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 2-204(16)(i).

1 In subsection (a)(3) of this section, the former reference to the authority of
2 the Administration to provide financial assistance "that the
3 Administration may deem appropriate" is deleted as surplusage.

4 In subsection (b) of this section, the reference to "[a]ll transactions under
5 subsection (a) of this section" is substituted for the former reference to
6 "[t]he making, purchasing, or participating in making loans, the purchase
7 of any local obligations, or the providing of any other financial assistance"
8 for brevity.

9 Also in subsection (b) of this section, the reference to "all obligations and
10 charges due to the Administration" is substituted for the former reference
11 to "any moneys provided by the Administration, any interest charged by
12 the Administration, and any other charges in connection with such
13 financial assistance" for brevity.

14 Defined terms: "Administration" § 4-101

15 "Financial assistance" § 1-101

16 "Infrastructure project" § 4-201

17 "Local obligation" § 4-201

18 4-229. SAME -- LOCAL OBLIGATIONS.

19 (A) RIGHTS OF ISSUERS.

20 (1) IF THE ADMINISTRATION PURCHASES A LOCAL OBLIGATION, THE
21 PROCEDURES AND REQUIREMENTS FOR THE ISSUANCE OR SALE OF THE LOCAL
22 OBLIGATION SHALL BE AS PROVIDED IN §§ 4-230 THROUGH 4-233 OF THIS SUBTITLE.

23 (2) NOTWITHSTANDING ANY OTHER PUBLIC GENERAL LAW OR PUBLIC
24 LOCAL LAW, CHARTER, OR ORDINANCE, AN ISSUER OF A LOCAL OBLIGATION MAY
25 SELL A LOCAL OBLIGATION TO THE ADMINISTRATION TO FINANCE AN
26 INFRASTRUCTURE PROJECT:

27 (I) AT PRIVATE OR PUBLIC SALE, WITH OR WITHOUT PUBLIC
28 BIDDING;

29 (II) WITHOUT LIMITATION ON THE DENOMINATION OF THE LOCAL
30 OBLIGATION; AND

31 (III) AT ANY INTEREST RATE, COST, OR PRICE THAT THE ISSUER
32 CONSIDERS NECESSARY OR DESIRABLE.

33 (3) THE ISSUER OF A LOCAL OBLIGATION MAY PAY ANY FEE OR CHARGE
34 NECESSARY FOR THE ADMINISTRATION TO:

35 (I) SELL BONDS, NOTES, OR OTHER OBLIGATIONS OF THE
36 ADMINISTRATION;

1 (II) PROVIDE THE FINANCIAL ASSISTANCE AUTHORIZED BY § 4-228
2 OF THIS SUBTITLE;

3 (III) PROVIDE ANY OTHER GUARANTEE, CREDIT ENHANCEMENT, OR
4 ADDITIONAL SECURITY FOR A NOTE, BOND, OR OBLIGATION OF THE
5 ADMINISTRATION; OR

6 (IV) INSURE OBLIGATIONS OF THE ISSUER OR OF THE
7 ADMINISTRATION.

8 (B) PLEDGE OF LOCAL MONEY.

9 (1) NOTWITHSTANDING ANY OTHER PUBLIC GENERAL LAW, PUBLIC
10 LOCAL LAW, CHARTER, OR ORDINANCE, TO ENHANCE THE SECURITY OR THE
11 MARKETABILITY OF THE BONDS, NOTES, OR OBLIGATIONS OF THE ADMINISTRATION
12 THAT ARE SOLD TO FINANCE AN INFRASTRUCTURE PROJECT, A POLITICAL
13 SUBDIVISION MAY AGREE WITH THE ADMINISTRATION TO PLEDGE ANY MONEY,
14 INCLUDING A SHARE OF INCOME TAX, THAT THE POLITICAL SUBDIVISION IS
15 ENTITLED TO RECEIVE FROM THE STATE.

16 (2) IN ACCORDANCE WITH A PLEDGE UNDER PARAGRAPH (1) OF THIS
17 SUBSECTION, THE COMPTROLLER AND THE STATE TREASURER SHALL CAUSE THE
18 MONEY PLEDGED TO BE PAID TO THE ADMINISTRATION OR A TRUSTEE THAT THE
19 ADMINISTRATION DESIGNATES.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 2-204(16)(ii) and (iii).

22 In subsection (a)(3)(ii) of this section, the reference to "§ 4-228 of this
23 subtitle" is substituted for the former reference to "this subsection" to
24 reflect the organization of this revision.

25 In subsection (b)(1) of this section, the defined term "political subdivision"
26 is substituted for the former reference to a "county or municipality" to
27 conform to the terminology used throughout this article.

28 Defined terms: "Administration" § 4-101

29 "Infrastructure project" § 4-201

30 "Local obligation" § 4-201

31 "Political subdivision" § 1-101

32 4-230. ISSUING PROCEDURES OF LOCAL OBLIGATIONS.

33 (A) IN GENERAL.

34 (1) NOTWITHSTANDING ANY OTHER PUBLIC GENERAL LAW, OR PUBLIC
35 LOCAL LAW, CHARTER, OR ORDINANCE, A POLITICAL SUBDIVISION OR A
36 GOVERNMENTAL UNIT OF A POLITICAL SUBDIVISION MAY ISSUE A LOCAL
37 OBLIGATION TO BE PURCHASED BY THE ADMINISTRATION FOR INFRASTRUCTURE
38 PROJECTS.

1 (2) A LOCAL OBLIGATION SHALL BE ISSUED IN ACCORDANCE WITH THIS
2 SECTION.

3 (3) EACH LOCAL OBLIGATION MUST BE AUTHORIZED BY RESOLUTION
4 OR ORDINANCE OF THE GOVERNING BODY OF THE ISSUER.

5 (B) NOTICE AND PUBLIC HEARING.

6 (1) BEFORE A LOCAL OBLIGATION IS ISSUED UNDER THIS SECTION:

7 (I) THE ISSUER SHALL PUBLISH A NOTICE OF THE PROPOSED
8 ISSUANCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE JURISDICTION OF
9 THE ISSUER; AND

10 (II) THE GOVERNING BODY OF THE ISSUER SHALL HOLD A PUBLIC
11 HEARING ON THE PROPOSED ISSUANCE.

12 (2) THE NOTICE SHALL INCLUDE THE PROPOSED AMOUNT OF THE
13 ISSUE, THE NATURE OF THE INFRASTRUCTURE PROJECT TO BE FINANCED, THE TIME
14 AND PLACE OF THE PUBLIC HEARING, AND THE NAME AND ADDRESS OF THE
15 GOVERNING BODY WHERE WRITTEN COMMENTS MAY BE SENT.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-204(16)(iv)2 and the first and second
18 sentences and the first clause of the third sentence of 1.

19 In subsection (a)(1) of this section, the defined term "political subdivision"
20 is substituted for the former reference to a "county or municipality" to
21 conform to the terminology used throughout this division.

22 Also in subsection (a)(1) of this section, the phrase "for infrastructural
23 projects" is substituted for the former phrase "under this paragraph" for
24 clarity.

25 Defined terms: "Administration" § 4-101

26 "Governmental unit" § 1-101

27 "Infrastructural project" § 4-201

28 "Local obligation" § 4-201

29 "Political subdivision" § 1-101

30 4-231. CONTENTS OF ENABLING RESOLUTION OR ORDINANCE.

31 (A) IN GENERAL.

32 A RESOLUTION OR ORDINANCE THAT AUTHORIZES A LOCAL OBLIGATION SHALL
33 CONTAIN:

34 (1) A STATEMENT OF THE PUBLIC PURPOSE FOR WHICH THE PROCEEDS
35 OF THE LOCAL OBLIGATION ARE TO BE SPENT;

36 (2) THE FORM OF THE LOCAL OBLIGATION, INCLUDING:

- 1 (I) EACH PLACE AND TIME OF PAYMENT;
- 2 (II) EACH INTEREST RATE OR MAXIMUM INTEREST RATE;
- 3 (III) THE TITLES OF THE OFFICIALS WHOSE SIGNATURES SHALL BE
4 ON IT;
- 5 (IV) A REFERENCE TO THIS PART AS THE AUTHORITY FOR ISSUING
6 IT; AND
- 7 (V) THE TAXES OR SPECIAL REVENUES FROM WHICH THE
8 PRINCIPAL AND INTEREST WILL BE PAYABLE;
- 9 (3) A PROVISION FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF
10 THE LOCAL OBLIGATION;
- 11 (4) A PROVISION THAT THE PRINCIPAL AND INTEREST SHALL BE
12 PAYABLE TO THE ADMINISTRATION OR ITS DESIGNEE;
- 13 (5) A PROVISION FOR PAYMENT OF THE PRINCIPAL AND INTEREST THAT
14 SPECIFIES EACH SOURCE OF PAYMENT;
- 15 (6) A PROVISION THAT THE LOCAL OBLIGATION IS A VALID AND
16 BINDING OBLIGATION OF THE ISSUER IN ACCORDANCE WITH ITS TERMS EVEN IF AN
17 OFFICIAL WHOSE SIGNATURE APPEARS ON THE LOCAL OBLIGATION:
- 18 (I) CEASES TO BE AN OFFICIAL BEFORE THE LOCAL OBLIGATION
19 IS DELIVERED; OR
- 20 (II) BECOMES AN OFFICIAL AFTER THE DATE OF THE ISSUE; AND
- 21 (7) ANY OTHER PROVISION THAT IS NOT INCONSISTENT WITH THIS
22 SUBSECTION AND THAT THE GOVERNING BODY OF THE ISSUER CONSIDERS
23 APPROPRIATE, INCLUDING A PROVISION THAT:
- 24 (I) THE CHIEF ELECTED OFFICIAL OF THE ISSUER MAY MODIFY
25 THE FORMS ADOPTED BY THE RESOLUTION OR ORDINANCE WITHOUT ALTERING THE
26 SUBSTANCE OF THE FORMS;
- 27 (II) THE OFFICIAL SIGNATURES AND SEALS TO BE AFFIXED TO A
28 LOCAL OBLIGATION MAY BE IMPRINTED IN FACSIMILE, EXCEPT FOR THE SIGNATURE
29 OF THE CLERK OR SECRETARY OF THE ISSUER, WHICH SHALL BE AFFIXED
30 MANUALLY;
- 31 (III) SUBJECT TO TERMS THAT THE ADMINISTRATION SPECIFIES, IF
32 THE LOCAL OBLIGATION CONTAINS A STATEMENT OF REDEMPTION PROVISIONS
33 THAT IS ACCEPTABLE TO THE ADMINISTRATION ALL OR A PORTION OF A LOCAL
34 OBLIGATION IS REDEEMABLE AT THE OPTION OF THE ISSUER AT ANY TIME BEFORE
35 MATURITY AT THE PRICE, AT OR ABOVE THE PAR VALUE OF THE LOCAL OBLIGATION,

1 THAT IS ACCEPTABLE TO THE ADMINISTRATION AND SET IN THE ENABLING
2 RESOLUTION OR ORDINANCE; AND

3 (IV) A LOCAL OBLIGATION MAY BE IN ANY DENOMINATION THAT IS
4 ACCEPTABLE TO THE ADMINISTRATION AND SHALL BE IN FULLY REGISTERED FORM.

5 (B) DISPOSITION PROVISION AS BINDING COVENANT.

6 A PROVISION UNDER SUBSECTION (A)(5) OF THIS SECTION IS A COVENANT
7 BINDING THE ISSUER TO PROVIDE THE MONEY FROM THE SPECIFIED SOURCE OR
8 SOURCES WHEN PRINCIPAL AND INTEREST BECOME DUE AND PAYABLE.

9 (C) ATTRIBUTES AND TAX-EXEMPT STATUS.

10 (1) A LOCAL OBLIGATION THAT AN ISSUER ISSUES UNDER THIS PART
11 SHALL HAVE ALL THE ATTRIBUTES OF A NEGOTIABLE INSTRUMENT UNDER ARTICLE
12 31, § 8 OF THE CODE.

13 (2) THE PRINCIPAL OF AND INTEREST ON A LOCAL OBLIGATION IN THE
14 HANDS OF ITS OWNER ARE EXEMPT FROM TAXATION BY THE STATE OR A POLITICAL
15 SUBDIVISION.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-204(16)(vi), (iv)1A through F, and the
18 second clause of the third sentence of the introductory language of 1.

19 In subsection (a)(2)(iv) of this section, the reference to this "part" is
20 substituted for the former reference to this "paragraph" to reflect the
21 organization of this revision. Similarly, in subsection (c)(1) of this section,
22 the reference to this "part" is substituted for the former reference to this
23 "paragraph".

24 In subsection (c)(1) of this section, the former statement that a local
25 obligation shall "possess" all the attributes of negotiable instruments is
26 deleted in light of the statement that a local obligation "shall have" those
27 attributes.

28 In subsection (c)(2) of this section, the former phrase "from time to time" is
29 deleted as surplusage.

30 Also in subsection (c)(2) of this section, the former reference to taxation "of
31 any kind or nature whatsoever" is deleted as surplusage.

32 Defined terms: "Administration" § 4-101

33 "Local obligation" § 4-201

34 "Political subdivision" § 1-101

35 4-232. AUTHORIZATION OF RESOLUTION OR ORDINANCE.

36 (A) IN GENERAL.

1 (1) EACH ORDINANCE OR RESOLUTION ENACTED UNDER THIS SECTION:

2 (I) SHALL BE ADOPTED BY THE GOVERNING BODY OF THE ISSUER;

3 (II) SHALL BE APPROVED BY THE CHIEF EXECUTIVE OFFICER, IF
4 ANY, OF THE ISSUER; AND

5 (III) SHALL HAVE THE FORCE OF LAW.

6 (2) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN
7 ORDINANCE, A RESOLUTION, OR THE QUESTION OF THE ISSUANCE OF LOCAL
8 OBLIGATIONS AUTHORIZED BY AN ORDINANCE OR RESOLUTION NEED NOT BE
9 SUBMITTED TO A REFERENDUM OF THE QUALIFIED VOTERS OF THE ISSUER.

10 (B) ADOPTION BY REFERENDUM.

11 THE QUALIFIED VOTERS OF A POLITICAL SUBDIVISION MAY PETITION TO
12 REFERENDUM AN ORDINANCE OR RESOLUTION THAT AUTHORIZES THE ISSUANCE
13 OF LOCAL OBLIGATIONS, IF:

14 (1) THE CHARTER OF THE POLITICAL SUBDIVISION AUTHORIZES THE
15 VOTERS TO DO SO; AND

16 (2) THE PETITION IS FILED NOT LATER THAN 20 DAYS AFTER THE
17 ORDINANCE OR RESOLUTION IS ADOPTED BY THE GOVERNING BODY OF THE
18 POLITICAL SUBDIVISION.

19 (C) ADOPTION AT PUBLIC HEARING.

20 AN ORDINANCE OR RESOLUTION AUTHORIZING THE ISSUANCE OF LOCAL
21 OBLIGATIONS:

22 (1) MAY BE ADOPTED AT THE PUBLIC HEARING REQUIRED UNDER §
23 4-230(B) OF THIS SUBTITLE OR AT ANOTHER REGULAR OR SPECIAL SESSION OF THE
24 GOVERNING BODY; AND

25 (2) SHALL BE EFFECTIVE ON THE DATE ADOPTED AND APPROVED.

26 REVISOR'S NOTE: This section is new language derived without substantive
27 change from former Art. 83B, § 2-204(16)(iv)3.

28 In subsection (b) of this section, the defined term "political subdivision" is
29 substituted for the former reference to a "county or municipality" to
30 conform to the terminology used throughout this article.

31 Defined terms: "Local obligation" § 4-201

32 "Political subdivision" § 1-101

33 4-233. PLEDGES SECURING LOCAL OBLIGATIONS.

34 (A) IN GENERAL.

1 EACH ISSUANCE OF A LOCAL OBLIGATION UNDER § 4-230 OF THIS SUBTITLE
2 SHALL BE SECURED BY, AT THE DISCRETION OF THE ADMINISTRATION, A PLEDGE OF
3 THE FAITH AND CREDIT OF THE ISSUER OR A PLEDGE OF SPECIFIC REVENUE OF THE
4 ISSUER OR THE FACILITY BEING FINANCED AS DESIGNATED AND DESCRIBED IN THE
5 AUTHORIZING ORDINANCE OR RESOLUTION.

6 (B) OBLIGATIONS SECURED BY PLEDGE OF FAITH AND CREDIT.

7 IF A LOCAL OBLIGATION IS SECURED BY A PLEDGE OF THE FAITH AND CREDIT
8 OF THE ISSUER TO MAKE PROMPT PAYMENT FROM THE TAX AND OTHER REVENUES
9 DESCRIBED IN THE ENABLING RESOLUTION OR ORDINANCE:

10 (1) THE PLEDGE IS A COVENANT TO LEVY TAXES SUFFICIENT TO PAY
11 THE PRINCIPAL OF AND INTEREST ON THE LOCAL OBLIGATION WHEN DUE:

12 (I) ON ALL REAL AND TANGIBLE PERSONAL PROPERTY THAT IS
13 WITHIN THE ISSUER'S CORPORATE LIMITS AND SUBJECT TO ASSESSMENT FOR
14 UNLIMITED AD VALOREM TAXATION; AND

15 (II) IN EACH YEAR IN WHICH THE LOCAL OBLIGATION IS
16 OUTSTANDING;

17 (2) IF AT THE TIME OF ISSUANCE OF A LOCAL OBLIGATION THERE IS A
18 CHARTER OR STATUTORY LIMIT ON THE POWER OF THE ISSUER TO LEVY PROPERTY
19 TAXES, THE PLEDGE IS A COVENANT TO LEVY AD VALOREM TAXES, WITHIN THAT
20 LIMIT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE LOCAL
21 OBLIGATION:

22 (I) ON ALL REAL AND TANGIBLE PERSONAL PROPERTY THAT IS
23 WITHIN THE ISSUER'S CORPORATE LIMITS AND SUBJECT TO ASSESSMENT FOR AD
24 VALOREM TAXATION; AND

25 (II) IN EACH YEAR IN WHICH THE LOCAL OBLIGATION IS
26 OUTSTANDING;

27 (3) A LOCAL OBLIGATION MAY NOT BE ISSUED IF THE ISSUANCE WOULD
28 CAUSE THE ISSUER TO EXCEED ANY LIMIT SET BY THE CHARTER OF THE ISSUER OR
29 BY STATUTE ON THE POWER OF THE ISSUER TO INCUR INDEBTEDNESS; AND

30 (4) NOTWITHSTANDING ITEM (3) OF THIS SUBSECTION:

31 (I) A LIMIT ON THE POWER TO INCUR INDEBTEDNESS IMPOSED
32 AFTER THE ISSUANCE OF A LOCAL OBLIGATION DOES NOT AFFECT THAT
33 OBLIGATION; AND

34 (II) OUTSTANDING LOCAL OBLIGATIONS OF AN ISSUER ARE NOT
35 AFFECTED BY THE ISSUANCE OF A NEW LOCAL OBLIGATION IF THE NEW
36 OBLIGATION IS CONSISTENT WITH AN INCREASE IN OR THE ELIMINATION OF A LIMIT
37 ON THE POWER TO INCUR INDEBTEDNESS.

1 (C) REVENUE OBLIGATIONS.

2 (1) AN ISSUER OF A LOCAL OBLIGATION UNDER § 4-230 OF THIS
3 SUBTITLE MAY SECURE PAYMENT BY THE PLEDGE OF SPECIFIC REVENUES OF THE
4 ISSUER.

5 (2) IF A LOCAL OBLIGATION ISSUED UNDER § 4-230 OF THIS SUBTITLE IS
6 SECURED BY THE PLEDGE OF SPECIFIC REVENUE, THE SPECIFIC REVENUE MAY
7 INCLUDE:

8 (I) PAYMENTS TO THE ISSUER FROM THE STATE OR FEDERAL
9 GOVERNMENT;

10 (II) SPECIAL BENEFIT ASSESSMENTS, TAXES, FEES, OR SERVICE
11 CHARGES THAT THE ISSUER HAS AUTHORITY TO IMPOSE, LEVY, OR CHARGE; OR

12 (III) REVENUE EXPECTED TO BE GENERATED BY THE FACILITY TO
13 BE FINANCED.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 2-204(16)(v).

16 In subsection (a) of this section, the reference to a local obligation issued
17 "under § 4-230 of this subtitle" is substituted for the former reference to
18 local obligations issued "under this paragraph" to reflect the organization
19 of this revision and to more precisely refer to the provisions that allow the
20 issuance of local obligations. Similarly, in subsection (c)(1) and (2) of this
21 section, the reference to a local obligation "under § 4-230 of this subtitle" is
22 added.

23 The Housing Article Review Committee notes, for consideration by the
24 General Assembly, that under subsection (b)(4)(ii) of this section, an
25 outstanding local obligation is not affected by the issuance of a new local
26 obligation if the new obligation is consistent with an increase in or the
27 elimination of a limit on the power to incur indebtedness. This provision
28 may raise the unintentional implication that an outstanding obligation
29 might be affected if the new local obligation is not consistent with an
30 increase in or the elimination of the debt limit.

31 Defined terms: "Administration" § 4-101

32 "Local obligation" § 4-201

33 4-234. MORTGAGE LOANS GUARANTEED BY GNMA.

34 (A) IN GENERAL.

35 FOR A COMMUNITY DEVELOPMENT PROJECT, THE ADMINISTRATION MAY ISSUE
36 SECURITIES BACKED BY MORTGAGE LOANS GUARANTEED BY THE GOVERNMENT
37 NATIONAL MORTGAGE ASSOCIATION.

1 (B) ISSUANCE, TERMS, AND CONDITIONS.

2 (1) NOTWITHSTANDING INCONSISTENT PROVISIONS OF THIS SUBTITLE
3 RELATING TO BONDS OR NOTES THAT THE ADMINISTRATION ISSUES, THE ISSUANCE,
4 TERMS, AND CONDITIONS OF A SECURITY THAT THE ADMINISTRATION ISSUES
5 UNDER THIS SECTION MAY BE AS THE ADMINISTRATION FINDS NECESSARY OR
6 DESIRABLE FOR GUARANTY BY THE GOVERNMENT NATIONAL MORTGAGE
7 ASSOCIATION.

8 (2) EXCEPT AS PROVIDED BY PARAGRAPH (1) OF THIS SUBSECTION, THE
9 PROVISIONS OF THIS SUBTITLE THAT RELATE TO BONDS OR NOTES ISSUED BY THE
10 ADMINISTRATION APPLY TO SECURITIES ISSUED UNDER THIS SECTION.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 2-204(14).

13 Defined terms: "Administration" § 4-101

14 "Community development project" § 4-201

15 4-235. MORTGAGE LOANS AND REVERSE EQUITY MORTGAGE LOANS.

16 (A) DEFINITIONS.

17 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
18 INDICATED.

19 (2) "MORTGAGE LOAN" INCLUDES A LOAN TO:

20 (I) FINANCE OR REFINANCE THE PURCHASE OF STOCK OR
21 MEMBERSHIP IN A COOPERATIVE OWNERSHIP HOUSING CORPORATION; OR

22 (II) REHABILITATE UNITS IN A COOPERATIVE OWNERSHIP
23 HOUSING CORPORATION.

24 (3) "REVERSE EQUITY MORTGAGE LOAN" INCLUDES A LOAN THAT USES
25 THE EQUITY IN A HOME AS COLLATERAL.

26 (B) AUTHORITY TO MAKE OR PURCHASE.

27 (1) IN ACCORDANCE WITH § 4-213 OF THIS SUBTITLE, THE
28 ADMINISTRATION MAY MAKE, PARTICIPATE IN MAKING, PURCHASE, AND
29 UNDERTAKE A COMMITMENT FOR:

30 (I) A MORTGAGE LOAN OR OTHER FINANCIAL ASSISTANCE
31 SECURED BY A MORTGAGE LIEN FOR A COMMUNITY DEVELOPMENT PROJECT OR
32 PUBLIC PURPOSE PROJECT; AND

33 (II) A REVERSE EQUITY MORTGAGE LOAN SECURED BY A
34 MORTGAGE LIEN THAT IS FOR HOUSING RELATED EXPENSES OF AN ELDERLY
35 FAMILY OF LIMITED INCOME.

1 (2) FINANCIAL ASSISTANCE TO PURCHASE A DWELLING UNIT IN A
2 COMMUNITY DEVELOPMENT PROJECT OR PUBLIC PURPOSE PROJECT UNDER
3 PARAGRAPH (1)(I) OF THIS SUBSECTION MAY INCLUDE A TEMPORARY LOAN OR
4 ADVANCE AND A PERMANENT DIRECT MORTGAGE LOAN TO A FAMILY OF LIMITED
5 INCOME, IF OTHERWISE REQUIRED BY LAW.

6 (3) HOUSING RELATED EXPENSES UNDER PARAGRAPH (1)(II) OF THIS
7 SUBSECTION INCLUDE PERSONAL EXPENSES THAT ENABLE THE OWNER TO
8 CONTINUE TO OCCUPY THE OWNER'S HOME.

9 (C) TERMS AND CONDITIONS.

10 (1) A COMMITMENT, MORTGAGE, BOND, OR SECURED NOTE SHALL
11 CONTAIN TERMS AND CONDITIONS NECESSARY TO SECURE REPAYMENT OF ITS
12 LOAN, THE INTEREST ON IT, AND OTHER CHARGES IN CONNECTION WITH THE LOAN.

13 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
14 PARAGRAPH, A MORTGAGE LOAN FOR A COMMUNITY DEVELOPMENT PROJECT OR A
15 PUBLIC PURPOSE PROJECT AND A REVERSE EQUITY MORTGAGE LOAN MAY BEAR
16 INTEREST AT A RATE OR RATES THAT THE ADMINISTRATION FINDS WILL MAKE THE
17 PROJECT ECONOMICALLY FEASIBLE.

18 (II) THE ADMINISTRATION MAY NOT INCREASE THE INTEREST
19 RATE ORIGINALLY CHARGED ON A PERMANENT DIRECT MORTGAGE LOAN TO A
20 FAMILY FOR THE PURCHASE OF A DWELLING UNIT IN A COMMUNITY DEVELOPMENT
21 PROJECT OR A PUBLIC PURPOSE PROJECT.

22 (3) SUBJECT TO ANY AGREEMENT WITH NOTEHOLDERS OR
23 BONDHOLDERS, THE ADMINISTRATION MAY CONSENT TO THE MODIFICATION OF
24 THE INTEREST RATE, TIME OF PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR
25 INTEREST, SECURITY, OR ANY OTHER TERM, OF A MORTGAGE, MORTGAGE LOAN,
26 REVERSE EQUITY MORTGAGE LOAN, MORTGAGE LOAN COMMITMENT, OR REVERSE
27 EQUITY MORTGAGE LOAN COMMITMENT, CONTRACT, OR AGREEMENT TO WHICH
28 THE ADMINISTRATION IS A PARTY.

29 (D) DISPOSAL OF PROPERTY.

30 IN CONNECTION WITH PROPERTY ON WHICH IT HOLDS A MORTGAGE LOAN OR
31 REVERSE EQUITY MORTGAGE LOAN:

32 (1) THE ADMINISTRATION MAY:

33 (I) FORECLOSE ON THE PROPERTY OR BEGIN AN ACTION TO
34 PROTECT OR ENFORCE A RIGHT THAT IS CONFERRED ON THE ADMINISTRATION BY
35 LAW, A MORTGAGE CONTRACT, OR OTHER AGREEMENT;

36 (II) BID FOR AND PURCHASE THE PROPERTY AT A FORECLOSURE
37 OR OTHER SALE; OR

38 (III) ACQUIRE OR TAKE POSSESSION OF THE PROPERTY; AND

1 (2) IN A MANNER TO PROTECT THE INTERESTS OF THE
2 ADMINISTRATION, THE ADMINISTRATION MAY:

3 (I) COMPLETE, ADMINISTER, AND PAY THE PRINCIPAL OF AND
4 INTEREST ON AN OBLIGATION INCURRED IN CONNECTION WITH THE PROPERTY;

5 (II) DISPOSE OF THE PROPERTY; AND

6 (III) OTHERWISE DEAL WITH THE PROPERTY.

7 (E) LIENS.

8 (1) THIS SUBSECTION DOES NOT APPLY TO A LIEN HELD IN
9 CONNECTION WITH A PUBLIC PURPOSE PROJECT.

10 (2) THE ADMINISTRATION MAY NOT HOLD MONEY ON THE SECURITY OF
11 PROPERTY UNLESS THE LIEN ON THE PROPERTY IS SUPERIOR TO ALL OTHER LIENS,
12 EXCEPT FOR:

13 (I) LIENS FOR TAXES OWED TO THE STATE OR A POLITICAL
14 SUBDIVISION; OR

15 (II) EARLIER MORTGAGE LIENS.

16 (F) SALE OF MORTGAGE.

17 THE ADMINISTRATION MAY SELL ANY MORTGAGE OR OTHER OBLIGATION THAT
18 IT HOLDS, AT PUBLIC OR PRIVATE SALE, WITH OR WITHOUT PUBLIC BIDDING.

19 (G) PURCHASE OF SECURITIES.

20 THE ADMINISTRATION MAY PURCHASE SECURITIES BACKED BY MORTGAGES
21 TO PROVIDE FINANCIAL ASSISTANCE TO COMMUNITY DEVELOPMENT PROJECTS AND
22 PUBLIC PURPOSE PROJECTS WITH THE PROCEEDS OF THE SECURITIES OR WITH
23 INVESTMENT EARNINGS ON THE SECURITIES.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 2-204(13).

26 In subsection (c)(3) of this section, the reference to any "agreement" with
27 noteholders and bondholders is substituted for the former reference to any
28 "contract" to conform to the terminology used throughout this subtitle.

29 Also in subsection (c)(3) of this section, the phrase "the Administration
30 may consent to the modification of the interest rate" is added to state
31 explicitly what was implied in the former law - that the Administration
32 has the power to consent to certain modifications.

33 In subsection (d)(2) of this section, the former reference to a manner that is
34 "necessary or desirable" is deleted as surplusage.

1 In subsection (g) of this section, the reference to securities backed by
 2 "mortgages" is substituted for the former reference to "mortgage loans" for
 3 accuracy.

4 Defined terms: "Administration" § 4-101

5 "Community development project" § 4-201

6 "Family of limited income" § 4-201

7 "Financial assistance" § 1-101

8 "Political subdivision" § 1-101

9 "Public purpose project" § 4-201

10 4-236. MORTGAGE LENDERS.

11 IN CARRYING OUT THIS SUBTITLE, THE ADMINISTRATION MAY NOT MAKE A
 12 LOAN TO A MORTGAGE LENDER OR PURCHASE A MORTGAGE LOAN FROM A
 13 MORTGAGE LENDER UNLESS THE MORTGAGE LENDER IS:

14 (1) A BANK, TRUST COMPANY, SAVINGS INSTITUTION, SAVINGS AND
 15 LOAN ASSOCIATION, NATIONAL BANK ASSOCIATION, MORTGAGE BANKER, OR OTHER
 16 FINANCIAL INSTITUTION THAT:

17 (I) HAS AN OFFICE IN THE STATE; AND

18 (II) MAKES OR ORIGINATES RESIDENTIAL MORTGAGE LOANS;

19 (2) AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN THE
 20 STATE; OR

21 (3) THE MARYLAND HOME FINANCING PROGRAM.

22 REVISOR'S NOTE: This section is new language derived without substantive
 23 change from former Art. 83B, § 2-203(t).

24 It is revised as a list of qualifications for a mortgage lender to whom the
 25 Administration may make a loan or from whom the Administration may
 26 purchase a mortgage loan, for emphasis.

27 Defined terms: "Administration" § 4-201

28 "Residential mortgage loan" § 4-201

29 4-237. MORTGAGE PURCHASES AND LOANS.

30 (A) POWERS OF ADMINISTRATION.

31 THE ADMINISTRATION MAY:

32 (1) PURCHASE OR COMMIT TO PURCHASE, FROM A MORTGAGE LENDER
 33 THAT IS ELIGIBLE UNDER § 4-236 OF THIS SUBTITLE, A NOTE, MORTGAGE, OR
 34 PARTIAL INTEREST IN A NOTE OR MORTGAGE THAT EVIDENCES:

1 (I) A RESIDENTIAL MORTGAGE LOAN TO A FAMILY OF LIMITED
2 INCOME; OR

3 (II) A MORTGAGE LOAN TO A SPONSOR OF A COMMUNITY
4 DEVELOPMENT PROJECT OR A PUBLIC PURPOSE PROJECT;

5 (2) MAKE A LOAN TO AN ELIGIBLE MORTGAGE LENDER IN ACCORDANCE
6 WITH THIS SUBTITLE;

7 (3) FINANCE, WITH PROCEEDS OF ITS REVENUE BONDS OR NOTES, ALL
8 OR PART OF A MORTGAGE PURCHASE PROGRAM OR A LOAN TO A MORTGAGE
9 LENDERS PROGRAM; AND

10 (4) TAKE ANY ACTION NECESSARY OR CONVENIENT TO CARRY OUT THIS
11 SUBSECTION, INCLUDING:

12 (I) SETTling OR COMPROMISING AN OBLIGATION OR DEBT TO
13 THE ADMINISTRATION, SUBJECT TO ANY AGREEMENT WITH BONDHOLDERS;

14 (II) ACQUIRING AN INTEREST IN REAL OR PERSONAL PROPERTY BY
15 GIFT, PURCHASE, FORECLOSURE, OR OTHERWISE, AND SELLING OR OTHERWISE
16 DISPOSING OF THE PROPERTY;

17 (III) OBTAINING INSURANCE AGAINST LOSS IN CONNECTION WITH
18 ITS PROPERTY AND OTHER ASSETS, INCLUDING MORTGAGE LOANS, IN THE AMOUNT
19 AND FROM THE INSURER THAT THE ADMINISTRATION CONSIDERS DESIRABLE;

20 (IV) CONTRACTING FOR SERVICING OF A MORTGAGE LOAN OR AN
21 INTEREST IN A MORTGAGE LOAN THAT THE ADMINISTRATION HOLDS OR TAKES AS
22 COLLATERAL; AND

23 (V) MAKING A CONTRACT OR COMMITMENT THAT RELATES TO THE
24 EXERCISE OF ANY OF THE POWERS LISTED IN THIS SUBSECTION.

25 (B) REGULATIONS.

26 THE ADMINISTRATION MAY ADOPT REGULATIONS OR PROGRAM DIRECTIVES,
27 AS APPROPRIATE, TO CARRY OUT THIS SECTION, INCLUDING:

28 (1) PROCEDURES TO SUBMIT REQUESTS FOR THE PURCHASE OR SALE
29 OF MORTGAGE LOANS OR FOR LOANS TO THE ELIGIBLE MORTGAGE LENDERS;

30 (2) RESTRICTIONS AS TO THE NUMBER OF FAMILY UNITS, LOCATIONS,
31 OR OTHER QUALIFICATIONS OR CHARACTERISTICS OF DWELLINGS TO BE FINANCED
32 BY RESIDENTIAL MORTGAGE LOANS;

33 (3) RESTRICTIONS AS TO:

34 (I) THE INTEREST RATES ON LOANS MADE FROM THE PROCEEDS
35 OF PURCHASES OF MORTGAGE LOANS OR FROM THE PROCEEDS OF LOANS TO
36 ELIGIBLE MORTGAGE LENDERS; OR

1 (II) RETURNS REALIZED BY ELIGIBLE MORTGAGE LENDERS;

2 (4) RESTRICTIONS ON MATURITIES AND OTHER TERMS OF LOANS MADE
3 FROM THE PROCEEDS OF PURCHASES OF MORTGAGE LOANS OR FROM THE
4 PROCEEDS OF LOANS TO ELIGIBLE MORTGAGE LENDERS;

5 (5) REQUIREMENTS AS TO THE APPLICATION BY ELIGIBLE MORTGAGE
6 LENDERS OF THE PROCEEDS OF THE PURCHASES OR LOANS;

7 (6) SCHEDULES OF FEES AND CHARGES NECESSARY TO PROVIDE FOR
8 EXPENSES AND RESERVES OF THE ADMINISTRATION;

9 (7) STANDARDS FOR ALLOCATING MONEY AMONG AREAS OF THE STATE
10 AND AMONG ELIGIBLE MORTGAGE LENDERS; AND

11 (8) PROVISIONS ON WARRANTIES, REPRESENTATIONS,
12 CERTIFICATIONS, RIGHTS OF INSPECTION AND AUDIT, PROGRAM SANCTIONS, AND
13 OTHER METHODS OF ENSURING COMPLIANCE WITH THE TERMS OF PURCHASE
14 COMMITMENTS AND LOANS.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 2-208(a) and (b).

17 In subsection (a)(4)(v) of this section, the reference to powers "listed in this
18 subsection" is substituted for the former reference to "these" powers for
19 clarity.

20 In the introductory language of subsection (b) of this section, the former
21 reference to "rules" is deleted in light of the reference to "regulations". *See*
22 General Revisor's Note to article.

23 In subsection (b) of this section, the former reference to "[a]ny other
24 matters related to exercise of the powers of the Administration under this
25 section" is deleted as surplusage.

26 Defined terms: "Administration" § 4-201

27 "Community development project" § 4-201

28 "Family of limited income" § 4-201

29 "Public purpose project" § 4-201

30 4-238. COMMITMENT TO PURCHASE MORTGAGE LOANS.

31 (A) NEW MORTGAGE LOANS.

32 (1) NEW MORTGAGE LOANS THAT THE ADMINISTRATION PURCHASES
33 SHALL BE LOANS TO FAMILIES OF LIMITED INCOME OR TO SPONSORS OF
34 COMMUNITY DEVELOPMENT PROJECTS.

35 (2) A COMMITMENT THAT THE ADMINISTRATION MAKES TO PURCHASE
36 NEW MORTGAGE LOANS SHALL SPECIFY:

1 (I) THE INTEREST RATE ON LOANS ELIGIBLE FOR PURCHASE,
2 WHICH MAY NOT EXCEED THE PREVAILING INTEREST RATE ON COMPARABLE
3 MORTGAGE LOANS AVAILABLE IN THE STATE, INDEPENDENT OF PUBLIC
4 ASSISTANCE OR PURCHASE; AND

5 (II) THE NUMBERS OR VOLUMES OF LOANS UNDER THE
6 COMMITMENT TO BE MADE IN SPECIFIC GEOGRAPHIC AREAS.

7 (3) FOR ANY RESIDENTIAL MORTGAGE LOANS TO BE USED TO ACQUIRE
8 HOMES FOR FAMILIES OF LIMITED INCOME, THE COMMITMENT SHALL BE LIMITED
9 TO LOANS OF A SPECIFIED AMOUNT PER DWELLING UNIT, BASED ON THE CURRENT
10 AVERAGE SALE PRICE OF NEW HOMES IN THE AREA, AS DETERMINED BY THE
11 ADMINISTRATION.

12 (B) EXISTING MORTGAGES.

13 A COMMITMENT THAT THE ADMINISTRATION MAKES TO PURCHASE EXISTING
14 MORTGAGES SHALL REQUIRE THAT THE PROCEEDS OF THE PURCHASE BE:

15 (1) REINVESTED, WITHIN SPECIFIED TIME LIMITS, IN NEW MORTGAGE
16 LOANS TO:

17 (I) FAMILIES OF LIMITED INCOME; OR

18 (II) SPONSORS OF COMMUNITY DEVELOPMENT PROJECTS; OR

19 (2) INVESTED IN SHORT-TERM OBLIGATIONS PENDING THE PURCHASE
20 OR MAKING OF THE MORTGAGES.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, § 2-208(c) and (d).

23 Defined terms: "Administration" § 4-101

24 "Community development project" § 4-201

25 "Family of limited income" § 4-201

26 4-239. LOANS TO ELIGIBLE MORTGAGE LENDERS.

27 (A) LOAN REQUIREMENT.

28 (1) A LOAN FROM THE ADMINISTRATION TO AN ELIGIBLE MORTGAGE
29 LENDER SHALL REQUIRE THE ELIGIBLE MORTGAGE LENDER TO MAKE MORTGAGE
30 LOANS IN PRINCIPAL AMOUNTS THAT ADD UP TO AT LEAST THE AMOUNT OF THE
31 LOAN FROM THE ADMINISTRATION TO:

32 (I) FAMILIES OF LIMITED INCOME; OR

33 (II) SPONSORS OF COMMUNITY DEVELOPMENT PROJECTS.

34 (2) AFTER RECEIVING THE LOAN FROM THE ADMINISTRATION, THE
35 ELIGIBLE MORTGAGE LENDER SHALL COMMIT THE AMOUNT OF THE MORTGAGE

1 LOANS REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION WITHIN THE TIME THE
2 ADMINISTRATION SETS.

3 (B) REPAYMENT.

4 (1) A LOAN FROM THE ADMINISTRATION TO A MORTGAGE LENDER IS A
5 GENERAL OBLIGATION OF THE MORTGAGE LENDER AS TO REPAYMENT OF
6 PRINCIPAL AND INTEREST.

7 (2) REPAYMENT OF PRINCIPAL AND INTEREST SHALL BE SECURED BY A
8 PLEDGE OF AND LIEN ON COLLATERAL SECURITY IN AN AMOUNT THAT THE
9 ADMINISTRATION BY REGULATION DETERMINES TO BE NECESSARY TO SECURE THE
10 LOAN.

11 (C) COLLATERAL SECURITY.

12 (1) THE COLLATERAL SECURITY SHALL CONSIST OF:

13 (I) OBLIGATIONS OF OR GUARANTEED BY THE UNITED STATES,
14 THE STATE, OR A POLITICAL SUBDIVISION;

15 (II) OBLIGATIONS ISSUED BY A UNIT OF THE FEDERAL
16 GOVERNMENT THAT ARE SATISFACTORY TO THE ADMINISTRATION;

17 (III) CERTIFICATES OF DEPOSIT, TIME DEPOSITS, OR SIMILAR
18 BANKING ARRANGEMENTS SECURED BY OBLIGATIONS OF OR GUARANTEED BY THE
19 UNITED STATES OR THE STATE;

20 (IV) MORTGAGES INSURED OR GUARANTEED ENTIRELY OR PARTLY
21 BY THE MARYLAND HOUSING FUND, A UNIT OF THE FEDERAL GOVERNMENT, OR A
22 PRIVATE INSURER THAT THE ADMINISTRATION APPROVES; OR

23 (V) OTHER MORTGAGES THAT THE ADMINISTRATION FINDS TO BE
24 OF REASONABLY COMPARABLE SECURITY.

25 (2) THE ADMINISTRATION SHALL REQUIRE THAT:

26 (I) THE COLLATERAL BE HELD BY A BANK OR TRUST COMPANY AS
27 INDEPENDENT CUSTODIAN; OR

28 (II) THE MORTGAGE LENDER ENTER INTO A SECURITY
29 AGREEMENT CONTAINING PROVISIONS THAT THE ADMINISTRATION CONSIDERS
30 NECESSARY TO IDENTIFY, MAINTAIN, AND SERVICE THE COLLATERAL.

31 (D) SECURITY AGREEMENT.

32 (1) THE SECURITY AGREEMENT SHALL:

33 (I) PROVIDE THAT THE MORTGAGE LENDER:

1 1. HOLDS THE COLLATERAL AS AN AGENT FOR THE
2 ADMINISTRATION; AND

3 2. IS ACCOUNTABLE AS THE TRUSTEE OF AN EXPRESS
4 TRUST FOR THE APPLICATION AND DISPOSITION OF THE COLLATERAL; AND

5 (II) REQUIRE THAT THE INCOME FROM THE COLLATERAL BE
6 APPLIED ONLY IN ACCORDANCE WITH THE AGREEMENT.

7 (2) A COPY OF EACH SECURITY AGREEMENT SHALL BE FILED WITH THE
8 SECRETARY OF STATE.

9 (3) FURTHER FILING OR OTHER ACTION UNDER THE COMMERCIAL LAW
10 ARTICLE OR ANY OTHER LAW OF THE STATE IS NOT REQUIRED TO PERFECT THE
11 SECURITY INTEREST OF THE ADMINISTRATION IN THE COLLATERAL OR ITS
12 PROCEEDS OR IN ANY ADDITION TO OR SUBSTITUTION FOR THE COLLATERAL OR ITS
13 PROCEEDS.

14 (4) ONCE FILED, LIENS AND TRUSTS CREATED FOR THE BENEFIT OF
15 THE ADMINISTRATION UNDER THIS SUBSECTION ARE BINDING AGAINST EACH
16 PERSON WITH A CLAIM AGAINST THE MORTGAGE LENDER.

17 (5) THE ADMINISTRATION MAY ESTABLISH ADDITIONAL
18 REQUIREMENTS FOR PLEDGING, ASSIGNING, SETTING ASIDE, OR HOLDING THE
19 COLLATERAL, AND MAKING SUBSTITUTIONS FOR OR ADDITIONS TO IT, AND
20 DISPOSING OF INTEREST AND INCOME FROM IT.

21 (6) NOTWITHSTANDING ANY OTHER LAW, A LOAN TO A MORTGAGE
22 LENDER AND THE COLLATERAL FOR IT ARE NOT SUBJECT TO ARTICLE 95, § 22 OF THE
23 CODE OR TO § 6-202, § 6-205, § 6-206, § 6-209, OR § 6-210 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-208(e) and (f).

27 In subsection (d)(4) of this section, the statement that a lien and trust is
28 binding "[o]nce filed" is substituted for the former reference to the binding
29 effect of a lien and trust "from and after the time of such filing" for brevity.

30 Defined terms: "Administration" § 4-101

31 "Community development project" § 4-201

32 "Family of limited income" § 4-201

33 "Political subdivision" § 1-101

34 4-240. CERTIFICATE OF MORTGAGE LENDER.

35 (A) CERTIFICATE REQUIRED.

1 A MORTGAGE LENDER SHALL MAKE A CERTIFICATE UNDER THIS SECTION FOR
2 EVERY RESIDENTIAL MORTGAGE LOAN THAT THE LENDER MAKES UNDER A
3 PURCHASE COMMITMENT BY THE ADMINISTRATION WITH:

4 (1) THE PROCEEDS OF PURCHASE OF A MORTGAGE LOAN BY THE
5 ADMINISTRATION; OR

6 (2) THE PROCEEDS OF A LOAN FROM THE ADMINISTRATION.

7 (B) CONTENTS OF CERTIFICATE.

8 THE CERTIFICATE SHALL STATE THAT IN THE MORTGAGE LENDER'S OPINION,
9 BASED ON INFORMATION GIVEN BY THE MORTGAGOR AND ON THE LENDER'S
10 KNOWLEDGE OF THE PREVAILING TERMS AND STANDARDS OF MORTGAGE LENDING
11 IN THE AREA, THE MORTGAGOR COULD NOT GET A MORTGAGE LOAN ON THE
12 PROPERTY IN THE UNASSISTED PRIVATE LENDING MARKET.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 2-208(g).

15 Defined terms: "Administration" § 4-101

16 "Residential mortgage loan" § 4-201

17 4-241. ASSIGNMENT AND ASSUMPTION OF RESIDENTIAL MORTGAGE LOANS.

18 EXCEPT AS REQUIRED TO QUALIFY FOR INSURANCE OR GUARANTY BY THE
19 FEDERAL GOVERNMENT, A RESIDENTIAL MORTGAGE LOAN MAY NOT BE ASSIGNED
20 TO OR ASSUMED BY A PERSON NOT QUALIFIED UNDER THE APPROPRIATE
21 ADMINISTRATION PROGRAM IF THE RESIDENTIAL MORTGAGE LOAN IS:

22 (1) A NEW LOAN THAT THE ADMINISTRATION PURCHASES OR IN WHICH
23 THE ADMINISTRATION PURCHASES AN INTEREST;

24 (2) A LOAN MADE WITH THE PROCEEDS OF PURCHASE BY THE
25 ADMINISTRATION OF A RESIDENTIAL MORTGAGE; OR

26 (3) A LOAN MADE WITH THE PROCEEDS OF A LOAN FROM THE
27 ADMINISTRATION TO A MORTGAGE LENDER.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 2-208(h).

30 Defined terms: "Administration" § 4-101

31 "Mortgage lender" § 4-201

32 "Person" §§ 1-101, 4-201

33 "Residential mortgage loan" § 4-201

1 4-242. RESERVED.

2 4-243. RESERVED.

3 PART V. DEVELOPMENT EXPENDITURES; ADMINISTRATION BONDS AND NOTES.

4 4-244. POWERS OF ADMINISTRATION.

5 (A) IN GENERAL.

6 THE ADMINISTRATION MAY PROVIDE FINANCIAL ASSISTANCE, MEET ANY
7 DEVELOPMENT COST, OR CARRY OUT ANY OTHER OF ITS PURPOSES BY SPENDING:

8 (1) MONEY APPROPRIATED BY THE GENERAL ASSEMBLY;

9 (2) THE PROCEEDS OF A STATE LOAN TO THE EXTENT PROVIDED BY THE
10 GENERAL ASSEMBLY OR A GOVERNMENTAL UNIT AUTHORIZED TO ISSUE BONDS;

11 (3) THE PROCEEDS OF THE BONDS, NOTES, OR OTHER EVIDENCES OF
12 INDEBTEDNESS THAT THE ADMINISTRATION ISSUES, PAYABLE SOLELY FROM
13 REVENUES OF THE ADMINISTRATION AS PROVIDED IN THIS PART; OR

14 (4) ANY OTHER MONEY AVAILABLE TO THE ADMINISTRATION FOR
15 COMMUNITY DEVELOPMENT UNDER THIS SUBTITLE:

16 (I) FROM ITS OWN OPERATIONS;

17 (II) FROM INVESTMENT OF THE PROCEEDS OF ITS BONDS, NOTES,
18 OR OTHER INDEBTEDNESS; OR

19 (III) FROM ANY OTHER PUBLIC OR PRIVATE SOURCE.

20 (B) SURPLUS MONEY.

21 (1) EXCEPT AS OTHERWISE PROVIDED IN A DETERMINATION MADE
22 UNDER THIS SECTION, THE ADMINISTRATION SHALL DEPOSIT WITH THE STATE
23 TREASURER ANY MONEY THAT IT DOES NOT NEED TO MEET CURRENT EXPENSES
24 AND OBLIGATIONS.

25 (2) THE STATE TREASURER SHALL:

26 (I) CREDIT THE MONEY TO THE ADMINISTRATION;

27 (II) INVEST THE MONEY AS PROVIDED BY STATUTE; AND

28 (III) CREDIT EARNINGS FROM THE MONEY TO THE
29 ADMINISTRATION.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 2-206(a) and (b).

1 In subsection (a)(1) of this section, the reference to money appropriated by
2 the "General Assembly" is substituted for the former reference to the
3 "legislature" for clarity.

4 In subsection (a)(3) of this section, the conjunction "or" is substituted for
5 the former conjunction "and" to clarify that the Administration need not
6 use all listed methods to act under this subsection.

7 In subsection (a)(4)(iii) of this section, the former reference to "sources" is
8 deleted as included in the reference to "source". *See* Art. 1, § 8, which
9 provides that the singular includes the plural unless the construction
10 would be unreasonable.

11 In subsection (b)(1) of this section, the requirement that "the
12 Administration" shall deposit certain money is added to clarify who must
13 act under this subsection.

14 Defined terms: "Administration" § 4-101

15 "Financial assistance" § 1-101

16 "Governmental unit" § 1-101

17 4-245. AUTHORITY TO BORROW MONEY AND ISSUE BONDS OR NOTES.

18 (A) IN GENERAL.

19 (1) THE ADMINISTRATION MAY:

20 (I) BORROW MONEY AND ISSUE BONDS OR NOTES; AND

21 (II) USE THE PROCEEDS OR THE EARNINGS FROM THE
22 INVESTMENT OF THE PROCEEDS TO PROVIDE MONEY TO:

23 1. MAKE, PURCHASE, OR PARTICIPATE IN MAKING
24 MORTGAGE LOANS OR OTHER LOANS;

25 2. PURCHASE SECURITIES BACKED BY MORTGAGE LOANS
26 OR OTHER LOANS;

27 3. PURCHASE LOCAL OBLIGATIONS;

28 4. MEET ANY DEVELOPMENT COST; OR

29 5. ACHIEVE ANY OTHER PURPOSE OF THE ADMINISTRATION.

30 (2) BONDS OR NOTES MAY BE ISSUED ONLY IF:

31 (I) THE DIRECTOR, OR A PERSON THAT THE SECRETARY
32 DESIGNATES, DETERMINES THAT THE ISSUANCE IS NECESSARY TO ACHIEVE ONE OR
33 MORE PURPOSES OF THE ADMINISTRATION; AND

34 (II) THE SECRETARY APPROVES THE DETERMINATION.

1 (3) WITHOUT ANY OTHER PROCEEDING, ACTION, OR APPROVAL, THE
2 DETERMINATION IS EFFECTIVE WHEN APPROVED BY THE SECRETARY AND IS
3 CONCLUSIVE.

4 (B) TERMS AND CONDITIONS.

5 FOR BONDS OR NOTES OF ANY ISSUE, THE ADMINISTRATION HAS ABSOLUTE
6 DISCRETION TO DETERMINE:

7 (1) THE DATE, AMOUNT, AND MANNER OF ISSUE, INCLUDING PRIVATE
8 SALE;

9 (2) THE DATE OF MATURITY, WHICH:

10 (I) FOR A BOND, MAY NOT BE MORE THAN 50 YEARS AFTER THE
11 BOND IS ISSUED; AND

12 (II) FOR A NOTE, INCLUDING RENEWALS, MAY NOT BE MORE THAN
13 5 YEARS AFTER THE NOTE IS ORIGINALLY ISSUED;

14 (3) THE PRICE TO BE PAID, WHETHER ABOVE, AT, OR BELOW PAR, THE
15 INTEREST RATE TO BE PAID, AND THE DATES OF PAYMENT;

16 (4) THE FORM, DENOMINATION, AND MANNER OF EXECUTION, WHICH
17 MAY BE BY FACSIMILE;

18 (5) THE PLACE OF PAYMENT, WHICH MAY BE ANY BANK OR TRUST
19 COMPANY IN OR OUT OF THE STATE;

20 (6) WHETHER THEY ARE REDEEMABLE BEFORE MATURITY AND, IF SO,
21 THE TERMS, CONDITIONS, AND PRICES OF THE REDEMPTION; AND

22 (7) ANY OTHER MATTER RELATING TO THE FORM, TERMS, CONDITIONS,
23 SECURITY, ISSUANCE, SALE, DELIVERY, REPLACEMENT, AND INDEMNIFICATION IN
24 CONNECTION WITH REPLACEMENT OR PAYMENT.

25 (C) NEGOTIABILITY.

26 A BOND OR NOTE ISSUED UNDER THIS SECTION IS A NEGOTIABLE INSTRUMENT
27 UNDER STATE LAW NOTWITHSTANDING ANY OTHER PROVISION OF THE CODE OR
28 ANY RECITAL IN THE BOND OR NOTE.

29 (D) VALIDITY OF SIGNATURES.

30 THE MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OR EMPLOYEE OF THE
31 ADMINISTRATION THAT APPEARS ON A BOND, NOTE, OR COUPON IS VALID EVEN IF
32 THE INDIVIDUAL LEAVES OFFICE OR EMPLOYMENT BEFORE DELIVERY OF THE
33 BOND, NOTE, OR COUPON.

34 (E) FORM OF BONDS OR NOTES.

1 THE ADMINISTRATION MAY:

2 (1) ISSUE ITS BONDS OR NOTES IN COUPON OR REGISTERED FORM OR
3 BOTH; AND

4 (2) PROVIDE FOR:

5 (I) REGISTRATION OF COUPON BONDS OR NOTES AS TO PRINCIPAL
6 ONLY OR AS TO BOTH PRINCIPAL AND INTEREST;

7 (II) RECONVERSION INTO COUPON FORM OF BONDS OR NOTES
8 REGISTERED AS TO BOTH PRINCIPAL AND INTEREST; AND

9 (III) INTERCHANGE OF COUPON AND REGISTERED BONDS OR
10 NOTES.

11 (F) APPLICABILITY OF STATE FINANCE AND PROCUREMENT ARTICLE.

12 A BOND OR NOTE ISSUED UNDER THIS SECTION IS EXEMPT FROM §§ 8-206,
13 8-208, AND 8-213 THROUGH 8-221 OF THE STATE FINANCE AND PROCUREMENT
14 ARTICLE.

15 (G) AUTHORITY OF OTHER STATE UNITS.

16 THE ADMINISTRATION MAY ISSUE A BOND OR NOTE WITHOUT:

17 (1) THE CONSENT OF ANOTHER GOVERNMENTAL UNIT OF THE STATE;
18 OR

19 (2) A PROCEEDING, OR THE OCCURRENCE OF A CONDITION, OTHER
20 THAN THOSE THAT THIS SECTION EXPRESSLY REQUIRES.

21 (H) PERSONAL LIABILITY.

22 THE SECRETARY AND ANY OTHER PERSON EXECUTING A BOND OR NOTE
23 UNDER THIS SECTION ARE NOT PERSONALLY LIABLE OR ACCOUNTABLE BECAUSE
24 THE BOND OR NOTE IS ISSUED.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-208(c) through (j).

27 In subsection (a)(1)(ii) of this section, the reference to "proceeds" is
28 substituted for the former word "thereof" for clarity.

29 In subsection (b) of this section, the former reference to "amount of
30 maturity" is deleted as included in the reference to "any other matter" in
31 subsection (b)(7) of this section.

32 In subsection (d) of this section, the former phrase "sufficient for all
33 purposes" is deleted in light of the word "valid".

1 Also in subsection (d) of this section, the former reference to a signature of
2 a person who leaves office or employment before delivery of the bond, note,
3 or coupon "as if the person had remained in the office or employment until
4 delivery" is deleted as surplusage.

5 Defined terms: "Administration" § 4-101

6 "Director" § 4-201

7 "Secretary" § 1-101

8 4-246. RENEWAL AND REFUNDING.

9 (A) IN GENERAL.

10 BY WRITTEN DETERMINATION, THE ADMINISTRATION MAY PROVIDE FOR THE
11 ISSUANCE OF NOTES TO RENEW ITS NOTES, AND BONDS TO PAY ITS NOTES OR TO
12 FUND OR REFUND ITS BONDS, WHETHER OR NOT THE BONDS TO BE REFUNDED HAVE
13 MATURED, INCLUDING THE PAYMENT OF ANY REDEMPTION PREMIUM AND ANY
14 INTEREST ACCRUED OR TO ACCRUE ON THE NOTES OR BONDS TO BE RENEWED,
15 PAID, OR REFUNDED.

16 (B) GOVERNING LAW.

17 THE ISSUANCE AND INCIDENTS OF RENEWAL NOTES AND REFUNDING BONDS
18 ARE GOVERNED BY APPLICABLE PROVISIONS OF THIS PART.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-206(k).

21 In subsection (a) of this section, the reference to a "written" determination
22 is added to conform to the regulations and practice of the Administration.

23 Defined term: "Administration" § 4-101

24 4-247. TRUST AGREEMENT.

25 (A) IN GENERAL.

26 (1) BONDS OR NOTES THAT THE ADMINISTRATION ISSUES MAY BE
27 SECURED BY A TRUST AGREEMENT BETWEEN THE ADMINISTRATION AND A TRUSTEE
28 THAT IS IN OR OUT OF THE STATE.

29 (2) A TRUSTEE SHALL BE A TRUST COMPANY OR A BANK WITH TRUST
30 POWERS.

31 (B) CONTENTS.

32 A TRUST AGREEMENT OR A DETERMINATION AUTHORIZING THE ISSUANCE OF
33 BONDS OR NOTES MAY CONTAIN:

1 (1) SUBJECT TO THEN-EXISTING AGREEMENTS WITH BONDHOLDERS OR
2 NOTEHOLDERS, PROVISIONS TO SECURE PAYMENT OF BONDS OR NOTES BY
3 PLEDGING OR ASSIGNING:

4 (I) ANY OF THE REVENUES OF THE ADMINISTRATION;

5 (II) A MORTGAGE THAT THE ADMINISTRATION HOLDS, A LOAN
6 THAT THE ADMINISTRATION HAS MADE, OR SECURITY FOR THE MORTGAGE OR LOAN;

7 (III) THE PROCEEDS OF A BOND OR NOTE OF THE ADMINISTRATION;
8 OR

9 (IV) ANY COMBINATION OF THESE AND OTHER ASSETS OF THE
10 ADMINISTRATION;

11 (2) PROVISIONS TO PROTECT AND ENFORCE RIGHTS AND REMEDIES OF
12 BONDHOLDERS OR NOTEHOLDERS, AND COVENANTS STATING THE DUTIES OF OR
13 RESTRICTIONS ON THE ADMINISTRATION;

14 (3) PROVISIONS RESTRICTING THE RIGHTS OF BONDHOLDERS OR
15 NOTEHOLDERS;

16 (4) PROVISIONS THAT APPOINT ONE OR MORE TRUST COMPANIES OR
17 BANKS WITH TRUST POWERS TO ACT AS DEPOSITARIES OF THE PROCEEDS OF BONDS
18 OR NOTES OR OF ANY REVENUES OR MONEY OF THE ADMINISTRATION, WITH ANY
19 INDEMNIFYING BONDS OR SECURITIES REQUIRED BY THE ADMINISTRATION
20 ALLOWED TO BE GIVEN OR PLEDGED BY ANY DEPOSITARY BANK OR TRUST COMPANY
21 INCORPORATED IN THE STATE;

22 (5) PROVISIONS ON THE CUSTODY, SAFEGUARDING, AND APPLICATION
23 OF MONEY OF THE ADMINISTRATION;

24 (6) PROVISIONS ON INVESTMENTS OF MONEY OF THE ADMINISTRATION
25 AS THE ADMINISTRATION PROVIDES, NOTWITHSTANDING ARTICLE 95, § 22 OF THE
26 CODE AND §§ 6-202, 6-205, 6-206, 6-209, AND 6-210 OF THE STATE FINANCE AND
27 PROCUREMENT ARTICLE;

28 (7) PROVISIONS THAT ESTABLISH AND CONTROL ALL ASPECTS OF
29 RESERVES, INCLUDING DEBT SERVICE RESERVES;

30 (8) PROVISIONS FOR FUNDING OR REFUNDING BONDS OR NOTES,
31 INCLUDING REDEMPTION PREMIUMS AND INTEREST; AND

32 (9) ANY OTHER PROVISIONS THAT ARE REASONABLE AND PROPER FOR
33 THE SECURITY OF BONDHOLDERS OR NOTEHOLDERS.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 2-208(l).

36 In subsection (b)(1)(i) of this section, the reference to "any" of the revenues

1 is substituted for the former reference to "all or any part" of the revenues
2 for brevity.

3 The Housing Article Review Committee notes, for consideration by the
4 General Assembly, that in subsection (b)(4) of this section, the reference to
5 any depository bank or trust company "incorporated in the State" may
6 constitute an unconstitutional restraint of trade. Also, limiting depository
7 banks and trust companies to those "incorporated in the State" might
8 prove difficult to enforce.

9 Defined term: "Administration" § 4-101

10 4-248. REPAYMENT; LIEN.

11 (A) REVENUES TO ENSURE REPAYMENT.

12 (1) THE INTEREST RATE OR RATES ON AND THE TERMS OF ANY LOANS
13 AND THE REVENUES FROM THE TERMS OF ANY OTHER ASSETS THAT ARE FINANCED
14 FROM THE PROCEEDS OF BONDS OR NOTES OF THE ADMINISTRATION, ANY FEES
15 THAT THE ADMINISTRATION CHARGES, AND ANY OTHER AVAILABLE REVENUES
16 SHALL BE AT LEAST SUFFICIENT TO ENSURE REPAYMENT IN FULL OF THE
17 PRINCIPAL OF AND INTEREST ON THE BONDS OR NOTES AS AND WHEN DUE.

18 (2) ANY PLEDGE THAT THE ADMINISTRATION MAKES IS VALID AND
19 BINDING FROM THE TIME THE PLEDGE IS MADE.

20 (B) LIEN OF PLEDGE.

21 THE LIEN OF THE PLEDGE:

22 (1) IMMEDIATELY ATTACHES, WITHOUT ANY PHYSICAL DELIVERY OR
23 FURTHER ACT, TO REVENUES OR PROPERTY SO PLEDGED AND LATER RECEIVED BY
24 THE ADMINISTRATION; AND

25 (2) IS VALID AND BINDING AGAINST EACH PERSON HAVING A CLAIM
26 AGAINST THE ADMINISTRATION WHETHER OR NOT:

27 (I) THE PERSON HAS NOTICE OF THE LIEN OF THE PLEDGE; OR

28 (II) THE DETERMINATION OR ANY OTHER INSTRUMENT HAS BEEN
29 RECORDED OR FILED.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 2-206(m).

32 In subsection (b)(2) of this section, the reference to "the lien of" the pledge
33 is added for clarity.

34 Defined terms: "Administration" § 4-101

35 "Person" §§ 1-101, 4-201

1 4-249. REPURCHASE; REDEMPTION.

2 (A) IN GENERAL.

3 SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, THE
4 ADMINISTRATION MAY PURCHASE ITS NOTES OR BONDS WITH ANY MONEY
5 AVAILABLE FOR THE PURCHASE.

6 (B) PURCHASE PRICE.

7 THE PURCHASE PRICE MAY NOT EXCEED:

8 (1) THE REDEMPTION PRICE AT THE TIME OF THE PURCHASE, PLUS
9 ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE, IF THE NOTE OR BOND
10 IS REDEEMABLE, AT THE TIME OF THE PURCHASE; OR

11 (2) THE REDEMPTION PRICE ON THE FIRST DATE AFTER THE PURCHASE
12 ON WHICH THE NOTE OR BOND BECOMES REDEEMABLE, PLUS ACCRUED INTEREST
13 TO THAT DATE, IF THE NOTE OR BOND IS NOT REDEEMABLE AT THE TIME OF THE
14 PURCHASE.

15 (C) CANCELLATION.

16 WHEN THE ADMINISTRATION PURCHASES ITS NOTE OR BOND, THE NOTE OR
17 BOND SHALL BE CANCELED.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 2-206(n).

20 Defined term: "Administration" § 4-101

21 4-250. BOND OR NOTE OF ADMINISTRATION -- LEGAL STATUS.

22 (A) BOND OR NOTE AS LEGAL INVESTMENT.

23 A BOND OR NOTE ISSUED BY THE ADMINISTRATION UNDER THIS PART IS A
24 LEGAL AND PROPER INVESTMENT FOR:

25 (1) A PUBLIC OFFICER, A POLITICAL SUBDIVISION, OR A
26 GOVERNMENTAL UNIT;

27 (2) A BANK, TRUST COMPANY, SAVINGS AND LOAN ASSOCIATION,
28 INVESTMENT COMPANY, OR OTHER PERSON DOING A BANKING BUSINESS;

29 (3) AN INSURANCE COMPANY, INSURANCE ASSOCIATION, OR OTHER
30 PERSON DOING AN INSURANCE BUSINESS;

31 (4) A PERSONAL REPRESENTATIVE, GUARDIAN, TRUSTEE, OR OTHER
32 FIDUCIARY; OR

33 (5) ANY OTHER PERSON.

1 (B) BOND AS LEGAL DEPOSIT SECURITY.

2 FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF A BOND OR OTHER
3 OBLIGATION OF THE STATE IS AUTHORIZED BY LAW, A BOND ISSUED BY THE
4 ADMINISTRATION UNDER THIS PART IS A SECURITY THAT MAY LEGALLY AND
5 PROPERLY BE DEPOSITED WITH AND RECEIVED BY A PUBLIC OFFICER, A POLITICAL
6 SUBDIVISION, OR A GOVERNMENTAL UNIT.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, § 2-206(o).

9 In the introductory language of subsection (a) of this section, the reference
10 to this "part" is substituted for the former reference to this "section" to
11 reflect the organization of this revision.

12 Also in the introductory language of subsection (a) of this section, the
13 reference to a "legal and proper investment" is substituted for the former
14 reference to "securities in which ... all other persons may legally and
15 properly invest funds, including capital in their control or belonging to
16 them" for accuracy.

17 Defined terms: "Administration" § 4-101

18 "Governmental unit" § 1-101

19 "Person" §§ 1-101, 4-201

20 "Political subdivision" § 1-101

21 4-251. BONDS AND NOTES NOT STATE DEBTS.

22 (A) IN GENERAL.

23 A BOND OR NOTE ISSUED UNDER THIS PART:

24 (1) IS NOT A DEBT OF AND DOES NOT PLEDGE THE FAITH, CREDIT, OR
25 TAXING POWER OF THE STATE, THE ADMINISTRATION, OR A POLITICAL SUBDIVISION;
26 BUT

27 (2) IS PAYABLE ONLY FROM THE REVENUES AND PROPERTY PROVIDED
28 FOR IN THIS SUBTITLE.

29 (B) REQUIRED STATEMENT.

30 EACH BOND OR NOTE SHALL STATE ON ITS FACE THE PROVISIONS OF
31 SUBSECTION (A) OF THIS SECTION.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 2-206(p).

34 Defined terms: "Administration" § 4-101

35 "Political subdivision" § 1-101

1 4-252. TAX-EXEMPT STATUS.

2 THE FOLLOWING ARE EXEMPT AT ALL TIMES FROM TAXATION OF EVERY KIND
3 AND NATURE WHATSOEVER BY THE STATE, A POLITICAL SUBDIVISION, OR A
4 GOVERNMENTAL UNIT OF ANY KIND:

5 (1) A BOND OR NOTE THAT THE ADMINISTRATION ISSUES UNDER THIS
6 PART;

7 (2) THE TRANSFER OF, INTEREST PAYABLE ON, OR INCOME DERIVED
8 FROM THE BOND OR NOTE; AND

9 (3) PROFIT REALIZED BY THE SALE OR EXCHANGE OF THE BOND OR
10 NOTE.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 2-206(q).

13 In the introductory language of this section, the former reference to
14 "municipal corporations" is deleted as included in the defined term
15 "political subdivision".

16 Defined terms: "Administration" § 4-101

17 "Governmental unit" § 1-101

18 "Political subdivision" § 1-101

19 4-253. RESERVED.

20 4-254. RESERVED.

21 PART VI. PROHIBITED ACTS; PENALTIES.

22 4-255. FALSE STATEMENTS OR REPORTS.

23 (A) FALSE STATEMENT OR REPORT -- LOAN AGREEMENT.

24 A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A FALSE
25 STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO THE
26 ADMINISTRATION BY AN AGREEMENT RELATING TO A LOAN.

27 (B) SAME -- LOAN APPLICATION OR LOAN.

28 A PERSON APPLYING FOR A LOAN MAY NOT KNOWINGLY MAKE OR CAUSE TO BE
29 MADE A FALSE STATEMENT OR REPORT TO INFLUENCE THE ACTION OF THE
30 ADMINISTRATION ON A LOAN APPLICATION OR TO INFLUENCE AN ACTION OF THE
31 ADMINISTRATION AFFECTING A LOAN ALREADY MADE.

32 (C) PENALTY.

1 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
2 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE
3 NOT EXCEEDING \$50,000 OR BOTH.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-207.

6 Defined terms: "Administration" § 4-101

7 "Person" §§ 1-101, 4-201

8 SUBTITLE 3. DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN PROGRAM.

9 4-301. DEFINITIONS.

10 (A) IN GENERAL.

11 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

12 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1001(a).

13 No changes are made.

14 (B) ELIGIBLE HOMEBUYER.

15 "ELIGIBLE HOMEBUYER" MEANS AN INDIVIDUAL WHO MEETS THE
16 QUALIFICATIONS UNDER § 4-305 OF THIS SUBTITLE.

17 REVISOR'S NOTE: This subsection is new language added to provide a
18 convenient reference to the term "eligible homebuyer".

19 (C) FUND.

20 "FUND" MEANS THE HOMEOWNERSHIP PROGRAMS FUND.

21 REVISOR'S NOTE: This subsection is new language added to provide a concise
22 reference to "Homeownership Programs Fund".

23 (D) HOMEBUYER EDUCATION.

24 (1) "HOMEBUYER EDUCATION" MEANS INSTRUCTION IN PREPARING FOR
25 HOMEOWNERSHIP, SHOPPING FOR A HOME, GETTING A MORTGAGE LOAN, LOAN
26 CLOSING, AND LIFE AS A HOMEOWNER.

27 (2) "HOMEBUYER EDUCATION" INCLUDES HOUSING COUNSELING.

28 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1001(d).

29 In paragraph (1) of this subsection, the reference to a mortgage "loan" is
30 added for clarity.

31 The only other changes are in style.

1 (E) PROGRAM.

2 "PROGRAM" MEANS THE DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN
3 PROGRAM.

4 REVISOR'S NOTE: This subsection is new language derived without
5 substantive change from former Art. 83B, § 2-1001(g).

6 As to the title of the Program, *see* § 4-302 of this subtitle.

7 (F) PROGRAM LOAN.

8 "PROGRAM LOAN" MEANS A LOAN THAT THE DEPARTMENT MAKES UNDER THIS
9 SUBTITLE.

10 REVISOR'S NOTE: This subsection is new language derived without
11 substantive change from former Art. 83B, § 2-1001(e).

12 Defined term: "Department" § 1-101

13 (G) SETTLEMENT EXPENSES.

14 (1) "SETTLEMENT EXPENSES" MEANS MONEY THAT MUST BE PAID AT
15 THE TIME OF THE PURCHASE OF REAL ESTATE.

16 (2) "SETTLEMENT EXPENSES" INCLUDES:

17 (I) FEES AND PREMIUMS FOR TITLE EXAMINATION, TITLE
18 INSURANCE, AND SIMILAR EXPENSES;

19 (II) FEES FOR PREPARING DEEDS, SETTLEMENT STATEMENTS, AND
20 OTHER DOCUMENTS;

21 (III) PAYMENTS OWED AT SETTLEMENT FOR PROPERTY TAXES AND
22 HAZARD INSURANCE COVERAGE;

23 (IV) ESCROWS FOR FUTURE PAYMENTS OF TAXES AND HAZARD
24 INSURANCE;

25 (V) FEES FOR NOTARIZING DEEDS AND OTHER DOCUMENTS;

26 (VI) APPRAISAL FEES;

27 (VII) FEES FOR CREDIT REPORTS;

28 (VIII) TRANSFER AND RECORDATION TAXES AND FEES;

29 (IX) FEES AND PREMIUMS FOR MORTGAGE INSURANCE; AND

30 (X) LOAN DISCOUNT POINTS AND ORIGINATION FEES.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from former Art. 83B, § 2-1001(b).

3 In paragraph (2)(i) through (iii) of this subsection, the conjunction "and" is
4 substituted for the former conjunction "or" as the standard conjunction
5 used in an inclusive definition.

6 In paragraph (2) of this subsection, the former reference to "[d]own
7 payments" is deleted from the definition of the term "settlement expenses"
8 for consistency with the name of the "Down Payment and Settlement
9 Expense Loan Program". Accordingly, the term "down payment" is added
10 each time the term "settlement expenses" is used in this subtitle.

11 REVISOR'S NOTE TO SECTION:

12 Former Art. 83B, § 2-1001(f), which defined "personal circumstances" to
13 mean the "separation or divorce of the joint tenants" or the "death of one of
14 the joint tenants", is deleted as unnecessary because the phrase "personal
15 circumstances" is not used in this subtitle.

16 4-302. ESTABLISHED.

17 THERE IS A DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN PROGRAM.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 2-1002.

20 The former reference to the Program being "in the Department" is deleted
21 in light of § 4-103 of this title.

22 The reference to the "Down Payment and Settlement Expense Loan
23 Program" is substituted for the former name "Settlement Expense Loan
24 Program" to conform to the new and more descriptive name that the
25 Department has given to the Program.

26 4-303. PURPOSE OF PROGRAM.

27 THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCING FOR DOWN
28 PAYMENT AND SETTLEMENT EXPENSES TO ENABLE ELIGIBLE HOMEBUYERS TO
29 PURCHASE HOMES.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 2-1003.

32 The reference to a "down payment" is added to conform to the terminology
33 used throughout this subtitle.

34 Defined terms: "Eligible homebuyer" § 4-301

35 "Program" § 4-301

36 "Settlement expenses" § 4-301

1 4-304. POWERS AND DUTIES OF THE DEPARTMENT.

2 (A) POWERS.

3 THE DEPARTMENT MAY:

4 (1) CHARGE AN APPLICATION FEE OR OTHER FEE TO A PROGRAM LOAN
5 APPLICANT OR LENDER;

6 (2) PURCHASE OR MAKE COMMITMENTS TO PURCHASE PROGRAM
7 LOANS MADE BY MORTGAGE LENDERS;

8 (3) MAKE CONTRACTS WITH THIRD PARTIES TO MAKE OR SERVICE
9 MORTGAGE PROGRAM LOANS MADE FOR THE DEPARTMENT;

10 (4) ACQUIRE ANY PROPERTY THAT SECURES A PROGRAM LOAN UNDER
11 THIS SUBTITLE BY GIFT, PURCHASE, FORECLOSURE, OR OTHERWISE, AND SELL OR
12 OTHERWISE DISPOSE OF THE PROPERTY OR AN INTEREST IN THE PROPERTY;

13 (5) DELEGATE TO A POLITICAL SUBDIVISION ANY ADMINISTRATIVE OR
14 OPERATIONAL ELEMENT OF THE PROGRAM NOT ASSIGNED TO THE DEPARTMENT
15 UNDER SUBSECTION (B) OF THIS SECTION;

16 (6) TAKE ANY OTHER ACTION NECESSARY OR CONVENIENT TO OPERATE
17 THE PROGRAM; AND

18 (7) REQUIRE A POLITICAL SUBDIVISION THAT ADMINISTERS ITS OWN
19 DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN PROGRAM TO INFORM THE
20 DEPARTMENT OF THE POLITICAL SUBDIVISION'S HOMEBUYER EDUCATION
21 REQUIREMENTS.

22 (B) DUTIES.

23 THE DEPARTMENT SHALL:

24 (1) ADMINISTER THE PROGRAM;

25 (2) ATTACH TO A PROGRAM LOAN THE TERMS NEEDED TO CARRY OUT
26 THE PROGRAM;

27 (3) ESTABLISH ELIGIBILITY STANDARDS FOR PROGRAM LOANS,
28 CONSIDERING STATE, REGIONAL, AND COUNTY HOUSING COSTS, MEDIAN INCOMES,
29 AND HOUSEHOLD SIZES;

30 (4) ESTABLISH GUIDELINES TO DETERMINE WHAT PARTS OF THE DOWN
31 PAYMENT AND SETTLEMENT EXPENSES MAY BE COVERED BY THE PROGRAM LOAN;
32 AND

33 (5) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

1 (C) ACTION BY BOARD OF PUBLIC WORKS OR DEPARTMENT OF GENERAL
2 SERVICES.

3 THE SALE OR PURCHASE OF PROPERTY THAT THE DEPARTMENT ACQUIRES OR
4 DISPOSES OF UNDER THIS SECTION NEED NOT BE APPROVED OR EXECUTED BY THE
5 BOARD OF PUBLIC WORKS OR THE DEPARTMENT OF GENERAL SERVICES.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-1005.

8 In subsection (a)(2) of this section, the former reference to the power of the
9 Department to purchase or commit to purchase a Program loan made by a
10 mortgage lender "in conformity with this subtitle and with any regulations
11 or directives issued by the Department" is deleted as implicit. Similarly, in
12 subsection (a)(3) of this section, the former reference to the power of the
13 Department to enter into contracts with third parties who would make or
14 service mortgage Program loans made, on behalf of the Department, "in
15 accordance with this subtitle" is deleted.

16 In subsection (a)(4) of this section, the former phrase "[s]ubject to
17 subsection (c) of this section" is deleted because subsection (c) does not
18 affect subsection (a)(4).

19 In subsection (a)(5) of this section, the reference to an element "not
20 assigned to the Department under subsection (b) of this section" is
21 substituted for the former reference to "[s]ubject to subsection (a) of this
22 section" for clarity.

23 Also in subsection (a)(5) of this section, the defined term "political
24 subdivision[s]" is substituted for the former reference to "local
25 jurisdictions" to conform to the terminology used throughout this article.
26 Similarly, in subsection (a)(7) of this section, the references to "political
27 subdivision" are substituted for the former references to "local
28 jurisdiction".

29 In subsection (a)(6) of this section, the former reference to the "effective"
30 operation of the Program is deleted as surplusage.

31 In subsections (a)(7) and (b)(4) of this section, the references to "down
32 payment" are added to conform to the terminology used throughout this
33 subtitle.

34 In subsection (a)(7) of this section, the reference to "the political
35 subdivision's" requirements is added for clarity.

36 Also in subsection (a)(7) of this section, the reference to a political
37 subdivision administering "its own" down payment and settlement expense
38 loan program is added for clarity.

39 Also in subsection (a)(7) of this section, the former reference to

1 "housing counseling" is deleted as included in the defined term
2 homebuyer education".

3 In subsection (b)(1) of this section, the former requirements to "supervise"
4 and "[m]anage" are deleted as included in the requirement to "administer"
5 the Program.

6 In subsection (b)(2) of this section, the reference to the word "needed" is
7 substituted for the former reference to the phrase "as may be necessary"
8 for clarity.

9 Also in subsection (b)(2) of this section, the former reference to "specific"
10 terms is deleted as surplusage.

11 In subsection (b)(5) of this section, the former requirement that the
12 Department adopt regulations "in conformity with statutory requirements"
13 is deleted as unnecessary. *See* Title 2, Subtitle 10 of the State Government
14 Article.

15 Defined terms: "County" § 1-101

16 "Department" § 1-101

17 "Homebuyer education" § 4-301

18 "Political subdivision" § 1-101

19 "Program" § 4-301

20 "Program loan" § 4-301

21 "Settlement expenses" § 4-301

22 4-305. ELIGIBLE HOMEBUYER.

23 AN INDIVIDUAL QUALIFIES AS AN ELIGIBLE HOMEBUYER IF THE INDIVIDUAL:

24 (1) WILL PURCHASE AND OCCUPY A SINGLE-UNIT PRINCIPAL
25 RESIDENCE AND HAS HOUSEHOLD INCOME NOT EXCEEDING UPPER LIMITS THAT
26 THE SECRETARY ESTABLISHES; OR

27 (2) WILL PURCHASE AND OCCUPY A RESIDENTIAL BUILDING WITH NO
28 MORE THAN FOUR UNITS AND AGREES TO RENT ALL UNITS OTHER THAN THE
29 OWNER'S UNIT TO HOUSEHOLDS WITH INCOME NOT EXCEEDING UPPER LIMITS THAT
30 THE SECRETARY ESTABLISHES.

31 REVISOR'S NOTE: This section is new language derived without substantive
32 change from former Art. 83B, § 2-1001(c).

33 It is revised as a substantive provision for clarity.

34 In the introductory language of this section, the reference to an
35 "individual" is substituted for the former reference to a "person or persons"
36 because an eligible homebuyer can be only a human being and not the
37 other entities included in the defined term "person".

1 In item (1) of this section, the reference to a "principal" residence is
2 substituted for the former reference to a "primary" residence to conform to
3 the terminology used throughout this subtitle.

4 Defined terms: "Eligible homebuyer" § 4-301

5 "Secretary" § 1-101

6 4-306. OPERATION OF PROGRAM.

7 THE PROGRAM SHALL BE OPERATED WITH MONEY IN THE FUND.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from the first clause of former Art. 83B, § 2-1006(a).

10 Defined terms: "Fund" § 4-301

11 "Program" § 4-301

12 4-307. PROGRAM LOANS.

13 (A) USES.

14 PROCEEDS OF A PROGRAM LOAN SHALL BE USED ONLY TO MAKE A DOWN
15 PAYMENT OR PAY SETTLEMENT EXPENSES FOR AN ELIGIBLE HOMEBUYER TO
16 PURCHASE A PERSONAL RESIDENCE.

17 (B) SECURITY BY MORTGAGE LIEN.

18 A PROGRAM LOAN SHALL BE SECURED BY A MORTGAGE LIEN THAT:

19 (1) MAY BE SUBORDINATE TO OTHER MORTGAGE LIENS; AND

20 (2) MAY INCLUDE TERMS, INCLUDING DEFERRED PAYMENT OF
21 PRINCIPAL AND INTEREST, THAT THE DEPARTMENT CONSIDERS NECESSARY TO
22 MAKE HOUSING PURCHASES AFFORDABLE TO ELIGIBLE HOMEBUYERS.

23 (C) REVIEW PROCESS OF LOAN APPLICATION.

24 IN REVIEWING AN APPLICATION FOR A PROGRAM LOAN, THE DEPARTMENT
25 SHALL:

26 (1) CONSIDER THE ELIGIBLE HOMEBUYER'S FINANCIAL RESOURCES,
27 INCLUDING SAVINGS AVAILABLE TO MAKE A DOWN PAYMENT OR PAY SETTLEMENT
28 EXPENSES, IN RELATION TO:

29 (I) THE PURCHASE PRICE OF THE HOME; AND

30 (II) THE DOWN PAYMENT REQUIREMENTS OF THE LENDER; AND

31 (2) GIVE HIGH PRIORITY TO ELIGIBLE HOMEBUYERS OF LOW INCOME
32 WITHIN THE INCOME LIMITS ESTABLISHED UNDER § 4-304(B)(3) OF THIS SUBTITLE.

1 (D) DUE AND PAYABLE ON SALE OR TRANSFER.

2 NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT MAY REQUIRE THAT
3 PROGRAM LOANS BECOME DUE AND PAYABLE ON THE LATER SALE OR TRANSFER OF
4 THE PROPERTY, BUT THE DEPARTMENT MAY ALLOW AN ELIGIBLE HOMEBUYER WHO
5 PURCHASES THE PROPERTY TO ASSUME THE PROGRAM LOAN.

6 (E) DEFAULT.

7 IF A BORROWER DEFAULTS, THE DEPARTMENT MAY MODIFY THE INTEREST
8 RATE, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM OF A PROGRAM
9 LOAN TO FACILITATE REPAYMENT OF THE PROGRAM LOAN AND TO ACHIEVE THE
10 PURPOSE OF THE PROGRAM.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 2-1004.

13 In subsections (a) and (c)(1) of this section, the references to "down
14 payment" are added to conform to the terminology used throughout this
15 subtitle.

16 In subsection (a) of this section, the reference to "[p]roceeds" of a Program
17 loan is added for clarity.

18 In the introductory language of subsection (c) of this section, the phrase
19 "[i]n reviewing an application" for a Program loan is substituted for the
20 former phrase "[i]n approving" loans to avoid the erroneous implication
21 that all applications for Program loans must be approved.

22 In subsection (c) of this section, the references to the defined term "eligible
23 homebuyer" are substituted for the former references to a "homebuyer" to
24 conform to the terminology used in this subtitle.

25 In subsection (d) of this section, the former phrase "[e]xcept as provided in
26 paragraph (2) of this subsection" is deleted because paragraph (2) of the
27 former law did not contain an exception.

28 Also in subsection (d) of this section, the former reference to "any provision
29 of this subtitle or ... regulation" is deleted as included in the reference to
30 any "law".

31 Also in subsection (d) of this section, the reference to the "later" sale or
32 transfer is added for clarity.

33 Defined terms: "Department" § 1-101

34 "Eligible homebuyer" § 4-301

35 "Program" § 4-301

36 "Program loan" § 4-301

37 "Settlement expenses" § 4-301

1 4-308. HOMEBUYER EDUCATION.

2 (A) DUTY OF PROGRAM LOAN RECIPIENT.

3 EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A RECIPIENT OF A
4 PROGRAM LOAN SHALL COMPLETE HOMEBUYER EDUCATION THAT MEETS THE
5 REQUIREMENTS OF THE DEPARTMENT.

6 (B) EXCEPTION.

7 IF THE POLITICAL SUBDIVISION IN WHICH A PROGRAM LOAN RECIPIENT WILL
8 USE A PROGRAM LOAN ADMINISTERS A DOWN PAYMENT OR SETTLEMENT EXPENSE
9 LOAN PROGRAM THAT REQUIRES HOMEBUYER EDUCATION, THE HOMEBUYER
10 EDUCATION TO BE COMPLETED BY THE PROGRAM LOAN RECIPIENT MUST MEET THE
11 MORE STRINGENT OF THE REQUIREMENTS OF THE DEPARTMENT AND THE
12 REQUIREMENTS OF THE POLITICAL SUBDIVISION.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 2-1008.

15 The former references to "housing counseling" are deleted as included in
16 the defined term "homebuyer education".

17 In subsection (b) of this section, the defined term "political subdivision" is
18 substituted for the former reference to "local jurisdiction" to conform to the
19 terminology used throughout this division.

20 Defined terms: "Department" § 1-101

21 "Eligible homebuyer" § 4-301

22 "Homebuyer education" § 4-301

23 "Political subdivision" § 1-101

24 "Program loan" § 4-301

25 "Settlement expenses" § 4-301

26 4-309. FALSE STATEMENTS OR REPORTS.

27 (A) PROHIBITED.

28 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
29 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO
30 THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.

31 (2) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE TO BE
32 MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE AN ACTION OF THE
33 DEPARTMENT ON A PROGRAM LOAN APPLICATION OR A PROGRAM LOAN ALREADY
34 MADE.

35 (B) PENALTY.

1 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
2 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE
3 NOT EXCEEDING \$50,000 OR BOTH.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-1007.

6 Defined terms: "Department" § 1-101

7 "Person" § 1-101

8 "Program loan" § 4-301

9 SUBTITLE 4. ELDERLY RENTAL HOUSING PROGRAM.

10 4-401. DEFINITIONS.

11 (A) IN GENERAL.

12 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

13 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-801(a).

14 No changes are made.

15 (B) ELDERLY HOUSEHOLD.

16 "ELDERLY HOUSEHOLD" MEANS ONE OR MORE INDIVIDUALS WHO OCCUPY A
17 RESIDENTIAL DWELLING UNIT, AT LEAST ONE OF WHOM IS:

18 (1) AT LEAST 62 YEARS OLD; OR

19 (2) PHYSICALLY HANDICAPPED AND WOULD QUALIFY AS AN ELDERLY
20 PERSON UNDER A FEDERAL HOUSING PROGRAM.

21 REVISOR'S NOTE: This subsection is new language derived without
22 substantive change from former Art. 83B, § 2-801(d).

23 Defined term: "Person" § 1-101

24 (C) FUND.

25 "FUND" MEANS THE RENTAL HOUSING PROGRAM FUND.

26 REVISOR'S NOTE: This subsection is new language added to provide a
27 convenient reference to the Rental Housing Program Fund.

28 (D) PROGRAM.

29 "PROGRAM" MEANS THE ELDERLY RENTAL HOUSING PROGRAM.

30 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-801(h).

1 No changes are made.

2 4-402. ESTABLISHED.

3 THERE IS AN ELDERLY RENTAL HOUSING PROGRAM.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-803.

6 The former phrase "of the Administration" is deleted in light of § 4-103 of
7 this title.

8 Defined term: "Administration" § 4-101

9 4-403. PURPOSES OF PROGRAM.

10 THE PURPOSES OF THE PROGRAM ARE TO:

11 (1) STIMULATE THE PRODUCTION OF RENTAL HOUSING, INCLUDING
12 CONVERSION OF EXISTING RENTAL HOUSING, FOR OCCUPANCY BY ELDERLY
13 HOUSEHOLDS;

14 (2) INCREASE THE SUPPLY OF DECENT, SAFE, AND SANITARY RENTAL
15 HOUSING AT COSTS THAT ARE AFFORDABLE TO LOW-INCOME ELDERLY
16 HOUSEHOLDS;

17 (3) USE AVAILABLE RESOURCES TO SERVE THE ELDERLY HOUSEHOLDS
18 THAT ARE MOST IN NEED; AND

19 (4) RELIEVE UNEMPLOYMENT BY STIMULATING THE CONSTRUCTION
20 OR SUBSTANTIAL REHABILITATION OF ELDERLY RENTAL HOUSING PROJECTS OR
21 THE CONVERSION OF EXISTING RENTAL HOUSING PROJECTS FOR OCCUPANCY BY
22 ELDERLY HOUSEHOLDS.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from former Art. 83B, § 2-802.

25 In item (3) of this section, the word "elderly" is added to conform to the
26 defined term "elderly household". Similarly, in item (4) of this section, the
27 term "elderly rental housing project[s]" is substituted for the former
28 reference to "elderly rental housing" to conform to the defined term
29 "elderly rental housing project". *See* § 4-101 of this subtitle.

30 In items (1), (2), and (4) of this section, the former references to "in this
31 State" are deleted as surplusage.

32 In item (4) of this section, the former reference to "conditions" of
33 unemployment is deleted as surplusage.

34 Defined terms: "Elderly household" § 4-401

35 "Elderly rental housing project" § 4-101

1 "Program" § 4-401

2 4-404. POWERS AND DUTIES OF ADMINISTRATION -- IN GENERAL.

3 (A) DUTIES OF ADMINISTRATION.

4 THE ADMINISTRATION SHALL:

5 (1) ADMINISTER THE PROGRAM;

6 (2) ADOPT POLICIES TO ENSURE THAT RENTAL PROPERTY IS MADE
7 AVAILABLE TO LOW-INCOME ELDERLY HOUSEHOLDS; AND

8 (3) USE FEDERAL AND STATE PROGRAMS TO HELP CARRY OUT THE
9 PROGRAM.

10 (B) GUIDELINES.

11 THE ADMINISTRATION SHALL SET INCOME GUIDELINES BY CONSIDERING:

12 (1) THE MEDIAN INCOME FOR THE AREA;

13 (2) THE MINIMUM INCOME NEEDED TO AFFORD AVAILABLE STANDARD
14 RENTAL UNITS IN THE AREA; AND

15 (3) ANY OTHER FACTOR THE ADMINISTRATION CONSIDERS RELEVANT.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, §§ 2-804(c) and (b)(1), (2), and (4), and, as it
18 related to the Program, 2-806.

19 In subsection (a)(1) of this section, the former references to "[m]anag[ing]"
20 and "supervis[ing]" the Program are deleted as included in the reference to
21 "administer[ing]" it.

22 Former Art. 83B, § 2-804(a), which stated that, in addition to specific
23 powers granted and duties imposed elsewhere, the Administration has the
24 powers and duties set forth in this section, is deleted as surplusage.

25 The Housing Article Review Committee notes, for consideration by the
26 General Assembly, that under subsection (a) of this section, the
27 Community Development Administration and not the Department of
28 Housing and Community Development is required to administer the
29 Program. This requirement was enacted when the Administration was in
30 the Department of Economic and Community Development. By contrast,
31 all other programs in this title are required to be administered by the
32 Department of Housing and Community Development, which now includes
33 the Administration. *See, e.g.*, § 4-304(b)(1) (Down Payment and Settlement
34 Expense Loan Program) and § 4-605(1) (Group Home Financing Program).
35 For consistency, the General Assembly may wish to assign administration
36 of the Program to the Department of Housing and Community

1 Development.

2 Defined terms: "Administration" § 4-101

3 "Elderly household" § 4-401

4 "Program" § 4-401

5 4-405. SAME -- ADDITIONAL OR REPLACED MONEY.

6 TO ACHIEVE THE PURPOSES OF THE FUND, THE ADMINISTRATION SHALL, FROM
7 TIME TO TIME, ASK THE STATE TO INCREASE OR REPLACE AMOUNTS DEPOSITED
8 WITH THE STATE TREASURER IN THE FUND.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 2-810.

11 Defined terms: "Administration" § 4-101

12 "Fund" § 4-401

13 4-406. REGULATIONS.

14 (A) IN GENERAL.

15 THE ADMINISTRATION SHALL ADOPT REGULATIONS TO CARRY OUT THE
16 PROGRAM.

17 (B) CONTENTS.

18 THE REGULATIONS SHALL PROVIDE FOR:

19 (1) APPLICATIONS FOR MONEY FROM THE FUND;

20 (2) STANDARDS OF ELIGIBILITY, TERMS, AND FEES;

21 (3) CHARGES THAT SHALL BE IMPOSED ON DEFERRED PAYMENT,
22 SUBORDINATED LOANS; AND

23 (4) THE RECAPTURE OF MONEY OF THE FUND FROM A BORROWER THAT
24 DOES NOT USE THE MONEY IN A TIMELY MANNER.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, §§ 2-809 and 2-804(d) and (b)(3).

27 In subsection (a) of this section, the former requirement that the
28 Administration "[d]evelop" regulations is deleted as implicit in the
29 requirement that the Administration "adopt" regulations.

30 Also in subsection (a) of this section, the former reference to "rules" is
31 deleted in light of the reference to "regulations". See General Revisor's
32 Note to article.

33 Also in subsection (a) of this section, the former phrase "in conformance

1 with statutory requirements" is deleted as implicit in the reference to
2 adopting "regulations".

3 In subsection (b)(4) of this section, the reference to a "borrower" is
4 substituted for the former reference to the "local governments or
5 developer" for brevity.

6 Defined terms: "Administration" § 4-101

7 "Fund" § 4-401

8 "Program" § 4-401

9 4-407. ELDERLY RENTAL HOUSING PROJECT.

10 (A) IN GENERAL.

11 A PROJECT QUALIFIES AS AN ELDERLY RENTAL HOUSING PROJECT, IF:

12 (1) ITS PURPOSE IS TO ACQUIRE, CONSTRUCT, OR REHABILITATE ALL OR
13 PART OF A BUILDING OR IMPROVEMENT THAT WILL BE OCCUPIED BY LOW-INCOME
14 ELDERLY HOUSEHOLDS AS PROVIDED IN THIS SUBSECTION;

15 (2) SOME DWELLING UNITS IN THE PROJECT ARE SET ASIDE FOR
16 LOW-INCOME ELDERLY HOUSEHOLDS FOR AT LEAST THE GREATER OF 15 YEARS OR
17 THE NUMBER OF YEARS REQUIRED BY FEDERAL LAW; AND

18 (3) THE NUMBER OF DWELLING UNITS SO SET ASIDE IS AT LEAST THE
19 GREATEST OF:

20 (I) THE NUMBER THAT BEARS THE SAME RATIO TO THE WHOLE
21 NUMBER OF DWELLING UNITS IN THE PROJECT AS THE AMOUNT OF THE PROGRAM
22 LOAN BEARS TO THE WHOLE FINANCING OF THE UNDERTAKING;

23 (II) THE NUMBER OF DWELLING UNITS CHOSEN BY THE SPONSOR
24 TO SATISFY FEDERAL OCCUPANCY REQUIREMENTS, IF THE PROJECT RECEIVES
25 FEDERAL LOW-INCOME HOUSING TAX CREDITS; AND

26 (III) THE NUMBER OF DWELLING UNITS REQUIRED FOR
27 COMMUNITY DEVELOPMENT PROJECTS UNDER § 4-217(B)(1)(II) OF THIS TITLE OR THE
28 NUMBER OF DWELLING UNITS THAT THE ISSUER OF THE BONDS CHOOSES,
29 WHICHEVER IS GREATER, IF PART OF THE COSTS OF THE PROJECT IS FINANCED
30 WITH GOVERNMENT-ISSUED FEDERALLY TAX-EXEMPT REVENUE BONDS.

31 (B) DWELLING UNITS COUNTED TOWARD MINIMUM REQUIREMENT.

32 DWELLING UNITS THAT MAY BE COUNTED TOWARD THE MINIMUM NUMBER
33 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION INCLUDE:

34 (1) A DWELLING UNIT SET ASIDE FOR OCCUPANCY TO MEET ANOTHER
35 FEDERAL OR STATE OCCUPANCY REQUIREMENT; AND

1 (2) A DWELLING UNIT THAT IS FOR SINGLE ROOM OCCUPANCY OR IS
2 FOR SHARED LIVING.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, § 2-801(e).

5 In subsection (a)(3)(i) of this section, the phrase "bears the same ratio" is
6 substituted for the former phrase "is equal to the proportion of" the
7 amount of the program loan for accuracy.

8 Defined terms: "Elderly household" § 4-401

9 "Elderly rental housing project" § 4-101

10 4-408. APPLICATION FOR LOAN.

11 (A) REQUIRED REVIEW.

12 THE ADMINISTRATION SHALL REVIEW APPLICATIONS FOR LOANS SUBMITTED
13 BY PRIVATE OR NONPROFIT SPONSORS, POLITICAL SUBDIVISIONS, OR LOCAL
14 HOUSING AUTHORITIES ESTABLISHED UNDER ARTICLE 44A OF THE CODE ON
15 BEHALF OF SPONSORS OF PROPOSED ELDERLY RENTAL HOUSING PROJECTS.

16 (B) REVIEW PROCESS.

17 IN REVIEWING AN APPLICATION FOR A DEFERRED PAYMENT LOAN UNDER §
18 4-409 OF THIS SUBTITLE, THE ADMINISTRATION SHALL CONSIDER:

19 (1) THE DEGREE OF LOCAL GOVERNMENT INCENTIVE AND SUPPORT
20 PROVIDED TO THE PROPOSED RESIDENTIAL RENTAL FACILITY SUPPORTED BY
21 MONEY FROM THE FUND, INCLUDING CONTRIBUTION OF LAND, ABATEMENT OF
22 TAXES OR FEES, DIRECT OR INDIRECT RENTAL SUBSIDIES, AND GRANTS;

23 (2) THE EXTENT TO WHICH LOW-INCOME ELDERLY HOUSEHOLDS WILL
24 BE ASSISTED BY GRANTING THE APPLICATION;

25 (3) THE NUMBER AND PERCENTAGE OF LOW-INCOME ELDERLY
26 HOUSEHOLDS IN THE POLITICAL SUBDIVISION; AND

27 (4) THE QUANTITY AND CONDITION OF RESIDENTIAL PROPERTY IN THE
28 POLITICAL SUBDIVISION.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from former Art. 83B, § 2-808.

31 In subsections (a) and (b)(3) and (4) of this section, the defined term
32 "political subdivision[s]" is substituted for the former references to
33 "count[ies]" and "municipalit[ies]" for brevity.

34 In subsection (a) of this section, the reference to "authorities" established
35 under Article 44A is substituted for the former reference to "agencies" to
36 conform to the terminology used in Article 44A.

1 Also in subsection (a) of this section, the former phrase "acquisition,
2 construction, or rehabilitation of, or conversion to" elderly rental housing
3 projects is deleted as surplusage.

4 In the introductory language of subsection (b) of this section, the reference
5 to "reviewing" an application is substituted for the former reference to
6 "approving" an application to avoid the erroneous implication that all
7 applications must be approved.

8 Defined terms: "Administration" § 4-101

9 "County" § 1-101

10 "Elderly household" § 4-401

11 "Elderly rental housing project" § 4-101

12 "Fund" § 4-401

13 "Political subdivision" § 1-101

14 4-409. DEFERRED PAYMENT LOANS.

15 (A) USE OF LOANS.

16 MONEY IN THE FUND MAY BE USED TO MAKE A DEFERRED PAYMENT LOAN TO
17 AN APPROVED APPLICANT TO:

18 (1) ACQUIRE, CONSTRUCT, OR REHABILITATE AN ELDERLY RENTAL
19 HOUSING PROJECT; OR

20 (2) CONVERT EXISTING RENTAL HOUSING TO AN ELDERLY RENTAL
21 HOUSING PROJECT.

22 (B) LOANS SUBORDINATE TO OTHER FINANCING.

23 A DEFERRED PAYMENT LOAN UNDER THIS SECTION MAY BE SUBORDINATE TO
24 OTHER FINANCING.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-807.

27 In subsection (a)(2) of this section, the former reference to elderly rental
28 housing projects "for occupancy by elderly households" is deleted as
29 surplusage.

30 Former Art. 83B, § 2-801(c), which defined "applicant" to mean "private or
31 nonprofit sponsors, counties, municipalities, or local housing agencies
32 established under Article 44A of the Code" is deleted as unnecessary.

33 Defined terms: "Elderly household" § 4-401

34 "Elderly rental housing project" § 4-101

35 "Fund" § 4-401

36 "Political subdivision" § 4-101

1 SUBTITLE 5. FUNDS.

2 4-501. IN GENERAL.

3 (A) STATUS OF FUND.

4 (1) EACH FUND ESTABLISHED UNDER THIS SUBTITLE IS A CONTINUING,
5 NONLAPSING SPECIAL FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE
6 FINANCE AND PROCUREMENT ARTICLE.

7 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
8 SHALL ACCOUNT FOR EACH FUND ESTABLISHED UNDER THIS SUBTITLE.

9 (B) INVESTMENT OF FUNDS.

10 MONEY IN A FUND ESTABLISHED UNDER THIS SUBTITLE SHALL BE INVESTED
11 IN THE SAME WAY AS OTHER STATE MONEY.

12 (C) APPROPRIATIONS TO RENTAL HOUSING PROGRAMS FUND AND SPECIAL
13 LOAN PROGRAMS FUND.

14 (1) IN THE STATE BUDGET, THE STATE MAY APPROPRIATE TO THE
15 RENTAL HOUSING PROGRAMS FUND AND THE SPECIAL LOAN PROGRAMS FUND ALL
16 OR PART OF THE MONEY RECEIVED AS REPAYMENT OF PRINCIPAL OR PAYMENT OF
17 INTEREST ON A LOAN MADE BY THE MARYLAND HOUSING REHABILITATION
18 PROGRAM.

19 (2) THE APPROPRIATION MAY BE INCREASED BY BUDGET AMENDMENT.

20 (3) THE AMOUNT OF REPAYMENTS APPROPRIATED TO MAKE LOANS
21 UNDER THE MARYLAND HOUSING REHABILITATION PROGRAM MAY NOT EXCEED
22 \$12,000,000 ANNUALLY.

23 (4) THE STATE MAY NOT APPROPRIATE REPAYMENT OF PRINCIPAL AND
24 PAYMENT OF INTEREST TO THE MARYLAND HOUSING REHABILITATION PROGRAM TO
25 THE EXTENT THAT LOANS EXPECTED TO BE MADE WITH THE MONEY APPROPRIATED
26 WOULD CAUSE THE PRINCIPAL AMOUNT OF LOANS OUTSTANDING TO EXCEED
27 \$100,000,000.

28 REVISOR'S NOTE: Subsection (a) of this section is new language derived
29 without substantive change from the second clause of former Art. 83B, §
30 2-613(b)(1) and the second clause of (a), § 2-708(c)(1) and the second
31 clause of (a), § 2-805(c) and the first sentence of (a), § 2-1006(c)(1) and the
32 second clause of (a), the first sentence of § 2-1109(b) and the first clause of
33 (a), and the second clause of § 2-1409(a).

34 Subsection (b) of this section is new language derived without substantive
35 change from the second sentence of former Art. 83B, § 2-313(d), the second
36 sentence of § 2-505(c), the first sentence of § 2-613(b)(2), § 2-708(c)(2), the
37 second sentence of § 2-805(c), and the second sentence of § 2-1109(b).

1 Subsection (c) of this section is new language derived without substantive
2 change from former Art. 83B, § 2-313(e).

3 In subsection (a)(1) of this section, the statement that the Fund "is not
4 subject to § 7-302 of the State Finance and Procurement Article" is
5 standard language added to special fund sections to ensure that unspent
6 balances of appropriations made from the Fund do not revert to the
7 General Fund.

8 In subsection (b) of this section, the former reference to money being
9 "reinvested" is deleted as implicit in the reference to money being
10 "invested".

11 In subsection (c) of this section, the reference to "the Rental Housing
12 Programs Fund and the Special Loan Programs Fund" is substituted for
13 the former reference to the "Funds", for clarity.

14 4-502. HOMEOWNERSHIP PROGRAMS FUND.

15 (A) "FUND" DEFINED.

16 IN THIS SECTION, "FUND" MEANS THE HOMEOWNERSHIP PROGRAMS FUND.

17 (B) ESTABLISHED.

18 THERE IS A HOMEOWNERSHIP PROGRAMS FUND.

19 (C) PURPOSES OF FUND.

20 AS PROVIDED IN THE STATE BUDGET, THE DEPARTMENT SHALL USE THE FUND
21 TO:

22 (1) PAY EXPENSES OF THE MARYLAND HOME FINANCING PROGRAM,
23 INCLUDING RESERVES FOR ANTICIPATED FUTURE LOSSES DIRECTLY RELATED TO
24 THE MARYLAND HOME FINANCING PROGRAM;

25 (2) MAKE LOANS UNDER THE MARYLAND HOME FINANCING PROGRAM;
26 AND

27 (3) MAKE LOANS AND PAY EXPENSES OF THE DOWN PAYMENT AND
28 SETTLEMENT EXPENSE LOAN PROGRAM.

29 (D) COMPOSITION.

30 THE FUND CONSISTS OF:

31 (1) MONEY APPROPRIATED BY THE STATE FOR HOMEOWNERSHIP
32 PROGRAMS, INCLUDING THE MARYLAND HOME FINANCING PROGRAM UNDER
33 SUBTITLE 8 OF THIS TITLE AND THE DOWN PAYMENT AND SETTLEMENT EXPENSE
34 LOAN PROGRAM UNDER SUBTITLE 3 OF THIS TITLE;

1 (2) MONEY FROM THE SALE OF THE STATE'S GENERAL OBLIGATION
2 BONDS;

3 (3) REPAYMENTS OR PREPAYMENTS OF PRINCIPAL AND PAYMENTS OF
4 INTEREST ON LOANS MADE UNDER THE MARYLAND HOME FINANCING PROGRAM,
5 THE HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE PROGRAM, THE REVERSE
6 EQUITY PROGRAM, OR THE DOWN PAYMENT AND SETTLEMENT EXPENSE LOAN
7 PROGRAM, FORMERLY THE SETTLEMENT EXPENSE LOAN PROGRAM;

8 (4) MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH §§
9 4-503(D), 4-504(F), AND 4-505(H) OF THIS SUBTITLE AND § 6-310(G) OF THIS ARTICLE;
10 AND

11 (5) INVESTMENT EARNINGS OF THE FUND.

12 (E) TRANSFERS.

13 SUBJECT TO § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND
14 EXCEPT AS OTHERWISE PROVIDED IN THE STATE BUDGET, AFTER THE FIRST 8
15 MONTHS OF A FISCAL YEAR, THE DEPARTMENT MAY TRANSFER UNENCUMBERED
16 MONEY IN THE FUND TO ANY OTHER FUND ESTABLISHED UNDER THIS TITLE.

17 (F) CREDITS TO ANNUITY BOND FUND.

18 MONEY RECEIVED AS REPAYMENT OF PRINCIPAL OR PAYMENT OF INTEREST
19 ON A LOAN MADE UNDER THE MARYLAND HOME FINANCING PROGRAM THAT IS NOT
20 APPROPRIATED IN THE STATE BUDGET MAY BE CREDITED TO THE ANNUITY BOND
21 FUND AND USED TO PAY THE PRINCIPAL OF OR INTEREST ON MONEY BORROWED BY
22 THE STATE AND APPROPRIATED TO THE MARYLAND HOME FINANCING PROGRAM.

23 REVISOR'S NOTE: Subsection (a) of this section is new language added to
24 provide a convenient reference to the Homeownership Programs Fund.

25 Subsection (b) of this section is standard language added to state explicitly
26 that the Homeownership Programs Fund exists.

27 Subsections (c) through (f) of this section are new language derived
28 without substantive change from former Art. 83B, § 2-613(b) through (e)
29 and, as they referred to the composition of the Maryland Home Financing
30 Program, §§ 2-613(a), and 2-1006(a), (b), (d), and (c)(2).

31 In the introductory language of subsection (c) of this section, the former
32 reference to the "annual" budget of the State is deleted as implicit in the
33 reference to the "State budget".

34 Also in the introductory language of subsection (c) of this section, the
35 former reference to "other act appropriating moneys" is deleted in light of
36 the comprehensive reference to the "State budget".

37 In subsection (c)(1) of this section, the reference to the Maryland Home

1 Financing Program is substituted for the former reference to "Program" for
2 clarity.

3 In subsection (d)(3) of this section, the reference to the "Down Payment
4 and Settlement Expense Loan Program, formerly the Settlement Expense
5 Loan Program" is substituted for the former reference to the "Settlement
6 Expense Loan Program" to clarify that repayments or prepayments of
7 principal and payments of interest on loans made under the Program are
8 part of the Fund, regardless of the name of the Program at the time they
9 were made.

10 Also in subsection (d)(3) of this section, the former limited reference to the
11 Maryland Home Financing Program "prior to July 1, 1989" is deleted in
12 light of the comprehensive reference to "the Maryland Home Financing
13 Program". Similarly, the former reference to the Down Payment and
14 Settlement Expense Loan Program "prior to or after July 1, 1989" is
15 deleted.

16 In subsection (d)(4) of this section, the former reference to money credited
17 "to the Reverse Equity Program or the Homeowners' Emergency Mortgage
18 Assistance Program [being transferred] ... to the Homeownership
19 Programs Fund as of July 1, 1989" is deleted as obsolete.

20 Former Art. 83B, § 2-1006(a)(4) which stated "[a]ll other moneys referred
21 to in § 2-613(a) of this title which are not otherwise set forth in this
22 subsection" is deleted as surplusage, because all of former § 2-613(a) is
23 revised in this subsection.

24 Defined term: "Department" § 1-101

25 4-503. PARTNERSHIP RENTAL HOUSING FUND.

26 (A) "FUND" DEFINED.

27 IN THIS SECTION, "FUND" MEANS THE PARTNERSHIP RENTAL HOUSING FUND.

28 (B) ESTABLISHED.

29 THERE IS A PARTNERSHIP RENTAL HOUSING FUND.

30 (C) COMPOSITION.

31 THE FUND CONSISTS OF:

32 (1) MONEY APPROPRIATED BY THE STATE TO THE PARTNERSHIP
33 RENTAL HOUSING PROGRAM;

34 (2) MONEY MADE AVAILABLE TO THE PARTNERSHIP RENTAL HOUSING
35 PROGRAM FROM THE SALE OF GENERAL OBLIGATION OR OTHER BONDS INCLUDING
36 THE PROCEEDS OF THE SALE OF BONDS AUTHORIZED BY CHAPTER 625 OF THE ACTS

1 OF THE GENERAL ASSEMBLY OF 1988 AND CHAPTER 97 OF THE ACTS OF THE
2 GENERAL ASSEMBLY OF 1989;

3 (3) INVESTMENT EARNINGS OF THE FUND; AND

4 (4) REPAYMENT OF LOANS FROM THE FUND EXCEPT TO THE EXTENT
5 ANY STATE OR FEDERAL LAW GOVERNING THE PROCEEDS OF BONDS PROHIBITS THE
6 RECYCLING OF MONEY.

7 (D) TRANSFERS.

8 SUBJECT TO THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE AND §
9 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AFTER THE FIRST 8
10 MONTHS OF A FISCAL YEAR, THE DEPARTMENT MAY TRANSFER UNENCUMBERED
11 MONEY IN THE FUND AMONG THE PARTNERSHIP RENTAL HOUSING FUND, THE
12 RENTAL HOUSING PROGRAMS FUND, THE HOMEOWNERSHIP PROGRAMS FUND, AND
13 THE SPECIAL LOAN PROGRAMS FUND, IF THE SECRETARY DETERMINES THAT
14 DEMAND IS:

15 (1) LESS THAN ANTICIPATED FOR THE FUND FROM WHICH MONEY IS
16 BEING TRANSFERRED; AND

17 (2) GREATER THAN ANTICIPATED FOR THE FUND TO WHICH MONEY IS
18 BEING TRANSFERRED.

19 REVISOR'S NOTE: Subsection (a) of this section is new language added to
20 provide a convenient reference to the Partnership Rental Housing Fund.

21 Subsection (b) of this section is standard language added to state explicitly
22 that the Partnership Rental Housing Fund exists.

23 Subsections (c) and (d) of this section are new language derived without
24 substantive change from former Art. 83B, § 2-1109(c), the third and fourth
25 sentences of (b), and as it referred to the composition of the Partnership
26 Rental Housing Fund, (a).

27 The Housing Article Review Committee notes, for consideration by the
28 General Assembly, that this section does not expressly state any uses for
29 the money in the Partnership Rental Housing Fund.

30 Defined terms: "Department" § 1-101

31 "Secretary" § 1-101

32 4-504. RENTAL HOUSING PROGRAMS FUND.

33 (A) "FUND" DEFINED.

34 IN THIS SECTION, "FUND" MEANS THE RENTAL HOUSING PROGRAMS FUND.

35 (B) ESTABLISHED.

1 THERE IS A RENTAL HOUSING PROGRAMS FUND.

2 (C) PURPOSES OF FUND.

3 (1) THE DEPARTMENT SHALL USE THE FUND TO:

4 (I) OPERATE, MAKE LOANS, AND PAY EXPENSES OF THE
5 MARYLAND HOUSING REHABILITATION PROGRAM, INCLUDING RESERVES FOR
6 ANTICIPATED FUTURE LOSSES DIRECTLY RELATED TO THE MARYLAND HOUSING
7 REHABILITATION PROGRAM, AS PROVIDED IN THE STATE BUDGET; AND

8 (II) OPERATE, MAKE LOANS, AND PAY EXPENSES OF THE RENTAL
9 HOUSING PRODUCTION PROGRAM.

10 (2) THE ADMINISTRATION SHALL USE THE FUND TO OPERATE, MAKE
11 LOANS, AND PAY EXPENSES OF THE ELDERLY RENTAL HOUSING PROGRAM.

12 (3) (I) THE ADMINISTRATION MAY USE THE FUND TO MAKE
13 DEFERRED PAYMENT LOANS TO APPROVED APPLICANTS TO ENABLE THE
14 APPLICANTS TO ACQUIRE, CONSTRUCT, OR REHABILITATE ELDERLY RENTAL
15 HOUSING PROJECTS OR TO CONVERT EXISTING RENTAL HOUSING TO ELDERLY
16 RENTAL HOUSING PROJECTS.

17 (II) DEFERRED PAYMENT LOANS MAY BE SUBORDINATE TO OTHER
18 FINANCING.

19 (D) ADMINISTRATION.

20 THE ADMINISTRATION SHALL ADMINISTER THE FUND.

21 (E) COMPOSITION.

22 (1) THE FUND CONSISTS OF:

23 (I) MONEY APPROPRIATED BY THE STATE FOR RENTAL HOUSING
24 PROGRAMS, INCLUDING THE ELDERLY RENTAL HOUSING PROGRAM UNDER § 4-402
25 OF THIS TITLE, THE MULTIFAMILY REHABILITATION PROGRAM UNDER § 4-906(B) OF
26 THIS TITLE, THE NONPROFIT REHABILITATION PROGRAM UNDER § 4-929 OF THIS
27 TITLE, AND THE RENTAL HOUSING PRODUCTION PROGRAM UNDER § 4-1502 OF THIS
28 TITLE;

29 (II) REPAYMENTS AND PREPAYMENTS OF LOANS MADE UNDER THE
30 PROGRAMS SET FORTH IN ITEM (I) OF THIS PARAGRAPH;

31 (III) MONEY APPROPRIATED UNDER § 4-501(C) OF THIS SUBTITLE;

32 (IV) MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH §§
33 4-502(E), 4-503(D), AND 4-505(H) OF THIS SUBTITLE AND § 6-310(G) OF THIS ARTICLE;
34 AND

35 (V) INVESTMENT EARNINGS OF THE FUND.

1 (2) THE STATE, UNDER § 4-501(C) OF THIS SUBTITLE, MAY APPROPRIATE
2 TO THE FUND MONEY RECEIVED AS REPAYMENT OF PRINCIPAL OR PAYMENT OF
3 INTEREST ON A LOAN MADE BY THE MARYLAND HOUSING REHABILITATION
4 PROGRAM.

5 (F) TRANSFERS.

6 (1) WHEN THE DEPARTMENT ISSUES A BINDING COMMITMENT TO MAKE
7 A LOAN, THE DEPARTMENT SHALL WITHDRAW FROM THE FUND AN AMOUNT EQUAL
8 TO THE COMMITMENT.

9 (2) SUBJECT TO § 7-209 OF THE STATE FINANCE AND PROCUREMENT
10 ARTICLE AND EXCEPT AS OTHERWISE PROVIDED IN THE STATE BUDGET, AFTER THE
11 FIRST 8 MONTHS OF A FISCAL YEAR THE DEPARTMENT MAY TRANSFER
12 UNENCUMBERED MONEY IN THE FUND TO ANY OTHER FUND ESTABLISHED UNDER
13 THIS TITLE.

14 REVISOR'S NOTE: Subsection (a) of this section is new language added to
15 provide a convenient reference to the Rental Housing Programs Fund.

16 Subsection (b) of this section is standard language added to state explicitly
17 that the Rental Housing Programs Fund exists.

18 Subsection (c) of this section is new language derived without substantive
19 change from former Art. 83B, § 2-807, § 2-313(c), the first sentence of §
20 2-505(b), § 2-505(a) as it related to the Rental Housing Programs Fund,
21 the first sentence of § 2-805(b), and § 2-805(a) as it related to the Rental
22 Housing Programs Fund.

23 Subsection (d) of this section is new language derived without substantive
24 change from former Art. 83B, § 2-806 as it related to the Rental Housing
25 Programs Fund.

26 Subsection (e)(1) of this section is new language derived without
27 substantive change from former Art. 83B, § 2-313(a) as it related to the
28 composition of the Rental Housing Programs Fund, the third sentence of §
29 2-313(d), the third sentence of § 2-505(c), § 2-505(a) as it related to the
30 composition of the Rental Housing Programs Fund, the third sentence of §
31 2-805(c), and § 2-805(a) as it related to the composition of the Rental
32 Housing Programs Fund.

33 Subsection (e)(2) of this section is new language added as a convenient
34 cross-reference to provisions about money received as repayment of
35 principal or payment of interest on a loan made by the Maryland Housing
36 Rehabilitation Program.

37 Subsection (f) of this section is new language derived without substantive
38 change from former Art. 83B, § 2-313(i), § 2-505(d) and the second
39 sentence of (b), and § 2-805(d).

1 In subsection (c)(1)(i) of this section, the former reference to the "annual"
2 budget of the State is deleted as implicit in the reference to the "State
3 budget".

4 Also in subsection (c)(1)(i) of this section, the former reference to "other act
5 appropriating moneys" is deleted in light of the comprehensive reference to
6 the "State budget".

7 In subsection (e)(1)(ii) of this section, the former reference to repayments
8 and prepayments of loans "both prior to and after July 1, 1989" is deleted
9 as surplusage.

10 In subsection (f)(2) of this section, the former phrase "[a]t any time" is
11 deleted as surplusage.

12 The Housing Article Review Committee notes, for consideration by the
13 General Assembly, that under subsection (c)(2) of this section, the
14 Community Development Administration, and not the Department of
15 Housing and Community Development, must use the Rental Housing
16 Programs Fund to operate, make loans, and pay expenses of the Elderly
17 Rental Housing Program. This requirement may be obsolete, as it
18 pre-dates the transfer of the Administration to the Department of Housing
19 and Community Development. By contrast, under subsection (c)(1) of this
20 section, the Department of Housing and Community Development, and not
21 the Administration, must use the Fund to operate, make loans, and pay
22 expenses of the Maryland Housing Rehabilitation Program and the Rental
23 Housing Production Program.

24 Defined terms: "Administration" § 4-101

25 "Department" § 1-101

26 4-505. SPECIAL LOAN PROGRAMS FUND.

27 (A) "FUND" DEFINED.

28 IN THIS SECTION, "FUND" MEANS THE SPECIAL LOAN PROGRAMS FUND.

29 (B) ESTABLISHED.

30 THERE IS A SPECIAL LOAN PROGRAMS FUND.

31 (C) PURPOSES OF FUND.

32 AS PROVIDED IN THE STATE BUDGET AND SUBJECT TO SUBSECTION (D) OF THIS
33 SECTION, THE DEPARTMENT SHALL USE THE FUND TO:

34 (1) OPERATE, PAY EXPENSES OF, AND MAKE LOANS UNDER THE GROUP
35 HOME FINANCING PROGRAM;

1 (2) OPERATE, PAY EXPENSES OF, AND MAKE GRANTS AND LOANS UNDER
2 THE LEAD HAZARD REDUCTION GRANT PROGRAM AND THE LEAD HAZARD
3 REDUCTION LOAN PROGRAM;

4 (3) OPERATE, PAY EXPENSES OF, AND MAKE LOANS UNDER THE
5 MARYLAND HOUSING REHABILITATION PROGRAM, INCLUDING RESERVES FOR
6 ANTICIPATED FUTURE LOSSES DIRECTLY RELATED TO THE MARYLAND HOUSING
7 REHABILITATION PROGRAM;

8 (4) MAKE LOANS UNDER THE REGULAR REHABILITATION PROGRAM;
9 AND

10 (5) MAKE LOANS UNDER THE SPECIAL LOAN PROGRAMS.

11 (D) RESERVE APPROPRIATION.

12 DURING THE FIRST 6 MONTHS OF EACH FISCAL YEAR THE DEPARTMENT SHALL
13 RESERVE AT LEAST 25% OF THE APPROPRIATION FOR THE FUND TO MAKE LOANS TO
14 REHABILITATE BUILDINGS WITH FOUR OR FEWER DWELLING UNITS.

15 (E) ANNUAL ALLOCATION TO LEAD HAZARD PROGRAMS.

16 (1) THE DEPARTMENT ANNUALLY SHALL ALLOCATE MONEY IN THE
17 FUND TO THE LEAD HAZARD REDUCTION GRANT PROGRAM AND THE LEAD HAZARD
18 REDUCTION LOAN PROGRAM.

19 (2) IF THE NUMBER OF ELIGIBLE APPLICATIONS UNDER THE LEAD
20 HAZARD REDUCTION GRANT PROGRAM OR THE LEAD HAZARD REDUCTION LOAN
21 PROGRAM IS INSUFFICIENT TO COMMIT ALL MONEY ALLOCATED TO THAT PROGRAM
22 WITHIN 6 MONTHS AFTER THE ALLOCATION, THE DEPARTMENT MAY REALLOCATE
23 THE UNCOMMITTED MONEY TO OTHER PROGRAMS OF THE FUND.

24 (F) ADMINISTRATION.

25 THE FUND SHALL BE ADMINISTERED IN ACCORDANCE WITH THIS SECTION.

26 (G) COMPOSITION.

27 (1) THE FUND CONSISTS OF:

28 (I) MONEY APPROPRIATED BY THE STATE FOR SPECIAL LOAN
29 PROGRAMS, INCLUDING:

30 1. THE SPECIAL REHABILITATION PROGRAM UNDER §
31 4-906(B) OF THIS TITLE;

32 2. THE REGULAR REHABILITATION PROGRAM UNDER §
33 4-906(B) OF THIS TITLE;

34 3. THE GROUP HOME FINANCING PROGRAM UNDER § 4-602
35 OF THIS TITLE; AND

1 4. THE LEAD HAZARD REDUCTION GRANT PROGRAM UNDER
2 § 4-708 OF THIS TITLE AND THE LEAD HAZARD REDUCTION LOAN PROGRAM UNDER §
3 4-709 OF THIS TITLE;

4 (II) REPAYMENTS OF PRINCIPAL AND PAYMENTS OF INTEREST ON
5 LOANS MADE UNDER THESE PROGRAMS;

6 (III) REPAYMENTS OF GRANTS FROM THE FUND;

7 (IV) REPAYMENTS OF PRINCIPAL AND PAYMENTS OF INTEREST ON
8 LOANS FROM THE FUND;

9 (V) MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH §§
10 4-502(E), 4-503(D), AND 4-504(F) OF THIS SUBTITLE AND § 6-310(G) OF THIS ARTICLE;
11 AND

12 (VI) INVESTMENT EARNINGS OF THE FUND.

13 (2) THE STATE, UNDER § 4-501(C) OF THIS SUBTITLE, MAY APPROPRIATE
14 TO THE FUND MONEY RECEIVED AS REPAYMENT OF PRINCIPAL OR PAYMENT OF
15 INTEREST ON A LOAN MADE BY THE MARYLAND HOUSING REHABILITATION
16 PROGRAM.

17 (H) TRANSFERS.

18 SUBJECT TO § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND
19 EXCEPT AS OTHERWISE PROVIDED IN THE STATE BUDGET, AFTER THE FIRST 8
20 MONTHS OF A FISCAL YEAR, THE DEPARTMENT MAY TRANSFER UNENCUMBERED
21 MONEY IN THE FUND TO ANY OTHER FUND ESTABLISHED UNDER THIS TITLE.

22 REVISOR'S NOTE: Subsection (a) of this section is new language added to
23 provide a convenient reference to the Special Loan Programs Fund.

24 Subsection (b) of this section is standard language added to state explicitly
25 that the Special Loan Programs Fund exists.

26 Subsection (c) of this section is new language derived without substantive
27 change from former Art. 83B, § 2-313(c) and the first clause of (b), §
28 2-708(b), and § 2-1409(c) and the first clause of (a).

29 Subsection (d) of this section is new language derived without substantive
30 change from former Art. 83B, § 2-313(h).

31 Subsection (e) of this section is new language derived without substantive
32 change from former Art. 83B, § 2-1409(d).

33 Subsection (f) of this section is new language derived without substantive
34 change from the second clause of former Art. 83B, § 2-1409(a).

35 Subsection (g)(1) of this section is new language derived without
36 substantive change from the second clause of the introductory language of

1 former Art. 83B, § 2-313(b)(1), (2), and (3) and the third sentence of (d), §
2 2-708(a) as it related to the Special Loan Programs Fund, and (c)(3), and §
3 2-1409(b).

4 Subsection (g)(2) of this section is new language added as a convenient
5 cross-reference to provisions about money received as repayment of
6 principal or payment of interest on a loan made by the Maryland Housing
7 Rehabilitation Program.

8 In the introductory language of subsection (c) of this section, the former
9 reference to the "annual" budget of the State is deleted as implicit in the
10 reference to the "State budget".

11 Also in the introductory language of subsection (c) of this section, the
12 former reference to "other act appropriating moneys" is deleted as
13 surplusage.

14 In subsection (c)(2) of this section, the former reference to "cover[ing]
15 administrative costs related to" the Lead Hazard Reduction Grant
16 Program and the Lead Hazard Reduction Loan Program is deleted in light
17 of the reference to "operat[ing]" those programs.

18 In subsection (f) of this section, the former requirement that the Fund be
19 "identified" in accordance with this section is deleted in light of the
20 requirement that the Fund be "administered" in accordance with this
21 section.

22 In subsection (g)(1) of this section, the former phrase "[i]n addition to
23 moneys deposited in the Special Loan Programs Fund in accordance with
24 §§ 2-313 and 2-708 of this title" is deleted as redundant of subsection
25 (g)(1)(i)1, 2, and 3 of this section.

26 In subsection (g)(1)(ii) of this section, the former references to repayments
27 and prepayments of loans made under programs "both prior to and after
28 July 1, 1989" are deleted as surplusage.

29 In subsection (g)(1)(v) and (vi) of this section, former requirements that
30 investment earnings and repayment of principal or interest "be paid into"
31 the Fund are deleted in light of the introductory language of this
32 subsection, which states that "the Fund consists of" certain items,
33 including investment earnings and repayment of principal or payment of
34 interest.

35 Defined term: "Department" § 1-101

36 SUBTITLE 6. GROUP HOME FINANCING PROGRAM.

37 4-601. DEFINITIONS.

38 (A) IN GENERAL.

1 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

2 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-701(a).

3 No changes are made.

4 (B) GROUP HOME.

5 (1) "GROUP HOME" MEANS A HOUSING FACILITY THAT OFFERS:

6 (I) SUPPORTIVE SERVICES OR SUPERVISORY PERSONNEL TO
7 INDIVIDUALS WITH SPECIAL HOUSING NEEDS WHO ARE NOT RELATED TO THE
8 GROUP HOME SPONSOR; AND

9 (II) COMMON, SHARED, OR INDEPENDENT LIVING, DINING,
10 KITCHEN, SANITARY, AND SLEEPING FACILITIES.

11 (2) "GROUP HOME" NEED NOT INCLUDE ALL OF THE FACILITIES LISTED
12 IN PARAGRAPH (1)(II) OF THIS SUBSECTION IF IT PROVIDES EMERGENCY AND
13 TEMPORARY HOUSING FOR HOMELESS INDIVIDUALS.

14 REVISOR'S NOTE: This subsection is new language derived without
15 substantive change from former Art. 83B, § 2-701(c).

16 In paragraph (2) of this subsection, the reference to homeless "individuals"
17 is substituted for the former reference to homeless "persons" because this
18 subsection applies only to human beings and not the other kinds of entities
19 included in the defined term "person". *See* § 1-101 of this article.

20 (C) GROUP HOME SPONSOR.

21 "GROUP HOME SPONSOR" MEANS A PERSON WHO QUALIFIES FOR A PROGRAM
22 LOAN UNDER § 4-607 OF THIS SUBTITLE.

23 REVISOR'S NOTE: This subsection is new language added to provide a
24 convenient reference to "group home sponsor".

25 Defined term: "Person" § 1-101

26 (D) PERSON OF LOWER INCOME.

27 "PERSON OF LOWER INCOME" MEANS AN INDIVIDUAL OR FAMILY WHOSE
28 INCOME DOES NOT EXCEED THE UPPER INCOME LIMIT THAT THE SECRETARY SETS.

29 REVISOR'S NOTE: This subsection is new language derived without
30 substantive change from former Art. 83B, § 2-701(b).

31 Defined terms: "Person" § 1-101

32 "Secretary" § 1-101

33 (E) PROGRAM.

1 "PROGRAM" MEANS THE GROUP HOME FINANCING PROGRAM.

2 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-701(h).

3 No changes are made.

4 (F) PROGRAM LOAN.

5 "PROGRAM LOAN" MEANS A LOAN THAT THE DEPARTMENT MAKES UNDER THIS
6 SUBTITLE.

7 REVISOR'S NOTE: This subsection is new language derived without
8 substantive change from former Art. 83B, § 2-701(e).

9 The defined term "Program loan" is substituted for the former defined
10 term "loan" for clarity.

11 The former reference to a loan "of money" is deleted as implicit in the
12 reference to "loan".

13 Defined term: "Department" § 1-101

14 4-602. ESTABLISHED.

15 THERE IS A GROUP HOME FINANCING PROGRAM.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-702.

18 The former phrase "in the Department" is deleted in light of § 4-103 of this
19 title.

20 4-603. PURPOSE OF PROGRAM.

21 THE PURPOSE OF THE PROGRAM IS TO PROVIDE LOANS TO GROUP HOME
22 SPONSORS TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, AND
23 MODIFYING BUILDINGS AS GROUP HOMES FOR PERSONS OF LOWER INCOME, THE
24 ELDERLY, INDIVIDUALS WITH DISABILITIES, AND OTHER RESIDENTS OF THE STATE
25 WITH SPECIAL HOUSING NEEDS.

26 REVISOR'S NOTE: This section is new language derived without substantive
27 change from former Art. 83B, § 2-703(a).

28 The reference to "residents" of the State is substituted for the former
29 reference to "citizens" of the State because the meaning of the word
30 "citizens" is unclear and to conform to the terminology used throughout
31 this article.

32 The defined term "person[s] of lower income" is substituted for the former
33 reference to "low income ... citizens" to conform to the terminology used
34 throughout this subtitle.

1 The reference to "individuals with disabilities" is substituted for the former
2 reference to "handicapped, disabled, ... citizens" to conform to the
3 terminology used throughout this article.

4 Defined terms: "Group home" § 4-601

5 "Group home sponsor" § 4-601

6 "Person of lower income" § 1-101

7 "Program" § 4-601

8 4-604. POWERS OF DEPARTMENT.

9 THE DEPARTMENT MAY ESTABLISH:

10 (1) ELIGIBILITY STANDARDS FOR GROUP HOME SPONSORS;

11 (2) PROGRAM LOAN FEES AND CHARGES;

12 (3) MAXIMUM PROGRAM LOANS FOR GROUP HOMES BASED ON THEIR
13 SIZE, USE, AND LOCATION; AND

14 (4) A PROCESS FOR SELECTING GROUP HOMES TO BE FINANCED UNDER
15 THE PROGRAM THAT PROMOTES STATEWIDE DISTRIBUTION OF MONEY.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-707.

18 In item (3) of this section, the former reference to "geographic" location is
19 deleted as redundant.

20 Defined terms: "Department" § 1-101

21 "Group home" § 4-601

22 "Group home sponsor" § 4-601

23 "Program" § 4-601

24 "Program loan" § 4-601

25 4-605. DUTIES OF DEPARTMENT.

26 THE DEPARTMENT SHALL:

27 (1) ADMINISTER THE PROGRAM;

28 (2) ADOPT POLICIES THAT ENCOURAGE THE ESTABLISHMENT OF
29 GROUP HOMES FOR PERSONS OF LOWER INCOME THROUGHOUT THE STATE;

30 (3) ATTACH TO A PURCHASE, SALE, OR LEASE OF A GROUP HOME OR
31 LAND FOR A GROUP HOME THE TERMS NEEDED TO CARRY OUT THE PROGRAM;

32 (4) ESTABLISH GUIDELINES FOR MONITORING THE GROUP HOMES TO
33 ENSURE THAT, ASIDE FROM DWELLING ROOM FOR SUPERVISORY INDIVIDUALS AND
34 THEIR FAMILIES, GROUP HOMES RECEIVING FINANCING UNDER THE PROGRAM ARE
35 OCCUPIED IN SUBSTANTIAL PART BY PERSONS OF LOWER INCOME; AND

1 (5) ESTABLISH GUIDELINES TO DETERMINE THE ABILITY OF A GROUP
2 HOME SPONSOR TO MANAGE A GROUP HOME, PROVIDE NECESSARY SERVICES, AND
3 REPAY THE PROGRAM LOAN.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-704(1) through (5).

6 In item (1) of this section, the former requirement that the Department
7 "[m]anage" and "supervise" the Program is deleted in light of the
8 requirement that the Department "administer" it.

9 In item (3) of this section, the reference to the terms "needed" is
10 substituted for the former reference to the "specific" terms "as may be
11 necessary" for brevity and clarity.

12 Also in item (3) of this section, the former reference to terms necessary to
13 carry out "the purposes of" the Program is deleted as implicit in the
14 reference to carrying out "the Program".

15 In item (4) of this section, the former reference to group homes "financed
16 under the Program" is deleted as implicit in the use of the defined term
17 "group home[s]".

18 Defined terms: "Department" § 1-101

19 "Group home" § 4-601

20 "Person of lower income" § 4-601

21 "Program" § 4-601

22 "Program loan" § 4-601

23 4-606. REGULATIONS.

24 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-704(6).

27 The former reference to "rules" is deleted in light of the reference to
28 "regulations". *See* General Revisor's Note to article.

29 The former phrase "in conformance with statutory requirements" is
30 deleted as implicit in the requirement to "adopt regulations". *See* Title 10,
31 Subtitle 11 of the State Government Article.

32 Defined terms: "Department" § 1-101

33 "Program" § 4-601

34 4-607. GROUP HOME SPONSOR.

35 TO QUALIFY FOR A PROGRAM LOAN, A GROUP HOME SPONSOR SHALL OWN AND
36 OPERATE A GROUP HOME AND BE:

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1 (1) A NONPROFIT ORGANIZATION;

2 (2) AN INDIVIDUAL; OR

3 (3) A LIMITED PARTNERSHIP IF:

4 (I) 1. EACH GENERAL PARTNER QUALIFIES AS A NONPROFIT
5 ORGANIZATION; OR

6 2. EACH GENERAL PARTNER IS A WHOLLY OWNED
7 SUBSIDIARY OF A NONPROFIT ORGANIZATION;

8 (II) THE LIMITED PARTNERSHIP IS FORMED TO UNDERTAKE A
9 GROUP HOME PROJECT THAT IS TOTALLY OR PARTLY ELIGIBLE FOR A FEDERAL LOW
10 INCOME HOUSING TAX CREDIT PROGRAM OR ANY OTHER FEDERAL PROGRAM OR
11 INCENTIVE; AND

12 (III) A NONPROFIT ORGANIZATION MANAGES THE PROJECT OR
13 RECEIVES THE NET CASH FLOW FROM OR THE RESIDUAL SALE PROCEEDS ON SALE
14 OF THE GROUP HOME.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 2-701(d).

17 It is revised as a substantive provision rather than a definition for clarity.

18 The Housing Article Review Committee notes, for consideration by the
19 General Assembly, that in item (3)(i)2 of this section, the reference to "each
20 general partner" is substituted for the former reference to the "limited
21 partnership" to avoid the erroneous implication that a limited partnership
22 may be a wholly owned subsidiary.

23 Defined terms: "Group home" § 4-601

24 "Nonprofit organization" § 1-101

25 "Program" § 4-601

26 4-608. OPERATION OF PROGRAM.

27 THE PROGRAM SHALL BE OPERATED WITH MONEY IN THE SPECIAL LOAN
28 PROGRAMS FUND UNDER § 4-505 OF THIS TITLE.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from the first clause of former Art. 83B, § 2-708(a).

31 Defined term: "Program" § 4-601

32 4-609. REVIEW PROCESS OF LOAN APPLICATIONS.

33 IN REVIEWING AN APPLICATION FOR A PROGRAM LOAN, THE DEPARTMENT
34 SHALL CONSIDER:

1 (1) THE ECONOMIC FEASIBILITY OF THE GROUP HOME; AND

2 (2) THE ABILITY OF THE GROUP HOME SPONSOR TO MANAGE THE
3 GROUP HOME, PROVIDE NECESSARY SERVICES, AND REPAY THE PROGRAM LOAN.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-706.

6 In the introductory language of this section, the reference to "reviewing" an
7 application is substituted for the former reference to "approving" an
8 application to avoid the erroneous implication that all applications for
9 Program loans must be approved.

10 Defined terms: "Department" § 1-101

11 "Group home" § 4-601

12 "Group home sponsor" § 4-601

13 "Program loan" § 4-601

14 4-610. PROGRAM LOANS.

15 (A) IN GENERAL.

16 (1) A PROGRAM LOAN SHALL BE SECURED BY A MORTGAGE LIEN AND
17 MAY INCLUDE THE TERMS THAT THE DEPARTMENT CONSIDERS NECESSARY TO
18 MAKE THE GROUP HOME AFFORDABLE TO PERSONS OF LOWER INCOME.

19 (2) IN EXCEPTIONAL CIRCUMSTANCES, THE TERMS MAY INCLUDE:

20 (I) DEFERRED PAYMENT OF PRINCIPAL AND INTEREST; AND

21 (II) INTEREST RATES AS LOW AS 0%.

22 (B) REPAYMENT DATE.

23 EACH LOAN SHALL REQUIRE THAT ALL UNPAID PRINCIPAL AND ACCRUED
24 INTEREST, INCLUDING PRINCIPAL OR INTEREST THAT WAS DEFERRED, BE PAID AT
25 THE EARLIEST OF:

26 (1) A STATED DATE, WHICH MAY BE THE MATURITY DATE OF THE
27 PROGRAM LOAN;

28 (2) THE DATE OF THE SALE OR OTHER TRANSFER OF THE GROUP HOME
29 OR A CONTROLLING INTEREST IN THE GROUP HOME; AND

30 (3) THE DATE WHEN THE PROJECT CEASES TO BE USED AS A GROUP
31 HOME.

32 (C) PROGRAM LOAN TERMS.

33 (1) EACH PROGRAM LOAN SHALL PROVIDE FOR:

1 (I) A LIMIT ON THE RETURN ON EQUITY ALLOWED TO A GROUP
2 HOME SPONSOR;

3 (II) EQUITY PARTICIPATION BETWEEN THE DEPARTMENT AND THE
4 GROUP HOME SPONSOR; OR

5 (III) AN AMOUNT OF ACCRUED AND DEFERRED INTEREST THAT THE
6 DEPARTMENT FINDS CAN REASONABLY BE EXPECTED TO BE PAID FROM PROFIT
7 RESULTING FROM THE SALE OF THE GROUP HOME.

8 (2) THE DEPARTMENT MAY FORGIVE ANY ACCRUED AND DEFERRED
9 INTEREST DESCRIBED IN PARAGRAPH (1)(III) OF THIS SUBSECTION THAT EXCEEDS
10 THE PROFIT FROM THE SALE OF THE GROUP HOME.

11 (3) THE DEPARTMENT MAY ALLOW THE GROUP HOME SPONSOR TO
12 EARN A REASONABLE RETURN BEFORE THE GROUP HOME SPONSOR PAYS ACCRUED
13 AND DEFERRED INTEREST.

14 (D) MODIFICATION OF PROGRAM LOAN TERMS.

15 IF A PROGRAM LOAN IS IN DEFAULT, THE DEPARTMENT MAY MODIFY THE
16 INTEREST RATE, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM TO
17 FACILITATE REPAYMENT AND ACHIEVE THE PURPOSES OF THE PROGRAM.

18 (E) USES.

19 A PROGRAM LOAN MAY FINANCE:

20 (1) THE SITE ACQUISITION, CONSTRUCTION COSTS, AND PERMANENT
21 MORTGAGE FOR A GROUP HOME;

22 (2) THE PURCHASE OF AN EXISTING BUILDING TO PROVIDE A GROUP
23 HOME;

24 (3) A MODIFICATION TO A BUILDING PURCHASED WITH A PROGRAM
25 LOAN, IF THE MODIFICATION IMPROVES, REPAIRS, RENOVATES, OR REHABILITATES
26 THE BUILDING TO:

27 (I) MAKE IT SUITABLE AS A GROUP HOME; OR

28 (II) ELIMINATE HOUSING, BUILDING, FIRE, SAFETY, HEALTH, OR
29 OTHER CODE VIOLATIONS;

30 (4) CLOSING COSTS ASSOCIATED WITH THE CONSTRUCTION OR
31 PURCHASE OF A GROUP HOME;

32 (5) ENGINEERING, LEGAL, TITLE, SURVEY, OR ARCHITECTURAL FEES
33 ASSOCIATED WITH FINANCING REAL PROPERTY DEVELOPMENT; AND

34 (6) OTHER DEVELOPMENT COSTS THAT THE DEPARTMENT CONSIDERS
35 REASONABLE.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, §§ 2-705 and 2-701(f).

3 In the introductory language of subsection (b) of this section, the phrase
4 "shall require" is substituted for the former phrase "shall contain terms
5 requiring" for brevity.

6 In subsection (b)(3) of this section, the phrase "the date when the project
7 ceases to be used" is substituted for the former phrase "[d]iscontinuance of
8 use" for clarity.

9 In subsection (c)(1)(ii) of this section, the former reference to "some form
10 of" equity participation is deleted as surplusage.

11 The Housing Article Review Committee notes, for consideration by the
12 General Assembly, that the introductory language of subsection (b) of this
13 section resolves an ambiguity in former Art. 83B, § 2-705(b). The former
14 provision applied certain requirements to "all unpaid principal and
15 accrued interest, which may have been deferred". The language did not
16 make clear whether the requirements applied to all unpaid principal and
17 interest or only the part that was deferred. Subsection (b) of this section
18 resolves the ambiguity by applying the requirements of the subsection to
19 all unpaid principal and accrued interest.

20 Defined terms: "Department" § 1-101

21 "Group home" § 4-601

22 "Group home sponsor" § 4-601

23 "Person of lower income" § 4-601

24 "Program" § 4-601

25 "Program loan" § 4-601

26 4-611. NONRESIDENTIAL USES OF GROUP HOME.

27 SUBJECT TO THE APPROVAL AND PERMITTING PROCEDURES OF THE LOCAL
28 ZONING AUTHORITY, A GROUP HOME THAT HOUSES FOUR OR MORE INDIVIDUALS
29 MAY PROVIDE FOR NONRESIDENTIAL USES THAT:

30 (1) ARE IN A MINOR PART OF THE BUILDING;

31 (2) CONFORM WITH LOCAL ZONING REQUIREMENTS; AND

32 (3) ALTHOUGH NOT DIRECTLY RELATED TO THE HOUSING FACILITY,
33 OFFER GOODS OR SERVICES FOR PERSONS OF LOWER INCOME OR OTHER
34 DISADVANTAGED INDIVIDUALS.

35 REVISOR'S NOTE: This section is new language derived without substantive
36 change from former Art. 83B, § 2-703(b).

37 In item (3) of this section, the former phrase for "the benefit of" persons is
38 deleted as surplusage.

1 Defined terms: "Group home" § 4-601

2 "Person" § 1-101

3 "Person of lower income" § 4-601

4 4-612. FALSE STATEMENTS OR REPORTS.

5 (A) PROHIBITED.

6 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
7 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO
8 THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.

9 (2) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE TO BE
10 MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE THE DEPARTMENT'S
11 ACTION ON A PROGRAM LOAN APPLICATION OR A PROGRAM LOAN ALREADY MADE.

12 (B) PENALTY.

13 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
14 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
15 NOT EXCEEDING \$50,000 OR BOTH.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-709.

18 Defined terms: "Department" § 1-101

19 "Person" § 1-101

20 "Program loan" § 4-601

21 SUBTITLE 7. LEAD HAZARD REDUCTION GRANT PROGRAM AND LEAD HAZARD
22 REDUCTION LOAN PROGRAM.

23 4-701. DEFINITIONS.

24 (A) IN GENERAL.

25 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

26 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1402(a).

27 No changes are made.

28 (B) CHILD CARE CENTER.

29 "CHILD CARE CENTER" HAS THE MEANING STATED IN § 5-570(C) OF THE FAMILY
30 LAW ARTICLE.

31 REVISOR'S NOTE: This subsection is new language derived without
32 substantive change from former Art. 83B, § 2-1402(b).

33 (C) FAMILY OF LIMITED INCOME.

1 "FAMILY OF LIMITED INCOME" MEANS A FAMILY THAT MEETS THE
2 QUALIFICATIONS UNDER § 4-707 OF THIS SUBTITLE.

3 REVISOR'S NOTE: This subsection is new language derived without
4 substantive change from the first clause of former Art. 83B, § 2-1402(e).
5 See § 4-707 of this subtitle.

6 (D) FUND.

7 "FUND" MEANS THE SPECIAL LOAN PROGRAMS FUND UNDER SUBTITLE 5 OF
8 THIS TITLE.

9 REVISOR'S NOTE: This subsection is new language derived without
10 substantive change from former Art. 83B, § 2-1402(f).

11 (E) GRANT PROGRAM.

12 "GRANT PROGRAM" MEANS THE LEAD HAZARD REDUCTION GRANT PROGRAM.

13 REVISOR'S NOTE: This subsection is new language derived without
14 substantive change from former Art. 83B, § 2-1402(g).

15 The former phrase "created under § 2-1406(a) of this subtitle" is deleted as
16 surplusage.

17 (F) LEAD HAZARD REDUCTION ACTIVITY.

18 (1) "LEAD HAZARD REDUCTION ACTIVITY" MEANS MEASURES TO
19 REDUCE OR ELIMINATE LEAD-BASED PAINT HAZARDS IN ACCORDANCE WITH STATE
20 OR FEDERAL STANDARDS.

21 (2) "LEAD HAZARD REDUCTION ACTIVITY" INCLUDES:

22 (I) REMOVING LEAD-BASED PAINT AND LEAD-CONTAMINATED
23 DUST, CONTAINING OR ENCAPSULATING LEAD-BASED PAINT, AND REPLACING OR
24 REMOVING SURFACES OR FIXTURES PAINTED WITH LEAD-BASED PAINT;

25 (II) MEETING THE RISK REDUCTION STANDARDS UNDER § 6-815 OF
26 THE ENVIRONMENT ARTICLE OR THE MODIFIED RISK REDUCTION STANDARDS
27 UNDER § 6-817 OF THE ENVIRONMENT ARTICLE;

28 (III) TEMPORARILY REDUCING HUMAN EXPOSURE OR PROBABLE
29 EXPOSURE TO LEAD-BASED PAINT HAZARDS, INCLUDING SPECIALIZED CLEANING,
30 REPAIRING, MAINTAINING, PAINTING, TEMPORARILY CONTAINING, AND ONGOING
31 MONITORING OF LEAD-BASED PAINT HAZARDS OR POTENTIAL HAZARDS;

32 (IV) ASSOCIATED TESTING, PREPARING, CLEANING, PROTECTING
33 WORKERS, DISPOSING, AND POST-LEAD HAZARD REDUCTION CLEARANCE TESTING;
34 AND

1 (V) TESTING AN INNOVATIVE OR UNPROVEN METHOD OF LEAD
2 HAZARD REDUCTION.

3 REVISOR'S NOTE: This subsection is new language derived without
4 substantive change from former Art. 83B, § 2-1402(h).

5 In paragraph (1) of this subsection, the reference to "State or federal
6 standards" is substituted for the former reference to "standards
7 established by appropriate State or federal agencies" for brevity.

8 In paragraph (2)(iv) of this subsection, the phrase "associated testing" is
9 substituted for the former phrase "testing ... associated with lead hazard
10 reduction activities" for brevity.

11 In paragraph (2)(v) of this subsection, the former reference to "[p]rograms
12 designed to test" is deleted in light of the reference to "testing".

13 (G) LOAN PROGRAM.

14 "LOAN PROGRAM" MEANS THE LEAD HAZARD REDUCTION LOAN PROGRAM.

15 REVISOR'S NOTE: This subsection is new language derived without
16 substantive change from former Art. 83B, § 2-1402(i).

17 The former phrase "created under § 2-1407(a) of this subtitle" is deleted as
18 surplusage.

19 4-702. FINDINGS.

20 THE GENERAL ASSEMBLY FINDS THAT:

21 (1) LEAD PAINT IS PRESENT IN A LARGE PERCENTAGE OF RESIDENTIAL
22 PROPERTIES IN THE STATE, PARTICULARLY RESIDENTIAL RENTAL PROPERTIES
23 CONSTRUCTED BEFORE 1950;

24 (2) LEAD PAINT ON THE FRICTION SURFACES OF WINDOWS IS A
25 LEADING CAUSE OF LEAD POISONING;

26 (3) LEAD POISONING HARMS THE HEALTH AND WELL-BEING OF
27 CHILDREN AND PREGNANT WOMEN AND CAUSES SUBSTANTIAL LONG-TERM PUBLIC
28 COSTS FOR MEDICAL EXPENSES AND ADDITIONAL EDUCATION; AND

29 (4) REDUCTION OR ELIMINATION OF LEAD IN THE ENVIRONMENT WILL
30 REDUCE:

31 (I) THE RISK OF LEAD POISONING OF CHILDREN AND PREGNANT
32 WOMEN;

33 (II) THE INCIDENCE OF LEARNING DISABILITIES AND BEHAVIORAL
34 PROBLEMS IN CHILDREN WHO LIVE IN OLDER HOUSING; AND

1 (III) THE COST OF PUBLICLY FINANCED MEDICAL CARE.

2 REVISOR'S NOTE: This section is new language derived without substantive
3 change from former Art. 83B, § 2-1401.

4 In the introductory language of this section, the former reference to
5 "declares" is deleted as redundant of the reference to "finds" and for
6 consistency with similar provisions in other revised articles of the Code.
7 *See, e.g.*, CS § 8-102 and BR § 3-102.

8 In item (3) of this section, the reference to lead poisoning that "harms" is
9 substituted for the former reference to lead poisoning that "can adversely
10 affect", for brevity.

11 4-703. PURPOSE OF GRANT PROGRAM AND LOAN PROGRAM -- IN GENERAL.

12 THE PURPOSE OF THE GRANT PROGRAM AND THE LOAN PROGRAM IS TO MAKE
13 GRANTS AND LOANS TO OWNERS OF RESIDENTIAL PROPERTY OR CHILD CARE
14 CENTERS FOR FINANCING LEAD HAZARD REDUCTION ACTIVITIES, ESPECIALLY
15 REPLACING WINDOWS CONTAINING LEAD-BASED PAINT ON FRICTION SURFACES.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-1403.

18 The phrase "especially replacing windows" is substituted for the former
19 phrase "with an emphasis on activities which include the replacement of
20 windows" for brevity.

21 Defined terms: "Child care center" § 4-701

22 "Grant Program" § 4-701

23 "Lead hazard reduction activity" § 4-701

24 "Loan Program" § 4-701

25 4-704. POWERS OF DEPARTMENT.

26 (A) IN GENERAL.

27 THE DEPARTMENT MAY ESTABLISH:

28 (1) LOAN FEES AND CHARGES;

29 (2) MAXIMUM LOAN OR GRANT AMOUNTS FOR LEAD HAZARD
30 REDUCTION ACTIVITIES; AND

31 (3) GUIDELINES THAT GIVE FINANCING PRIORITY TO LEAD HAZARD
32 REDUCTION ACTIVITIES THAT INCLUDE REPLACING WINDOWS CONTAINING
33 LEAD-BASED PAINT ON FRICTION SURFACES.

34 (B) GRANTS OR LOANS.

1 (1) ON APPLICATION OF A POLITICAL SUBDIVISION, THE DEPARTMENT
2 MAY PROVIDE MONEY FROM THE FUND ALLOCATED TO THE GRANT PROGRAM OR
3 THE LOAN PROGRAM TO THE POLITICAL SUBDIVISION TO MAKE A GRANT OR LOAN,
4 ON BEHALF OF THE DEPARTMENT, TO AN ELIGIBLE OWNER OF RESIDENTIAL
5 PROPERTY OR A CHILD CARE CENTER IN THE POLITICAL SUBDIVISION.

6 (2) THE DEPARTMENT MAY LIMIT THE AMOUNT OF MONEY THAT A
7 POLITICAL SUBDIVISION MAY REQUEST UNDER PARAGRAPH (1) OF THIS
8 SUBSECTION.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 2-1405(a) and (b)(1) and (2).

11 In subsection (b)(1) of this section, the former reference to "the geographic
12 boundaries" of the political subdivision is deleted as surplusage.

13 Defined terms: "Child care center" § 4-701

14 "Department" § 1-101

15 "Fund" § 4-701

16 "Grant Program" § 4-701

17 "Lead hazard reduction activity" § 4-701

18 "Loan Program" § 4-701

19 "Political subdivision" § 4-101

20 4-705. DUTIES OF DEPARTMENT.

21 THE DEPARTMENT SHALL:

22 (1) ADMINISTER THE GRANT PROGRAM AND THE LOAN PROGRAM; AND

23 (2) ESTABLISH ELIGIBILITY GUIDELINES FOR GRANTS AND LOANS.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 2-1404(1) and (2).

26 In item (1) of this section, the reference to the "Grant Program and the
27 Loan Program" is substituted for the former reference to the "Program" for
28 clarity.

29 In item (2) of this section, the word "and" is substituted for the former word
30 "or" to avoid the implication that the Department would be obligated to
31 establish guidelines for either grants or loans and not the other.

32 Defined terms: "Department" § 1-101

33 "Grant Program" § 4-701

34 "Loan Program" § 4-701

1 4-706. REGULATIONS.

2 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE GRANT
3 PROGRAM AND THE LOAN PROGRAM.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, §§ 2-1404(3) and 2-1405(b)(3).

6 The former references to "rules" are deleted in light of the reference to
7 "regulations". *See* General Revisor's Note to article.

8 The former phrase "to implement this subsection" is deleted as included in
9 the phrase "to carry out the Grant Program and the Loan Program".

10 Defined terms: "Department" § 1-101

11 "Grant Program" § 4-701

12 "Loan Program" § 4-701

13 4-707. FAMILY OF LIMITED INCOME.

14 (A) QUALIFICATION.

15 AN INDIVIDUAL OR FAMILY, INCLUDING ONE DEFINED AS "ELDERLY" IN
16 FEDERAL HOUSING LAW, QUALIFIES AS A FAMILY OF LIMITED INCOME IF THE
17 INCOME OF THE INDIVIDUAL OR FAMILY DOES NOT EXCEED THE LIMITS THAT THE
18 SECRETARY SETS.

19 (B) FACTORS FOR SETTING LIMITS.

20 THE FACTORS THAT THE SECRETARY SHALL CONSIDER IN SETTING LIMITS
21 UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

22 (1) THE FAMILY INCOME DEEMED AVAILABLE FOR HOUSING;

23 (2) THE SIZE OF THE FAMILY;

24 (3) THE ABILITY OF THE FAMILY TO COMPETE SUCCESSFULLY IN THE
25 PRIVATE HOUSING MARKET;

26 (4) THE COST AND CONDITION OF AVAILABLE HOUSING; AND

27 (5) RELEVANT STANDARDS AND DEFINITIONS UNDER FEDERAL AND
28 STATE HOUSING PROGRAMS.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from former Art. 83B, § 2-1402(e).

31 In subsection (b)(1) of this section, the phrase "family income" is
32 substituted for the former phrase "[t]he amount of the total income of the
33 family" for brevity.

1 Defined terms: "Family of limited income" § 4-701

2 "Secretary" § 1-101

3 4-708. LEAD HAZARD REDUCTION GRANT PROGRAM.

4 (A) ESTABLISHED.

5 THERE IS A LEAD HAZARD REDUCTION GRANT PROGRAM.

6 (B) PURPOSE OF GRANTS.

7 THE DEPARTMENT MAY MAKE A GRANT SOLELY TO FINANCE A LEAD HAZARD
8 REDUCTION ACTIVITY THAT:

9 (1) IS A PROGRAM THAT TESTS INNOVATIVE OR UNPROVEN METHODS
10 OF LEAD HAZARD REDUCTION; OR

11 (2) IS IN A RESIDENTIAL PROPERTY IN AN AREA DESIGNATED BY THE
12 DEPARTMENT TO HAVE A CONCENTRATION OF:

13 (I) FAMILIES OF LIMITED INCOME; AND

14 (II) 1. RESIDENTIAL PROPERTY CONSTRUCTED BEFORE 1950; OR

15 2. CHILDREN DIAGNOSED WITH ELEVATED BLOOD LEAD,
16 WHICH IS A QUANTITY OF LEAD IN THEIR WHOLE VENOUS BLOOD, EXPRESSED IN
17 MICROGRAMS PER DECILITER (UG/DL), THAT EXCEEDS A SPECIFIED THRESHOLD
18 LEVEL.

19 (C) ELIGIBILITY STANDARDS -- DETERMINED BY DEPARTMENT.

20 (1) THE DEPARTMENT MAY ESTABLISH STANDARDS TO DETERMINE THE
21 ELIGIBILITY OF A LEAD HAZARD REDUCTION ACTIVITY FOR A GRANT UNDER THE
22 GRANT PROGRAM.

23 (2) THE STANDARDS MAY CALL FOR CONSIDERATION OF:

24 (I) THE EXTENT TO WHICH THE LEAD HAZARD REDUCTION
25 ACTIVITY BENEFITS FAMILIES OF LIMITED INCOME;

26 (II) THE NEED AND CIRCUMSTANCES OF THE OWNER-OCCUPANTS
27 OR TENANTS OF THE RESIDENTIAL PROPERTY IN WHICH THE PROPOSED LEAD
28 HAZARD REDUCTION ACTIVITY WILL BE UNDERTAKEN; AND

29 (III) WHETHER THE GRANT FINANCES RESEARCH INTO INNOVATIVE
30 OR UNPROVEN METHODS FOR LEAD HAZARD REDUCTION.

31 (D) SAME -- REQUIRED EVIDENCE.

32 IN DETERMINING WHETHER TO MAKE A GRANT UNDER THE GRANT PROGRAM,
33 THE DEPARTMENT SHALL REQUIRE THAT THE OWNER OF THE RESIDENTIAL

1 PROPERTY OR CHILD CARE CENTER SUBMIT EVIDENCE THAT THE OWNER CANNOT
2 UNDERTAKE LEAD HAZARD REDUCTION ACTIVITY WITHOUT A GRANT.

3 (E) REPAYMENT OF GRANT.

4 THE DEPARTMENT MAY REQUIRE THAT ALL OR PART OF A GRANT UNDER THE
5 GRANT PROGRAM BE REPAID WHEN CONDITIONS SPECIFIED BY THE DEPARTMENT
6 OCCUR.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, §§ 2-1406 and 2-1402(d).

9 In the introductory language of subsection (b) of this section, the reference
10 to "the Department" is substituted for the former reference to "the Lead
11 Hazard Reduction Grant Program" for accuracy.

12 In subsection (b)(2) of this section, the former reference to "areas of the
13 State" is deleted in light of the reference to "an area designated by the
14 Department".

15 Defined terms: "Child care center" § 4-701

16 "Department" § 1-101

17 "Family of limited income" § 4-701

18 "Grant Program" § 4-701

19 "Lead hazard reduction activity" § 4-701

20 4-709. LEAD HAZARD REDUCTION LOAN PROGRAM.

21 (A) ESTABLISHED.

22 THERE IS A LEAD HAZARD REDUCTION LOAN PROGRAM.

23 (B) PURPOSE OF PROGRAM.

24 THE DEPARTMENT MAY MAKE A LOAN TO FINANCE LEAD HAZARD REDUCTION
25 ACTIVITY.

26 (C) PROGRAM SECURITY.

27 A LOAN UNDER THE LOAN PROGRAM:

28 (1) MAY BE SECURED BY A MORTGAGE LIEN OR OTHER SECURITY
29 INTEREST ACCEPTABLE TO THE DEPARTMENT; AND

30 (2) MAY INCLUDE TERMS THAT THE DEPARTMENT CONSIDERS
31 APPROPRIATE.

32 (D) TERMS.

33 FOR A LOAN MADE UNDER THE LOAN PROGRAM, THE DEPARTMENT MAY:

1 (1) DEFER PAYMENT OF PRINCIPAL AND INTEREST; AND

2 (2) ESTABLISH INTEREST RATES AS LOW AS 0%.

3 (E) REPAYMENT.

4 EACH LOAN SHALL REQUIRE REPAYMENT OF ALL UNPAID PRINCIPAL AND
5 PAYMENT OF ACCRUED INTEREST, INCLUDING DEFERRED INTEREST, BUT THE LOAN
6 TERMS MAY ALLOW THE DEPARTMENT TO FORGIVE ALL OR PART OF THE PRINCIPAL
7 AND INTEREST.

8 (F) DEFAULT.

9 IF A LOAN IS IN DEFAULT, THE DEPARTMENT MAY MODIFY THE INTEREST
10 RATE, THE TIME OR AMOUNT OF PAYMENT, OR ANY OTHER TERM TO FACILITATE
11 REPAYMENT AND ACHIEVE THE PURPOSES OF THE LOAN PROGRAM.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 2-1407.

14 In subsection (b) of this section, the reference to "the Department" is
15 substituted for the former reference to "the Lead Hazard Reduction Loan
16 Program" for accuracy.

17 In subsection (f) of this section, the reference to the Department's power to
18 "facilitate" repayment is substituted for the former reference to the
19 Department's power to "ensure" repayment to avoid the erroneous
20 implication that the Department seeks nothing less than that the loan be
21 repaid in full.

22 Defined terms: "Department" § 1-101

23 "Lead hazard reduction activity" § 4-701

24 "Loan Program" § 4-701

25 4-710. FACTORS IN REVIEWING APPLICATIONS.

26 IN REVIEWING AN APPLICATION FOR A LOAN OR GRANT, THE DEPARTMENT
27 SHALL CONSIDER:

28 (1) THE NEEDS OF THE BENEFICIARIES OF THE PROPOSED LEAD
29 HAZARD REDUCTION ACTIVITY;

30 (2) THE CAPACITY OF THE APPLICANT TO REPAY A LOAN;

31 (3) THE OVERALL PUBLIC BENEFIT;

32 (4) THE IMPACT ON THE SURROUNDING NEIGHBORHOOD OR
33 COMMUNITY; AND

34 (5) ANY OTHER FACTOR THAT THE DEPARTMENT FINDS RELEVANT.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 2-1408.

3 In the introductory language of this section, the reference to "reviewing" an
4 application is substituted for the former reference to "approving" an
5 application to avoid the erroneous implication that all applications for a
6 loan or grant must be approved.

7 Defined terms: "Department" § 1-101

8 "Lead hazard reduction activity" § 4-701

9 4-711. LEAD HAZARD ADVISORY COMMITTEE.

10 (A) "COMMITTEE" DEFINED.

11 IN THIS SECTION, "COMMITTEE" MEANS THE LEAD HAZARD ADVISORY
12 COMMITTEE.

13 (B) ESTABLISHED.

14 THERE IS A LEAD HAZARD ADVISORY COMMITTEE.

15 (C) MEMBERSHIP; APPOINTMENT.

16 THE COMMITTEE CONSISTS OF THE FOLLOWING SEVEN MEMBERS:

17 (1) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR
18 THE SECRETARY'S DESIGNEE;

19 (2) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY'S
20 DESIGNEE;

21 (3) THE SECRETARY OF HEALTH AND MENTAL HYGIENE, OR THE
22 SECRETARY'S DESIGNEE; AND

23 (4) FOUR MEMBERS APPOINTED BY THE GOVERNOR:

24 (I) A MEMBER OF THE LEAD POISONING PREVENTION
25 COMMISSION;

26 (II) A REPRESENTATIVE OF OWNERS OF RESIDENTIAL RENTAL
27 PROPERTY BUILT BEFORE 1950;

28 (III) A REPRESENTATIVE OF A CHILD, YOUTH, OR HEALTH
29 ADVOCACY GROUP; AND

30 (IV) A MEMBER OF THE PUBLIC WHO HAS AN INTEREST IN LEAD IN
31 THE ENVIRONMENT.

32 (D) TENURE; VACANCIES.

1 (1) THE TERM OF AN APPOINTED MEMBER OF THE COMMITTEE IS 4
2 YEARS.

3 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS
4 REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON
5 OCTOBER 1, 2005.

6 (3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO
7 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

8 (4) AN APPOINTED MEMBER WHO IS APPOINTED AFTER A TERM HAS
9 BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS
10 APPOINTED AND QUALIFIES.

11 (E) CHAIR.

12 THE SECRETARY OR THE SECRETARY'S DESIGNEE IS THE CHAIR OF THE
13 COMMITTEE.

14 (F) REIMBURSEMENT FOR EXPENSES.

15 EACH MEMBER OF THE COMMITTEE IS ENTITLED TO REIMBURSEMENT FOR
16 EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN
17 THE STATE BUDGET.

18 (G) DUTIES.

19 IN CONSULTATION WITH THE COMMITTEE, THE DEPARTMENT SHALL DEVELOP
20 REGULATIONS, POLICIES, AND GUIDELINES TO CARRY OUT THE GRANT PROGRAM
21 AND THE LOAN PROGRAM.

22 REVISOR'S NOTE: Subsection (a) of this section is new language added to
23 provide a convenient term for "Lead Hazard Advisory Committee".

24 Subsections (b) through (d)(1) and (d)(3) through (e) and (g) of this section
25 are new language derived without substantive change from former Art.
26 83B, § 2-1410.

27 Subsection (d)(2) of this section is standard language added to indicate the
28 termination dates of the terms of the members of the Committee. This
29 addition is not intended to alter the term of any member of the Committee.
30 The terms of the appointed members serving on October 1, 2005, end as
31 follows: (1) two in 2005; (2) two in 2006; and (3) three in 2007.

32 Subsection (f) of this section is added as standard language, allowing
33 members of the Committee to be reimbursed for expenses.

34 In subsection (b) of this section, the former phrase "in the Department" is
35 deleted in light of § 2-201 of this article.

36 In subsection (d) of this section, references to an "appointed" member are

1 added to clarify that this subsection does not apply to the ex officio
2 members.

3 In subsection (e) of this section, the reference to the "chair" is substituted
4 for the former reference to a "chairperson" to conform to the terminology
5 used throughout this article.

6 Former Art. 83B, § 2-1410(e)(2), which contained the expiration dates of
7 the initial terms of the members of the Committee, is deleted as obsolete.

8 Defined terms: "Department" § 1-101

9 "Grant Program" § 4-701

10 "Loan Program" § 4-701

11 "Secretary" § 1-101

12 4-712. FALSE STATEMENTS OR REPORTS.

13 (A) PROHIBITED.

14 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
15 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO
16 THE DEPARTMENT RELATING TO A GRANT OR LOAN.

17 (2) A GRANT OR LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR
18 CAUSE TO BE MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE THE ACTION
19 OF THE DEPARTMENT ON A GRANT OR LOAN APPLICATION OR A GRANT OR LOAN
20 ALREADY MADE.

21 (B) PENALTY.

22 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
23 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
24 NOT EXCEEDING \$50,000 OR BOTH.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-1411.

27 Defined terms: "Department" § 1-101

28 "Person" § 1-101

29 SUBTITLE 8. MARYLAND HOME FINANCING PROGRAM.

30 4-801. DEFINITIONS.

31 (A) IN GENERAL.

32 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

33 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-601(a).

34 No changes are made.

1 (B) ADJUSTED ANNUAL INCOME.

2 (1) "ADJUSTED ANNUAL INCOME" MEANS GROSS INCOME FROM ALL
3 SOURCES WITH ADJUSTMENTS, AS DETERMINED BY THE DEPARTMENT, MADE FOR
4 UNUSUAL OR TEMPORARY INCOME ITEMS AND LONG-TERM UNUSUAL EXPENSES
5 SUCH AS MEDICAL, REHABILITATION, OR SPECIAL EDUCATION EXPENSES.

6 (2) "ADJUSTED ANNUAL INCOME" INCLUDES:

7 (I) WAGES;

8 (II) INVESTMENT INCOME;

9 (III) SOCIAL SECURITY PAYMENTS;

10 (IV) RETIREMENT PAYMENTS;

11 (V) DISABILITY PAYMENTS; AND

12 (VI) UNEMPLOYMENT INSURANCE PAYMENTS.

13 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-601(b).

14 The only changes are in style.

15 Defined term: "Department" § 1-101

16 (C) FUND.

17 "FUND" MEANS THE HOMEOWNERSHIP PROGRAMS FUND UNDER SUBTITLE 5 OF
18 THIS TITLE.

19 REVISOR'S NOTE: This subsection is new language added to provide a
20 convenient reference to the Homeownership Programs Fund.

21 (D) HOUSEHOLD OF LIMITED INCOME.

22 "HOUSEHOLD OF LIMITED INCOME" MEANS ONE OR MORE INDIVIDUALS WHOSE
23 AGGREGATE ADJUSTED ANNUAL INCOME DOES NOT EXCEED THE UPPER INCOME
24 LIMITS THAT THE SECRETARY SETS UNDER § 4-807 OF THIS SUBTITLE.

25 REVISOR'S NOTE: This subsection is new language derived without
26 substantive change from former Art. 83B, § 2-601(c).

27 The reference to "aggregate" adjusted annual income is added for clarity.

28 Defined terms: "Adjusted annual income" § 4-801

29 "Secretary" § 1-101

30 (E) LOT CONSOLIDATION.

1 "LOT CONSOLIDATION" MEANS THE ACQUISITION OF REAL PROPERTY
2 ADJACENT TO AND IN CONNECTION WITH A RESIDENCE FINANCED BY THE
3 PROGRAM TO INCLUDE THE REAL PROPERTY AS PART OF THE RESIDENCE.

4 REVISOR'S NOTE: This subsection is new language derived without
5 substantive change from former Art. 83B, § 2-601(e).

6 Defined term: "Program" § 4-801

7 (F) MEDIAN ANNUAL FAMILY INCOME.

8 "MEDIAN ANNUAL FAMILY INCOME" MEANS THE MEDIAN ANNUAL FAMILY
9 INCOME FOR THE STATE, COUNTY, OR AREA, WHICHEVER IS GREATEST, AS SHOWN IN
10 THE LATEST CENSUS BUREAU REPORT OF THE UNITED STATES DEPARTMENT OF
11 COMMERCE.

12 REVISOR'S NOTE: This subsection is new language derived without
13 substantive change from former Art. 83B, § 2-601(f).

14 The reference to an "area" is substituted for the former reference to a
15 "region" to avoid confusion with the defined term "region". *See* subsection
16 (i) of this section. The former reference to "region" in this subsection was
17 other than as defined.

18 Defined term: "County" § 1-101

19 (G) PREFERRED INTEREST RATE.

20 "PREFERRED INTEREST RATE" MEANS AN INTEREST RATE THAT THE
21 DEPARTMENT SETS UNDER § 4-806(C) OF THIS SUBTITLE.

22 REVISOR'S NOTE: This subsection is new language derived without
23 substantive change from former Art. 83B, § 2-601(h).

24 The former reference to the rate that the Department sets "periodically" is
25 deleted in light of the reference to "§ 4-806(c) of this subtitle".

26 Defined term: "Department" § 1-101

27 (H) PROGRAM.

28 "PROGRAM" MEANS THE MARYLAND HOME FINANCING PROGRAM.

29 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-601(i).

30 No changes are made.

31 (I) REGION.

32 "REGION" MEANS AN AREA OF THE STATE THAT THE DEPARTMENT
33 ESTABLISHES COMPRISING ONE OR MORE COUNTIES.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from former Art. 83B, § 2-601(j).

3 Defined term: "Department" § 1-101

4 (J) SHORT-TERM LOAN.

5 "SHORT-TERM LOAN" MEANS A LOAN THAT, UNDER THE LOAN DOCUMENTS, IS
6 EXPECTED TO BE TAKEN OUT BY OTHER FINANCING WITHIN 7 YEARS.

7 REVISOR'S NOTE: This subsection is new language derived without
8 substantive change from former Art. 83B, § 2-601(k).

9 4-802. SCOPE OF SUBTITLE.

10 THIS SUBTITLE APPLIES ONLY TO LOANS THAT THE DEPARTMENT MAKES
11 UNDER THIS SUBTITLE OR THAT WERE MADE BEFORE JULY 1, 1989, UNDER THE
12 MARYLAND HOME FINANCING PROGRAM, THE REVERSE EQUITY LOAN PROGRAM, OR
13 THE HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE PROGRAM.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 2-601(d).

16 It is revised as a scope section for clarity.

17 Defined term: "Department" § 1-101

18 4-803. ESTABLISHED.

19 THERE IS A MARYLAND HOME FINANCING PROGRAM.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 2-603.

22 The former phrase "of the Department" is deleted in light of § 4-103 of this
23 title.

24 4-804. PURPOSES OF PROGRAM.

25 THE PURPOSES OF THE PROGRAM ARE TO MAKE, PARTICIPATE IN MAKING, AND
26 PURCHASE:

27 (1) PREFERRED INTEREST RATE LOANS TO ACQUIRE, ACQUIRE AND
28 REHABILITATE WITH OR WITHOUT DEMOLITION OR LOT CONSOLIDATION, OR
29 REFINANCE A PRIMARY RESIDENCE BY:

30 (I) HOUSEHOLDS OF LIMITED INCOME THAT WILL OCCUPY
31 SINGLE-UNIT PRIMARY RESIDENCES; OR

1 (II) OWNER-OCCUPANTS OF RESIDENTIAL BUILDINGS WITH NOT
 2 MORE THAN FOUR UNITS, IF EACH UNIT OTHER THAN THE OWNER'S WILL BE
 3 OCCUPIED BY A HOUSEHOLD OF LIMITED INCOME;

4 (2) SHORT-TERM CONSTRUCTION LOANS TO DEVELOPERS OR
 5 NONPROFIT SPONSORS TO CONSTRUCT OR REHABILITATE DWELLING UNITS THAT
 6 HOUSEHOLDS OF LIMITED INCOME CAN AFFORD;

7 (3) SHORT-TERM LOANS TO NONPROFIT SPONSORS, AS DEFINED IN
 8 DEPARTMENTAL REGULATIONS, TO ACQUIRE AND CONSTRUCT OR ACQUIRE AND
 9 REHABILITATE, WITH OR WITHOUT DEMOLITION OR LOT CONSOLIDATION,
 10 DWELLING UNITS THAT HOUSEHOLDS OF LIMITED INCOME CAN AFFORD TO BUY
 11 UNDER A PURCHASE OR LEASE-PURCHASE CONTRACT;

12 (4) EMERGENCY ASSISTANCE LOANS TO HOUSEHOLDS OF LIMITED
 13 INCOME WHO, BECAUSE OF UNEMPLOYMENT OR OTHER EXTRAORDINARY
 14 HARDSHIP, CANNOT MAKE CURRENT MORTGAGE PAYMENTS ON THEIR HOMES AND
 15 RISK FORFEITING THE TITLE TO THEIR HOMES; AND

16 (5) REVERSE EQUITY LOANS TO ELDERLY HOUSEHOLDS OF LIMITED
 17 INCOME FOR HOUSING RELATED EXPENSES OR PERSONAL EXPENSES THAT ENABLE
 18 THE OWNER TO CONTINUE TO OCCUPY THE HOME.

19 REVISOR'S NOTE: This section is new language derived without substantive
 20 change from former Art. 83B, § 2-602.

21 In item (1) of this section, the references to "acquir[ing]" are substituted for
 22 the former references to "purchas[ing]" for consistency with item (3) of this
 23 section.

24 In item (2) of this section, the reference to "nonprofit sponsor" is added in
 25 light of § 4-813(a) of this subtitle, which lists qualifications for a
 26 short-term construction loan under this section for a developer "or
 27 nonprofit sponsor".

28 Defined terms: "Household of limited income" § 4-801

29 "Lot consolidation" § 4-801

30 "Nonprofit sponsor" § 4-101

31 "Preferred interest rate" § 4-801

32 "Program" § 4-801

33 "Short-term loan" § 4-801

34 4-805. POWERS OF DEPARTMENT.

35 THE DEPARTMENT MAY:

36 (1) CONTRACT FOR SERVICES RELATED TO THE PROGRAM;

1 (2) CONTRACT WITH PRIVATE MORTGAGE SERVICERS TO PERFORM ON
2 BEHALF OF THE DEPARTMENT FUNCTIONS THE SERVICERS ORDINARILY PERFORM,
3 INCLUDING FORECLOSURE AND EMPLOYMENT OF COUNSEL;

4 (3) REQUIRE PAYMENT OF A NONREFUNDABLE APPLICATION FEE;

5 (4) PURCHASE OR COMMIT TO PURCHASE FROM MORTGAGE LENDERS
6 NOTES OR MORTGAGES THAT MEET THE REQUIREMENTS OF THIS SUBTITLE, ANY
7 REGULATIONS ADOPTED UNDER IT, AND APPROPRIATE PROGRAM DIRECTIVES; AND

8 (5) WITHOUT APPROVAL OR EXECUTION BY THE BOARD OF PUBLIC
9 WORKS:

10 (I) ASSIGN A MORTGAGE FOR VALUE;

11 (II) RELEASE A MORTGAGE;

12 (III) FORECLOSE A MORTGAGE;

13 (IV) ACQUIRE PROPERTY THAT SECURES A LOAN IN DEFAULT;

14 (V) ENCUMBER, SELL, OR OTHERWISE DISPOSE OF PROPERTY
15 ACQUIRED IN CONNECTION WITH A LOAN IN DEFAULT;

16 (VI) SELL A LOAN AT A DISCOUNT OR ON OTHER TERMS
17 ACCEPTABLE TO THE DEPARTMENT;

18 (VII) TRANSFER TO THE FUND MONEY RECEIVED ON THE SALE OF A
19 LOAN UNDER ITEM (VI) OF THIS ITEM; AND

20 (VIII) REPURCHASE OR PAY THE COST OF SERVICING A LOAN THAT
21 HAS BEEN SOLD UNDER ITEM (VI) OF THIS ITEM WITH MONEY IN THE FUND AND ON
22 TERMS ACCEPTABLE TO THE DEPARTMENT.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from former Art. 83B, § 2-612.

25 In item (4) of this section, the former phrase "that evidence residential
26 mortgage loans" is deleted as surplusage.

27 Defined terms: "Department" § 1-101

28 "Fund" § 4-801

29 "Program" § 4-801

30 4-806. DUTIES OF DEPARTMENT.

31 (A) IN GENERAL.

32 THE DEPARTMENT SHALL:

33 (1) MANAGE THE PROGRAM IN A MANNER THAT:

1 (I) SERVES ALL AREAS OF THE STATE; AND

2 (II) DOES NOT CREATE OR AGGRAVATE LOW-INCOME
3 CONCENTRATIONS THAT ADVERSELY AFFECT COMMUNITIES;

4 (2) PERIODICALLY SET UPPER LIMITS ON ADJUSTED ANNUAL INCOME;

5 (3) USE FEDERAL OR STATE PROGRAMS THAT COMPLEMENT OR
6 FACILITATE CARRYING OUT THE PROGRAM; AND

7 (4) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

8 (B) POLICIES.

9 THE DEPARTMENT SHALL ADOPT POLICIES TO ENSURE THAT EACH LOAN MADE
10 UNDER THE PROGRAM IS MADE ONLY TO:

11 (1) A HOUSEHOLD THAT:

12 (I) WHEN THE LOAN IS MADE, HAS AN ADJUSTED ANNUAL INCOME
13 AT OR BELOW THE APPLICABLE UPPER LIMIT THAT THE SECRETARY SETS UNDER §
14 4-807 OF THIS SUBTITLE; AND

15 (II) CANNOT QUALIFY FOR CONVENTIONAL OR OTHER AVAILABLE
16 DEPARTMENTAL FINANCING TO ENABLE THE OWNER TO CONTINUE TO OCCUPY THE
17 HOME, OR TO ACQUIRE, ACQUIRE AND REHABILITATE WITH OR WITHOUT
18 DEMOLITION OR LOT CONSOLIDATION, OR REFINANCE A HOME;

19 (2) A DEVELOPER THAT THE DEPARTMENT REASONABLY BELIEVES CAN
20 BUILD OR REHABILITATE HOUSING THAT A HOUSEHOLD OF LIMITED INCOME CAN
21 AFFORD; AND

22 (3) AN OWNER-OCCUPANT OF A RESIDENTIAL BUILDING WITH NOT
23 MORE THAN FOUR UNITS IF EACH UNIT OTHER THAN THE OWNER'S WILL BE
24 OCCUPIED BY A HOUSEHOLD OF LIMITED INCOME.

25 (C) TERMS AND INTEREST RATES.

26 (1) FOR EACH TYPE OF LOAN DESCRIBED IN § 4-804 OF THIS SUBTITLE,
27 THE DEPARTMENT PERIODICALLY SHALL SET:

28 (I) APPROPRIATE TERMS; AND

29 (II) A PREFERRED INTEREST RATE THAT MAY BE AS LOW AS 0.0% OR
30 AS HIGH AS IS REASONABLE IN LIGHT OF THE INCOMES OF THE PROPOSED
31 OCCUPANTS.

32 (2) IN SETTING THESE TERMS AND INTEREST RATES, THE DEPARTMENT
33 SHALL TAKE INTO ACCOUNT RATES AVAILABLE IN THE CONVENTIONAL PRIVATE
34 HOUSING MARKET AND THE ADJUSTED ANNUAL INCOME AND ASSETS OF
35 PROSPECTIVE BORROWERS.

1 REVISOR'S NOTE: This section is new language derived without substantive
 2 change from former Art. 83B, § 2-604(a)(1) through (4), (6), and (7), and
 3 the introductory language of (5).

4 In subsection (a)(1) of this section, the former references to the
 5 Department's "supervis[ing]" the Program and "carry[ing] out" the
 6 Program are deleted in light of the reference to the Program's "manag[ing]"
 7 the Program.

8 In subsection (a)(4) of this section, as to the deletion of the former reference
 9 to "rules", *see* General Revisor's Note to article.

10 Also in subsection (a)(4) of this section, the former phrase "in conformance
 11 with statutory requirements" is deleted as implicit in the phrase "adopt
 12 regulations". *See* SG § 10-106.

13 In subsection (b)(1)(ii) of this section, the references to "acquir[ing]" and
 14 "acquir[ing] and rehabilitat[ing]" are substituted for the former references
 15 to "purchas[ing]" and "purchas[ing] and rehabilitation" to conform to the
 16 terminology used in § 4-804(1) and (3) of this subtitle.

17 In subsection (b)(3) of this section, the phrase "if each unit other than the
 18 owner's will be occupied by a household of limited income" is substituted
 19 for the former phrase "who agree to rent to households of limited income"
 20 to conform to the terminology used in § 4-804(1)(ii) of this subtitle.

21 In subsection (c)(1)(ii) of this section, the reference to a "preferred" interest
 22 rate is added to conform to the defined term "preferred interest rate".

23 Defined terms: "Adjusted annual income" § 4-801

24 "Department" § 1-101

25 "Household of limited income" § 4-801

26 "Lot consolidation" § 4-801

27 "Preferred interest rate" § 4-801

28 "Program" § 4-801

29 4-807. ADJUSTED ANNUAL INCOME.

30 (A) FACTORS TO CONSIDER.

31 IN SETTING UPPER LIMITS ON ADJUSTED ANNUAL INCOME, THE DEPARTMENT
 32 SHALL CONSIDER FACTORS INCLUDING:

33 (1) THE TOTAL INCOME OF EACH INDIVIDUAL EXPECTED TO LIVE IN
 34 THE HOME;

35 (2) THE SIZE OF THE HOUSEHOLD;

36 (3) THE COST OF AVAILABLE HOUSING FACILITIES;

1 (4) THE ABILITY OF THE HOUSEHOLD TO COMPETE SUCCESSFULLY IN
2 THE CONVENTIONAL PRIVATE HOUSING MARKET; AND

3 (5) PERTINENT STANDARDS AND DEFINITIONS ESTABLISHED FOR
4 FEDERAL HOUSING PROGRAMS.

5 (B) DIFFERENCES IN UPPER LIMITS ON ADJUSTED ANNUAL INCOME.

6 UPPER LIMITS ON ADJUSTED ANNUAL INCOME MAY VARY FOR DIFFERENT:

7 (1) TYPES OF HOUSING;

8 (2) TYPES OF FINANCING OFFERED BY THE PROGRAM; AND

9 (3) REGIONS.

10 (C) LOWER INCOME LIMIT RANGES; LOWER INTEREST RATES.

11 WITHIN THE UPPER LIMITS ON ADJUSTED ANNUAL INCOME, LOWER INCOME
12 LIMIT RANGES AND LOWER INTEREST RATES MAY BE ESTABLISHED FOR LOANS TO
13 HOUSEHOLDS WITH ADJUSTED ANNUAL INCOMES IN THE LOWER RANGES.

14 (D) LIMIT ON ADJUSTED ANNUAL INCOME.

15 EXCEPT FOR LOANS MADE UNDER § 4-804(4) OF THIS SUBTITLE, THE UPPER
16 LIMITS ON ADJUSTED ANNUAL INCOME ESTABLISHED UNDER SUBSECTION (A) OF
17 THIS SECTION MAY NOT EXCEED THE MEDIAN ANNUAL FAMILY INCOME.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 2-604(a)(5) and (b).

20 In subsection (a)(4) of this section, the reference to "the household" is
21 substituted for the former reference to "such individuals" for clarity.

22 In subsection (d) of this section, the former reference to adjusted annual
23 income that may not exceed "but may be less than" the median annual
24 family income is deleted as surplusage.

25 Defined terms: "Adjusted annual income" § 4-801

26 "Department" § 1-101

27 "Median annual family income" § 4-801

28 "Program" § 4-801

29 "Region" § 4-801

30 4-808. OPERATION OF PROGRAM.

31 THE PROGRAM SHALL BE OPERATED WITH THE MONEY IN THE FUND.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from the first clause of the introductory language of former Art.
34 83B, § 2-613(a).

1 Defined terms: "Fund" § 4-801

2 "Program" § 4-801

3 4-809. APPLICATION FOR LOAN.

4 TO APPLY FOR A LOAN UNDER THIS SUBTITLE, AN APPLICANT SHALL SUBMIT:

5 (1) A COMPLETED APPLICATION IN A FORM THAT THE DEPARTMENT
6 REQUIRES;

7 (2) A COPY OF THE APPLICANT'S LATEST STATE INCOME TAX RETURN OR
8 OTHER AVAILABLE VERIFICATION OF INCOME, UNLESS THE APPLICATION IS FOR A
9 LOAN UNDER § 4-804(1)(I) OR (2) OF THIS SUBTITLE; AND

10 (3) ANY OTHER INFORMATION OR DOCUMENTATION THAT THE
11 DEPARTMENT CONSIDERS NECESSARY TO MAKE A DETERMINATION ON THE LOAN.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 2-610.

14 Defined term: "Department" § 1-101

15 4-810. ELIGIBILITY FOR LOAN -- IN GENERAL.

16 (A) QUALIFICATIONS FOR LOAN FOR PRIMARY RESIDENCE.

17 TO QUALIFY FOR A LOAN UNDER § 4-804(1)(I), (4), OR (5) OF THIS SUBTITLE, AN
18 APPLICANT:

19 (1) SHALL BE A MEMBER OF A HOUSEHOLD OF LIMITED INCOME;

20 (2) ON CLOSING OF THE LOAN, SHALL INTEND TO RESIDE IN THE HOME
21 TO BE FINANCED;

22 (3) MAY NOT OWN OTHER PROPERTY USED AS THE APPLICANT'S
23 PERSONAL RESIDENCE; AND

24 (4) IN THE ESTIMATION OF THE DEPARTMENT, SHALL LACK THE
25 FINANCIAL RESOURCES TO OBTAIN A PRIVATE CONVENTIONAL MORTGAGE OR TO
26 QUALIFY FOR OTHER DEPARTMENTAL LOAN PROGRAMS.

27 (B) QUALIFICATIONS FOR LOAN AS OWNER-OCCUPANT LANDLORD.

28 TO QUALIFY FOR A LOAN UNDER § 4-804(1)(II) OF THIS SUBTITLE, AN APPLICANT:

29 (1) SHALL AGREE IN WRITING TO LIVE AS AN OWNER-OCCUPANT IN ONE
30 OF THE UNITS OF A RESIDENTIAL BUILDING WITH NO MORE THAN FOUR UNITS;

31 (2) SHALL AGREE IN WRITING TO RENT EACH UNIT OTHER THAN THE
32 APPLICANT'S UNIT TO A HOUSEHOLD OF LIMITED INCOME; AND

1 (3) IN THE ESTIMATION OF THE DEPARTMENT, SHALL LACK THE
2 FINANCIAL RESOURCES TO OBTAIN A PRIVATE CONVENTIONAL MORTGAGE OR
3 QUALIFY FOR OTHER DEPARTMENTAL LOAN PROGRAMS.

4 (C) QUALIFICATIONS FOR LOAN TO DEVELOPER.

5 TO QUALIFY FOR A LOAN UNDER § 4-804(2) OF THIS SUBTITLE, AN APPLICANT
6 SHALL AGREE TO SELL OR RENT EACH DWELLING UNIT CONSTRUCTED OR
7 REHABILITATED WITH THE PROCEEDS OF THE LOAN TO A HOUSEHOLD OF LIMITED
8 INCOME.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 2-605.

11 In the introductory language of subsection (a) of this section, the references
12 to "§ 4-804(1)(i), (4), or (5)" of this subtitle is substituted for the former
13 references to "§ 2-602(1)(i), (3), or (4)" of this subtitle to reflect the
14 organization of this revision and to correct a cross-reference that occurred
15 in Chapter 412, Acts of 1994, which enacted § 4-804(3) of this subtitle.

16 In subsections (a)(4) and (b)(3) of this section, the references to the
17 "Department" are substituted for the former reference to the "Program" for
18 clarity.

19 Defined terms: "Department" § 1-101

20 "Household of limited income" § 4-801

21 "Program" § 4-801

22 4-811. SAME -- EMERGENCY ASSISTANCE LOANS.

23 (A) QUALIFICATIONS.

24 TO QUALIFY FOR AN EMERGENCY ASSISTANCE LOAN MADE UNDER § 4-804(4) OF
25 THIS SUBTITLE, AN APPLICANT:

26 (1) SHALL BE UNABLE TO KEEP PAYMENTS CURRENT ON THE
27 APPLICANT'S HOME MORTGAGE BECAUSE OF UNFORESEEABLE ADVERSE PERSONAL
28 OR ECONOMIC CIRCUMSTANCES;

29 (2) SHALL BE AT RISK OF FORFEITING TITLE TO THE APPLICANT'S
30 HOME; AND

31 (3) REASONABLY MAY BE EXPECTED TO RESUME REGULAR MORTGAGE
32 PAYMENTS WITHIN 24 MONTHS AFTER THE FIRST MORTGAGE ASSISTANCE PAYMENT
33 IS PROVIDED.

34 (B) EQUITY IN PROPERTY; AMOUNT OF LIEN.

35 FOR AN EMERGENCY ASSISTANCE LOAN UNDER § 4-804(4) OF THIS SUBTITLE:

1 (1) THE DEPARTMENT SHALL CONSIDER THE AMOUNT OF EQUITY IN
2 THE PROPERTY; AND

3 (2) THE LOAN MAY NOT EXCEED AN AMOUNT EQUAL TO 36 PAYMENTS
4 OF PRINCIPAL AND INTEREST ON ALL SUPERIOR LIENS, PLUS:

5 (I) LATE FEES;

6 (II) TAXES;

7 (III) INSURANCE PAYMENTS; AND

8 (IV) OTHER PAYMENTS NEEDED FOR THE LOAN TO BE CURRENT.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 2-606.

11 Defined term: "Department" § 1-101

12 4-812. SAME -- REVERSE EQUITY LOANS.

13 TO QUALIFY FOR A REVERSE EQUITY LOAN UNDER § 4-804(5) OF THIS SUBTITLE,
14 AN APPLICANT SHALL:

15 (1) BE AT LEAST 62 YEARS OLD WHEN THE LOAN CLOSES; AND

16 (2) NEED FINANCIAL ASSISTANCE WITH HOUSING-RELATED EXPENSES
17 OR PERSONAL EXPENSES THAT ENABLE THE OWNER TO CONTINUE TO OCCUPY THE
18 HOME.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-607.

21 4-813. SAME -- SHORT-TERM CONSTRUCTION LOANS.

22 (A) DEVELOPER OR NONPROFIT SPONSOR.

23 TO QUALIFY FOR A SHORT-TERM CONSTRUCTION LOAN UNDER § 4-804(2) OF
24 THIS SUBTITLE, A DEVELOPER OR NONPROFIT SPONSOR SHALL:

25 (1) PROVIDE CONSTRUCTION COSTS, MARKETING DATA, AND OTHER
26 INFORMATION THE DEPARTMENT REQUIRES; AND

27 (2) HAVE A COMMITMENT FROM THE DEPARTMENT UNDER § 4-815(J) OF
28 THIS SUBTITLE FOR PERMANENT FINANCING FOR THE SALE OF EACH RESIDENCE TO
29 BE BUILT OR REHABILITATED WITH THE SHORT-TERM CONSTRUCTION LOAN.

30 (B) NONPROFIT SPONSOR.

31 TO QUALIFY FOR A SHORT-TERM LOAN UNDER § 4-804(3) OF THIS SUBTITLE, A
32 NONPROFIT SPONSOR:

1 (1) SHALL PROVIDE:

2 (I) INFORMATION ON THE COSTS OF THE PROPOSED
3 UNDERTAKING;

4 (II) MARKETING DATA; AND

5 (III) OTHER INFORMATION THE DEPARTMENT REQUIRES; AND

6 (2) SHALL HAVE:

7 (I) A COMMITMENT FROM THE DEPARTMENT FOR PERMANENT
8 FINANCING FOR THE SALE OF EACH RESIDENCE BUILT OR REHABILITATED WITH
9 THE SHORT-TERM LOAN; OR

10 (II) APPROVAL FROM THE DEPARTMENT TO RENT THE RESIDENCE
11 SUBJECT TO A LEASE PURCHASE AGREEMENT ACCEPTABLE TO THE DEPARTMENT.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 2-609.

14 In subsection (b)(1)(i) of this section, the phrase "information on the costs
15 of the proposed undertaking" is substituted for the former reference to
16 "costs for acquisition, construction, rehabilitation, demolition, or lot
17 consolidation" for clarity.

18 In subsection (b)(2)(i) of this section, the reference to "each residence built
19 or rehabilitated" is substituted for the former reference to "residences
20 acquired and constructed or rehabilitated" for consistency with subsection
21 (a)(2) of this section.

22 Defined terms: "Department" § 1-101

23 "Nonprofit sponsor" § 4-101

24 "Short-term loan" § 4-801

25 4-814. PREFERRED INTEREST RATE MORTGAGE.

26 TO QUALIFY FOR A PREFERRED INTEREST RATE LOAN TO REFINANCE AN
27 EXISTING HOME UNDER § 4-804(1) OF THIS SUBTITLE, AN APPLICANT SHALL:

28 (1) BE UNABLE TO KEEP PAYMENTS CURRENT ON THE APPLICANT'S
29 HOME MORTGAGE BECAUSE OF EXCEPTIONAL ADVERSE PERSONAL OR ECONOMIC
30 CIRCUMSTANCES; AND

31 (2) RISK FORFEITING TITLE TO THE APPLICANT'S HOME.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 2-608.

34 In item (1) of this section, the reference to keeping "payments current on
35 the applicant's home mortgage" is substituted for the former reference to

1 keeping "current the existing mortgage on the applicant's home" to
2 conform to the language used in § 4-811(a)(1) and (2) of this subtitle.

3 Defined term: "Preferred interest rate" § 6-101

4 4-815. LOAN OPERATION.

5 (A) IN GENERAL.

6 AS TO EACH LOAN, THE DEPARTMENT MAY SET:

7 (1) THE PRINCIPAL AMOUNT, SUBJECT TO SUBSECTION (F) OF THIS
8 SECTION;

9 (2) THE TERM OF THE LOAN, NOT TO EXCEED 40 YEARS EXCEPT IN THE
10 CASE OF A REVERSE EQUITY LOAN MADE UNDER SUBSECTION (B)(3) OF THIS
11 SECTION;

12 (3) THE INTEREST RATE, WHICH MAY BE ADJUSTABLE UNDER
13 SUBSECTION (G) OF THIS SECTION;

14 (4) THE PRINCIPAL REPAYMENT TERMS, SUBJECT TO SUBSECTIONS (B)
15 AND (C) OF THIS SECTION; AND

16 (5) OTHER TERMS THAT THE DEPARTMENT CONSIDERS NECESSARY TO
17 ACHIEVE THE PURPOSES OF THE PROGRAM.

18 (B) ACCELERATION; DEFERRAL.

19 (1) A LOAN MAY PROVIDE FOR IMMEDIATE ACCELERATION IF THE
20 BORROWER VIOLATES § 4-816 OF THIS SUBTITLE OR IF THE LOAN IS IN DEFAULT.

21 (2) IN THE CASE OF A PREFERRED INTEREST RATE LOAN UNDER §
22 4-804(1) OF THIS SUBTITLE, A LOAN MAY PROVIDE FOR FULL ACCELERATION OF
23 PRINCIPAL AFTER 5 YEARS IF THE BORROWER:

24 (I) NO LONGER QUALIFIES AS A HOUSEHOLD OF LIMITED INCOME;
25 AND

26 (II) CAN QUALIFY FOR CONVENTIONAL MORTGAGE FINANCING.

27 (3) IN THE CASE OF A REVERSE EQUITY LOAN MADE UNDER § 4-804(5) OF
28 THIS SUBTITLE, A LOAN MAY PROVIDE FOR:

29 (I) FULL OR PARTIAL DEFERRAL ON PAYMENT OF INTEREST AND
30 PRINCIPAL UNTIL SALE, CONVEYANCE IN ACCORDANCE WITH A WILL OR TRUST
31 INSTRUMENT, OR OTHER TRANSFER OF THE MORTGAGED PROPERTY OR A
32 BENEFICIAL INTEREST IN THE PROPERTY; AND

1 (II) FORGIVENESS OF ACCRUED INTEREST IN EXCESS OF THE
2 AVAILABLE EQUITY IN THE MORTGAGED PROPERTY WHEN THE CONVEYANCE
3 OCCURS.

4 (4) IN THE CASE OF AN EMERGENCY ASSISTANCE LOAN UNDER § 4-804(4)
5 OF THIS SUBTITLE, A LOAN MAY PROVIDE FOR FULL OR PARTIAL DEFERRAL OF
6 PAYMENT OF INTEREST AND PRINCIPAL UNTIL A STATED DATE WHEN THE
7 DEPARTMENT REASONABLY ANTICIPATES THAT THE BORROWER WILL BE ABLE TO
8 MAKE FULL OR PARTIAL PAYMENTS.

9 (C) RIGHTS OF DEPARTMENT.

10 A MORTGAGE SHALL INCLUDE THE RIGHT OF THE DEPARTMENT TO:

11 (1) FORECLOSE THE MORTGAGE AND TAKE TITLE TO THE FORECLOSED
12 PROPERTY OR CONVEY TITLE TO A BUYER; AND

13 (2) OBTAIN A DEFICIENCY JUDGMENT.

14 (D) SECURITY.

15 (1) REPAYMENT OF A LOAN SHALL BE SECURED BY A RECORDED LIEN
16 ON THE REAL PROPERTY.

17 (2) THE LIEN MAY BE A SUBORDINATE LIEN.

18 (3) A LIEN SECURING AN EMERGENCY ASSISTANCE LOAN MAY BE
19 RELEASED IF THE RELEASE IS IN THE INTEREST OF THE DEPARTMENT.

20 (E) INSURANCE.

21 THE DEPARTMENT MAY REQUIRE A MORTGAGE TO BE INSURED AT THE
22 BORROWER'S EXPENSE BY A FEDERAL, STATE, OR PRIVATE INSTRUMENTALITY.

23 (F) AMOUNT OF LOAN.

24 (1) FOR A PREFERRED INTEREST LOAN UNDER § 4-804(1) OF THIS
25 SUBTITLE, THE AMOUNT OF THE LOAN AND ANY PRIOR RECORDED LIENS
26 OUTSTANDING MAY NOT EXCEED THE VALUE OF THE SECURED PROPERTY, AS
27 DETERMINED BY THE DEPARTMENT WHEN THE LOAN IS CLOSED, PLUS SETTLEMENT
28 EXPENSES.

29 (2) FOR A REVERSE EQUITY LOAN UNDER § 4-804(5) OF THIS SUBTITLE,
30 THE PRINCIPAL AMOUNT OF THE LOAN AND ANY PRIOR LIENS OUTSTANDING MAY
31 NOT EXCEED THE VALUE OF THE SECURED PROPERTY AS DETERMINED BY THE
32 DEPARTMENT FROM TIME TO TIME.

33 (3) FOR A SHORT-TERM LOAN UNDER § 4-804(2) OF THIS SUBTITLE, THE
34 AMOUNT OF THE LOAN MAY NOT EXCEED THE TOTAL COMMITMENTS FOR
35 PERMANENT FINANCING FOR BUYERS, INCLUDING ANY COMMITMENTS OF

1 FEDERAL, STATE, OR LOCAL MONEY TO SUBSIDIZE THE COST OF THE DWELLING
2 UNITS.

3 (G) ADJUSTABLE INTEREST RATE.

4 AFTER FULL DISCLOSURE TO THE BORROWER WHEN THE LOAN IS MADE, THE
5 DEPARTMENT MAY TAKE AS SECURITY AN ADJUSTABLE INTEREST RATE MORTGAGE
6 UNDER WHICH ANY RATE ADJUSTMENT MUST:

7 (1) FOLLOW WRITTEN NOTICE TO THE BORROWER; AND

8 (2) BE BASED ON AN INCREASE OR DECREASE IN HOUSEHOLD INCOME.

9 (H) DEFAULT.

10 ON DEFAULT, THE DEPARTMENT MAY MODIFY THE INTEREST RATE, THE TIME
11 OR AMOUNT OF PAYMENT, OR ANY OTHER TERM OF THE LOAN TO FACILITATE
12 REPAYMENT OF THE LOAN AND ACHIEVE THE PURPOSES OF THE PROGRAM.

13 (I) TRANSFER OF MORTGAGED PROPERTY; ASSUMPTION OF MORTGAGE.

14 FOR A MORTGAGE SECURING A LOAN UNDER THIS SUBTITLE, THE
15 DEPARTMENT MAY ALLOW:

16 (1) THE TRANSFER OF THE MORTGAGED PROPERTY OR AN INTEREST IN
17 THE PROPERTY WITHOUT MONETARY CONSIDERATION:

18 (I) TO A SPOUSE, CHILD, OR OTHER IMMEDIATE FAMILY MEMBER;
19 OR

20 (II) IN CONNECTION WITH THE DEATH OF A BORROWER, A DIVORCE
21 DECREE, OR A LEGAL SEPARATION AGREEMENT; AND

22 (2) ASSUMPTION OF THE MORTGAGE BY A TRANSFEREE DESCRIBED IN
23 ITEM (1)(I) OF THIS SUBSECTION FOR MONETARY CONSIDERATION AND BY ANY
24 OTHER TRANSFEREE WITH OR WITHOUT CONSIDERATION IF THE TRANSFEREE
25 QUALIFIES AS A HOUSEHOLD OF LIMITED INCOME AND SATISFIES ALL OTHER
26 PROGRAM REQUIREMENTS.

27 (J) RESERVATION OF MONEY.

28 FOR THE DEVELOPER OF HOUSING THAT WILL BE PRICED SO AS TO BE
29 AFFORDABLE TO HOUSEHOLDS OF LIMITED INCOME, THE DEPARTMENT MAY
30 COMMIT TO RESERVE FOR A FIXED PERIOD A FIXED AMOUNT OF PROGRAM MONEY
31 TO BE AVAILABLE TO FINANCE PREFERRED INTEREST RATE MORTGAGE LOANS FOR
32 HOUSEHOLDS OF LIMITED INCOME WHO SEEK TO PURCHASE FROM THE DEVELOPER
33 FULLY CONSTRUCTED OR REHABILITATED HOMES.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 2-611.

1 In subsection (c) of this section, the former reference to "seek enforcement
2 of" a deficiency judgment is deleted as implicit in the reference to
3 "[o]btain" a deficiency judgment.

4 The Housing Article Review Committee notes, for consideration by the
5 General Assembly, that in subsection (d)(3) of this section, the former
6 reference that allows a lien securing an emergency assistance loan to be
7 released if the release is in the "best financial" interest of the Department
8 is deleted to allow the Department to weigh other policy considerations
9 that may be of greater concern to the Department.

10 In subsection (f)(1) and (2) of this section, the references to the
11 "Department" are substituted for the former references to the "Program"
12 for clarity.

13 In the introductory language of subsection (g) of this section, the reference
14 to the Department "tak[ing] as security" an adjustable interest rate
15 mortgage is added for clarity.

16 The Housing Article Review Committee also notes, for consideration by the
17 General Assembly, that in subsection (h) of this section, the reference
18 authorizing the Department to modify terms of the loan to "facilitate"
19 repayment of the loan is substituted for the former reference to "ensure"
20 repayment of the loan, to reflect that the Department seeks only a good
21 faith effort by the borrower to repay the loan.

22 In subsection (j) of this section, the former reference to a period "of time" is
23 deleted as surplusage.

24 Also in subsection (j) of this section, the former reference to "qualifying"
25 households of limited income is deleted as implicit in the defined term
26 "household of limited income".

27 Defined terms: "Department" § 1-101

28 "Household of limited income" § 4-801

29 "Preferred interest rate" § 4-801

30 "Program" § 4-801

31 "Short-term loan" § 4-801

32 4-816. FALSE STATEMENTS OR REPORTS.

33 (A) PROHIBITED.

34 A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY MATERIAL
35 MISSTATEMENT OF FACT, INCLUDING AN UNDERSTATEMENT OR OVERSTATEMENT
36 OF FINANCIAL CONDITION, IN A STATEMENT OR REPORT THAT:

37 (1) IS IN OR RELATES TO A LOAN APPLICATION UNDER THIS SUBTITLE;
38 OR

1 (2) AFFECTS A LOAN ALREADY MADE UNDER THIS SUBTITLE.

2 (B) PENALTY.

3 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
4 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
5 NOT EXCEEDING \$5,000 OR BOTH.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-614.

8 Defined term: "Person" § 1-101

9 SUBTITLE 9. MARYLAND HOUSING REHABILITATION PROGRAM.

10 PART I. IN GENERAL.

11 4-901. DEFINITIONS.

12 (A) IN GENERAL.

13 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

14 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-302(a).

15 The only changes are in style.

16 (B) FAMILY OF LIMITED INCOME.

17 "FAMILY OF LIMITED INCOME" MEANS A FAMILY OR INDIVIDUAL WHOSE
18 INCOME DOES NOT EXCEED THE LIMITS THAT THE SECRETARY ESTABLISHES UNDER
19 § 4-915 OF THIS SUBTITLE.

20 REVISOR'S NOTE: This subsection is new language derived without
21 substantive change from the first sentence of former Art. 83B, § 2-302(e),
22 as it defined "famil[ies] of limited income".

23 The former reference to "those defined as `elderly' in federal housing
24 legislation" is deleted as surplusage.

25 As for the balance of former Art. 83B, § 2-302(e), *see* § 4-915 of this
26 subtitle.

27 Defined term: "Secretary" § 1-101

28 (C) LOCAL REHABILITATION PROGRAM.

29 "LOCAL REHABILITATION PROGRAM" MEANS A REHABILITATION PROGRAM
30 THAT USES PROGRAM LOANS AND IS ADMINISTERED BY A POLITICAL SUBDIVISION.

1 REVISOR'S NOTE: This subsection is new language added to provide a
2 convenient reference to a rehabilitation program using Program loans that
3 a political subdivision administers.

4 Defined terms: "Political subdivision" § 1-101

5 "Program loan" § 4-901

6 (D) MINIMUM LIVABILITY CODE.

7 "MINIMUM LIVABILITY CODE" MEANS A REGULATION, STATUTE, OR ORDINANCE
8 THAT ESTABLISHES MINIMUM PROPERTY MAINTENANCE STANDARDS THAT THE
9 STATE OR A POLITICAL SUBDIVISION ADOPTS UNDER § 12-203 OF THE PUBLIC SAFETY
10 ARTICLE.

11 REVISOR'S NOTE: This subsection formerly appeared as Art. 83B, § 2-302(j).

12 The only changes are in style.

13 Defined term: "Political subdivision" § 1-101

14 (E) NONPROFIT SPONSOR.

15 "NONPROFIT SPONSOR" MEANS:

16 (1) A NONPROFIT ORGANIZATION;

17 (2) A POLITICAL SUBDIVISION; OR

18 (3) A LIMITED PARTNERSHIP FORMED TO UNDERTAKE A
19 REHABILITATION PROJECT THAT IS ELIGIBLE WHOLLY OR PARTLY FOR FEDERAL
20 PROGRAMS OR INCENTIVES, INCLUDING LOW-INCOME HOUSING TAX CREDITS, IF:

21 (I) EACH GENERAL PARTNER IS A NONPROFIT ORGANIZATION OR
22 A POLITICAL SUBDIVISION; OR

23 (II) 1. EACH GENERAL PARTNER IS A WHOLLY OWNED
24 SUBSIDIARY OF A NONPROFIT ORGANIZATION OR POLITICAL SUBDIVISION; AND

25 2. A NONPROFIT ORGANIZATION OR POLITICAL
26 SUBDIVISION MANAGES THE REHABILITATION PROJECT OR WILL RECEIVE NET CASH
27 FLOW OR THE RESIDUAL SALE PROCEEDS ON THE SALE OF THE REHABILITATION
28 PROJECT.

29 REVISOR'S NOTE: This subsection is new language derived without
30 substantive change from former Art. 83B, § 2-302(k) and (l).

31 The defined terms "political subdivision" and "nonprofit organization" are
32 substituted for former Art. 83B, § 2-302(k), which defined "nonprofit
33 organization" to the same effect, for brevity. *See* § 1-101 of this division.

34 The Housing Article Review Committee notes, for consideration of the

1 General Assembly, that in item (3)(i)1 of this subsection, the reference to
2 "each general partner" is substituted for the former reference to a "limited
3 partnership" to avoid the erroneous implication that a limited partnership
4 may be a wholly owned subsidiary.

5 Defined terms: "Nonprofit organization" § 1-101

6 "Nonprofit sponsor" § 4-101

7 "Political subdivision" § 1-101

8 "Rehabilitation project" § 4-901

9 (F) PROGRAM.

10 "PROGRAM" MEANS THE MARYLAND HOUSING REHABILITATION PROGRAM.

11 REVISOR'S NOTE: This subsection is new language added to provide a
12 convenient reference to the Maryland Housing Rehabilitation Program.

13 (G) PROGRAM LOAN.

14 "PROGRAM LOAN" MEANS A LOAN UNDER THE MARYLAND HOUSING
15 REHABILITATION PROGRAM OR A SPECIAL LOAN PROGRAM.

16 REVISOR'S NOTE: This subsection is new language derived without
17 substantive change from former Art. 83B, § 2-302(f).

18 The reference to a "Program" loan is added for clarity.

19 Defined term: "Program" § 4-901

20 (H) REHABILITATION PROJECT.

21 (1) "REHABILITATION PROJECT" MEANS A PROJECT TO REPAIR,
22 RECONSTRUCT, RENOVATE, REDEVELOP, IMPROVE, MODIFY, OR ADD TO A BUILDING
23 FOR A PURPOSE LISTED IN § 4-923 OF THIS SUBTITLE.

24 (2) "REHABILITATION PROJECT" INCLUDES PROVIDING UTILITY
25 SUBMETERING FOR DWELLINGS IN A RESIDENTIAL RENTAL BUILDING.

26 REVISOR'S NOTE: This subsection is new language derived without
27 substantive change from former Art. 83B, § 2-302(o)(3) and the
28 introductory language of (1).

29 As for the balance of former Art. 83B, § 2-302(o), *see* § 4-923 of this
30 subtitle.

31 (I) SPECIAL LOAN PROGRAM.

32 "SPECIAL LOAN PROGRAM" MEANS:

33 (1) THE ACCESSORY, SHARED, AND SHELTERED HOUSING PROGRAM;

- 1 (2) THE INDOOR PLUMBING PROGRAM;
- 2 (3) THE LEAD PAINT ABATEMENT PROGRAM;
- 3 (4) THE MIGRATORY WORKER HOUSING PROGRAM; OR
- 4 (5) THE RADON AND ASBESTOS ABATEMENT PILOT PROGRAM.

5 REVISOR'S NOTE: This subsection is new language derived without
6 substantive change from former Art. 83B, § 2-302(s).

7 In item (4) of this subsection, the reference to the "Migratory Worker
8 Housing Program" is substituted for the former reference to the "Migratory
9 Worker Housing Facilities Program" for brevity.

10 In item (5) of this subsection, the former reference to Radon "Gas" is
11 deleted as surplusage.

12 (J) SPONSOR.

13 "SPONSOR" MEANS AN OWNER WHO RECEIVES A LOAN TO REHABILITATE A
14 BUILDING FOR RESIDENTIAL RENTAL PURPOSES OR NONRESIDENTIAL PURPOSES.

15 REVISOR'S NOTE: This subsection is new language derived without
16 substantive change from former Art. 83B, § 2-302(u).

17 The former phrase "or for both" is deleted as implicit in the use of the
18 conjunction "or".

19 4-902. SCOPE OF SUBTITLE.

20 (A) BUILDINGS.

21 THIS SUBTITLE APPLIES TO BUILDINGS THAT, AFTER REHABILITATION,
22 PROVIDE:

- 23 (1) TRADITIONAL DWELLINGS;
- 24 (2) SINGLE ROOM OCCUPANCY;
- 25 (3) SHARED LIVING DWELLINGS IN WHICH TWO OR MORE HOUSEHOLDS
26 CAN LIVE AND SHARE SOME OR ALL OF THE LIVING, DINING, KITCHEN, OR SANITARY
27 FACILITIES; OR
- 28 (4) CONGREGATE OR GROUP HOUSING AND RELATED SERVICES OR
29 TEMPORARY SHELTERS AND RELATED SERVICES THAT SERVE:
 - 30 (I) INDIVIDUALS WITH DISABILITIES OR LOW-INCOME, ELDERLY,
31 HOMELESS, OR OTHER DISADVANTAGED INDIVIDUALS; OR

1 (II) THE NONRESIDENTIAL COMMERCIAL, BUSINESS, OR SOCIAL
2 NEEDS OF THE COMMUNITY WHERE THE BUILDING IS LOCATED, SO AS TO ENHANCE
3 THE ECONOMIC FEASIBILITY OF HOUSING REHABILITATION IN THAT COMMUNITY.

4 (B) GROUP HOUSING BY OWNER-OCCUPANT OR NONPROFIT SPONSOR.

5 THIS SUBTITLE DOES NOT APPLY TO A BUILDING THAT PROVIDES GROUP
6 HOUSING UNLESS THE GROUP HOUSING IS PROVIDED BY AN OWNER-OCCUPANT OR
7 A NONPROFIT SPONSOR.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 2-302(c) and (q).

10 This section is revised as the scope of this subtitle rather than as part of
11 the definitions of "building" and "shared living unit facility" to avoid giving
12 "building" a meaning that is narrower than the normal meaning of that
13 word and for clarity.

14 In the introductory language of subsection (a) of this section, the former
15 reference to a "structure" is deleted as surplusage.

16 In subsection (a)(4)(ii) of this section, the former reference to "complement"
17 is deleted as included in the reference to "enhance".

18 Defined term: "Nonprofit sponsor" § 4-901

19 4-903. FINDINGS.

20 THE GENERAL ASSEMBLY FINDS THAT:

21 (1) (I) MANY RESIDENTS OF THE STATE LIVE IN DWELLINGS THAT DO
22 NOT CONFORM TO BUILDING, HEALTH, SAFETY, FIRE, OCCUPANCY, OR OTHER CODES
23 AND STANDARDS APPLICABLE TO HOUSING;

24 (II) MANY COMMUNITIES OR POLITICAL SUBDIVISIONS IN THE
25 STATE DO NOT HAVE A MINIMUM LIVABILITY CODE; AND

26 (III) THESE CONDITIONS IMPEDE THE DEVELOPMENT AND
27 MAINTENANCE OF HEALTHY, SAFE, AND VIABLE COMMUNITIES;

28 (2) PRIVATE SECTOR FINANCING IS OFTEN UNAVAILABLE FOR
29 REHABILITATION BECAUSE:

30 (I) OWNER-OCCUPANTS OF HOUSING IN NEED OF
31 REHABILITATION OFTEN HAVE LOW INCOMES; AND

32 (II) NONOCCUPANT OWNERS OFTEN INCUR HIGH RISKS IN OWNING
33 AND MANAGING THE HOUSING;

34 (3) REHABILITATING SUITABLE HOUSING:

- 1 (I) INCREASES THE ECONOMIC LIFE OF THE HOUSING;
- 2 (II) IS OFTEN MORE ECONOMICAL AND LESS DISRUPTIVE THAN
3 REPLACING THE HOUSING AND RELOCATING ITS OCCUPANTS;
- 4 (III) CAN BETTER PROMOTE COMMUNITY DEVELOPMENT WHEN IT
5 IS DONE THROUGH ORGANIZED HOUSING REHABILITATION PROGRAMS;
- 6 (IV) IS ESSENTIAL FOR SOUND COMMUNITY DEVELOPMENT; AND
- 7 (V) CAN BE HELPED BY REHABILITATING COMMERCIAL BUILDINGS
8 SERVING COMMUNITIES WHERE HOUSING REHABILITATION IS DESIRABLE;
- 9 (4) IT IS A PROPER PUBLIC PURPOSE FOR WHICH PUBLIC MONEY MAY BE
10 SPENT AND PROPERTY ACQUIRED TO:
- 11 (I) REHABILITATE HOUSING;
- 12 (II) DEVELOP HEALTHFUL, SAFE, AND VIABLE COMMUNITIES;
- 13 (III) REHABILITATE COMMERCIAL BUILDINGS TO HELP
14 REHABILITATE AND DEVELOP HOUSING; AND
- 15 (IV) PROVIDE HEALTHFUL AND SAFE HOUSING FOR MIGRATORY
16 WORKERS TO MAINTAIN AND EXPAND THE AGRICULTURAL ACTIVITIES THAT ARE
17 DEPENDENT ON THE LABOR OF THESE WORKERS;
- 18 (5) IT IS A PROPER PUBLIC PURPOSE FOR WHICH PUBLIC MONEY MAY BE
19 SPENT TO:
- 20 (I) IMPROVE, MODIFY, AND ADD TO HOUSING TO INCREASE THE
21 SUPPLY OF SPECIAL HOUSING FOR SPECIAL POPULATIONS, SUCH AS THE ELDERLY,
22 INDIVIDUALS WITH DISABILITIES, AND OTHER DISADVANTAGED RESIDENTS OF THE
23 STATE;
- 24 (II) PREVENT LEAD POISONING BY MODIFYING OLDER HOUSING TO
25 PROVIDE A LEAD-SAFE ENVIRONMENT, AS LEAD PAINT IN OLDER HOUSING IS A
26 MAJOR SOURCE OF LEAD POISONING IN CHILDREN;
- 27 (III) PROVIDE ADEQUATE INDOOR PLUMBING, WATER SUPPLY, AND
28 SEWAGE DISPOSAL SYSTEMS FOR DWELLINGS;
- 29 (IV) REHABILITATE LARGE RENTAL HOUSING FACILITIES FOR LOW-
30 AND MODERATE-INCOME INDIVIDUALS AND KEEP THOSE FACILITIES IN A DECENT,
31 SAFE, AND SANITARY CONDITION; AND
- 32 (V) REDUCE OR ELIMINATE RADON AND ASBESTOS, WHICH ARE
33 MAJOR DETRIMENTS TO THE HEALTH AND SAFETY OF RESIDENTS, ON A PILOT
34 PROGRAM BASIS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 2-301.

3 In items (1)(ii) and (iii), (3)(iv), (4)(ii), and (5) of this section, the former
4 phrase "in the State" is deleted as surplusage.

5 In the introductory language of this section, the former reference to
6 "declar[ing]" is deleted as surplusage.

7 In the introductory language of item (2) of this section, the former
8 reference to "necessary and desirable" rehabilitation is deleted as
9 surplusage.

10 In the introductory language of item (4) of this section, the former
11 reference that housing rehabilitation is "desirable" is deleted as
12 surplusage.

13 In item (5)(i) of this section, the reference to "residents" of the State is
14 substituted for the former reference to "citizens" of the State because the
15 meaning of the word "citizens" is unclear in this context and to conform to
16 the terminology used throughout this article.

17 Also in item (5)(i) of this section, the former clause "the supply of housing
18 adapted for use by special populations ... is inadequate" is deleted as
19 implicit in the phrase "to increase the supply of special housing".

20 Also in item (5)(i) of this section, the former reference to "existing" housing
21 is deleted as surplusage.

22 In item (5)(iii) of this section, the reference to "dwellings" is added for
23 clarity.

24 Also in item (5)(iii) of this section, the former statement "[t]hat a
25 significant number of housing units in the State lack complete or
26 functional indoor water supply and sewage disposal plumbing systems" is
27 deleted as implicit in the statement to "provide adequate indoor plumbing,
28 water supply, and sewage disposal systems".

29 In item (5)(v) of this section, the former phrase "by modifying buildings to
30 provide a healthier and safer environment" is deleted as surplusage.

31 Also in item (5)(v) of this section, the former reference to radon "gas" is
32 deleted as surplusage.

33 Defined terms: "Minimum livability code" § 4-901

34 "Political subdivision" § 1-101

35 4-904. ESTABLISHED.

36 THERE IS A MARYLAND HOUSING REHABILITATION PROGRAM.

1 REVISOR'S NOTE: This section formerly was the first sentence of former Art.

2 83B, § 2-303(a).

3 No changes are made.

4 4-905. UNITS IN PROGRAM.

5 THE MARYLAND HOUSING REHABILITATION PROGRAM INCLUDES:

6 (1) THE ACCESSORY, SHARED, AND SHELTERED HOUSING PROGRAM;

7 (2) THE INDOOR PLUMBING PROGRAM;

8 (3) THE MIGRATORY WORKER HOUSING PROGRAM;

9 (4) THE NONPROFIT REHABILITATION PROGRAM; AND

10 (5) THE RADON AND ASBESTOS ABATEMENT PILOT PROGRAM.

11 REVISOR'S NOTE: This section is new language derived without substantive

12 change from former Art. 83B, §§ 2-304(a), 2-305(a), 2-306(a), 2-307(a),

13 and 2-308(a).

14 In item (3) of this section, the reference to the "Migratory Worker Housing

15 Program" is substituted for the former reference to the "Migratory Worker

16 Housing Facilities Program" for brevity.

17 In item (5) of this section, the former reference to radon "[g]as" is deleted

18 as surplusage.

19 4-906. OPERATION OF PROGRAM; TYPES OF PROGRAM LOANS.

20 (A) OPERATION.

21 (1) THE DEPARTMENT SHALL OPERATE THE PROGRAM AND MAKE

22 PROGRAM LOANS.

23 (2) AS MUCH AS POSSIBLE, THE PROGRAM SHALL BE ADMINISTERED:

24 (I) IN CONJUNCTION WITH FEDERAL PROGRAMS ASSISTING
25 REHABILITATION OF HOUSING, TO ENSURE MAXIMUM USE OF AVAILABLE FEDERAL
26 MONEY; AND

27 (II) CONSISTENTLY WITH LOCALLY APPROVED PLANS OR
28 PROGRAMS OF CONCENTRATED NEIGHBORHOOD REVITALIZATION.

29 (B) MULTIFAMILY AND SPECIAL PROGRAMS.

30 (1) THE MULTIFAMILY REHABILITATION PROGRAM CONSISTS OF:

1 (I) PROGRAM LOANS MADE TO REHABILITATE BUILDINGS
2 PROVIDING MORE THAN FOUR DWELLINGS OR SERVING NONRESIDENTIAL NEEDS;
3 AND

4 (II) PROGRAM LOANS TO NONPROFIT SPONSORS UNDER § 4-929 OF
5 THIS SUBTITLE.

6 (2) EXCEPT FOR PROGRAM LOANS MADE UNDER A SPECIAL LOAN
7 PROGRAM, THE REGULAR REHABILITATION PROGRAM CONSISTS OF PROGRAM
8 LOANS TO REHABILITATE RESIDENTIAL BUILDINGS PROVIDING FOUR OR FEWER
9 DWELLINGS.

10 (3) THE SPECIAL REHABILITATION PROGRAM CONSISTS OF PROGRAM
11 LOANS MADE UNDER A SPECIAL LOAN PROGRAM.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, §§ 2-302(t) and 2-303(b), (k), (l), and the
14 second through fourth sentences of (a).

15 Defined terms: "Department" § 1-101

16 "Nonprofit sponsor" § 4-901

17 "Program" § 4-901

18 "Program loan" § 4-901

19 "Special loan program" § 4-901

20 4-907. MONEY FOR OPERATIONS; REALLOCATIONS.

21 (A) MONEY FOR OPERATIONS.

22 THE REGULAR REHABILITATION PROGRAM AND THE SPECIAL REHABILITATION
23 PROGRAM SHALL OPERATE WITH MONEY IN THE SPECIAL LOAN PROGRAMS FUND
24 AND OTHER MONEY AVAILABLE TO THE DEPARTMENT FOR THESE PROGRAMS.

25 (B) REALLOCATION.

26 (1) IF THE APPLICATIONS THAT QUALIFY FOR A PROGRAM LOAN UNDER
27 THE REGULAR REHABILITATION PROGRAM OR A SPECIAL LOAN PROGRAM DO NOT
28 COMMIT ALL MONEY APPROPRIATED TO THAT LOAN PROGRAM WITHIN 6 MONTHS
29 AFTER THE APPROPRIATION, THE DEPARTMENT MAY REALLOCATE THE REMAINING
30 APPROPRIATED MONEY TO ANY OTHER PROGRAM FINANCED BY THE SPECIAL LOAN
31 PROGRAMS FUND.

32 (2) IN LIKE CIRCUMSTANCES, THE DEPARTMENT MAY REALLOCATE
33 MONEY APPROPRIATED TO THE NONPROFIT REHABILITATION PROGRAM OR THE
34 MULTIFAMILY REHABILITATION PROGRAM TO ANY OTHER PROGRAM FINANCED BY
35 THE RENTAL HOUSING PROGRAMS FUND.

36 REVISOR'S NOTE: This section is new language derived without substantive
37 change from former Art. 83B, § 2-313(g).

1 In subsection (a) of this section, the former reference to "grant funds" is
2 deleted as included in the reference to "money".

3 Defined terms: "Department" § 1-101

4 "Program loan" § 4-901

5 "Special loan program" § 4-901

6 4-908. POWERS OF DEPARTMENT -- PROGRAM LOANS IN GENERAL.

7 THE DEPARTMENT MAY:

8 (1) LIMIT THE RETURN ON EQUITY ALLOWED TO, OR ENTER INTO
9 EQUITY PARTICIPATION AGREEMENTS WITH, SPONSORS AND NONPROFIT SPONSORS;

10 (2) REQUIRE AND OBTAIN APPRAISALS, CREDIT AND TITLE
11 INFORMATION, AND OTHER INFORMATION RELATED TO MAKING PROGRAM LOANS;

12 (3) CONTRACT FOR SERVICES RELATING TO ANY ASPECT OF THE
13 OPERATION OF THE PROGRAM UNDER THE PROCEDURES REQUIRED BY LAW FOR
14 STATE CONTRACTS; AND

15 (4) CHARGE AND COLLECT:

16 (I) REASONABLE APPLICATION AND PROCESSING FEES; AND

17 (II) OTHER CHARGES, FEES, OR REIMBURSEMENTS INCIDENTAL TO
18 PROGRAM LOANS.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-311(2) through (5).

21 The Housing Article Review Committee notes, for consideration by the
22 General Assembly, that in item (2) of this section, the reference to "title"
23 information is added because title information is essential to the
24 Department making Program loans.

25 Defined terms: "Department" § 1-101

26 "Program loan" § 4-901

27 "Nonprofit sponsor" § 4-901

28 "Sponsor" § 4-901

29 4-909. SAME -- PROGRAM LOANS SECURED BY MORTGAGES.

30 (A) IN GENERAL.

31 IF PROGRAM LOANS ARE SECURED BY FIRST OR JUNIOR MORTGAGES, THE
32 DEPARTMENT MAY:

33 (1) ENFORCE THE MORTGAGES;

- 1 (2) FORECLOSE ON THE MORTGAGES AND TAKE TITLE TO THE
2 MORTGAGED PROPERTIES, OR TAKE DEEDS IN LIEU OF FORECLOSURE;
- 3 (3) CONVEY TITLE TO PURCHASERS;
- 4 (4) OBTAIN AND ENFORCE DEFICIENCY JUDGMENTS;
- 5 (5) ALLOW ASSUMPTION OF MORTGAGES; AND
- 6 (6) CONTRACT WITH PRIVATE MORTGAGE SERVICERS TO PERFORM ON
7 BEHALF OF THE DEPARTMENT ANY FUNCTIONS THE SERVICERS ORDINARILY
8 PERFORM.

9 (B) PUBLIC WORKS APPROVAL OR EXECUTION NOT REQUIRED.

10 WITHOUT APPROVAL OR EXECUTION BY THE BOARD OF PUBLIC WORKS, THE
11 DEPARTMENT MAY:

- 12 (1) ASSIGN MORTGAGES FOR VALUE;
- 13 (2) RELEASE MORTGAGES WHEN PAID;
- 14 (3) FORECLOSE ON MORTGAGES;
- 15 (4) TAKE DEEDS IN LIEU OF FORECLOSURE; OR
- 16 (5) CONVEY PROPERTY AFTER ACQUISITION.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 2-311(1).

19 In subsection (a)(6) of this section, the former reference to "foreclosures
20 and the employment of counsel" is deleted as surplusage.

21 Defined terms: "Department" § 1-101

22 "Program loan" § 4-901

23 4-910. REGULATIONS.

24 THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-311(6).

27 The former reference to "amend[ing] [regulations] from time to time, in
28 accordance with statutory requirements" is deleted as implicit in the
29 authority of the Department to "adopt" regulations.

30 The reference to adopting regulations "to carry out" the Program is
31 substituted for the former reference to adopting regulations "governing all
32 aspects of the operation of" the Program for brevity.

1 Defined term: "Department" § 1-101

2 4-911. ALLOCATION OF MONEY FOR PROGRAM LOANS UNDER REGULAR
3 REHABILITATION PROGRAM.

4 (A) IN GENERAL.

5 TO ENSURE THAT ALL AREAS OF THE STATE ARE SERVED, THE DEPARTMENT
6 SHALL ALLOCATE AT LEAST ANNUALLY AMONG THE COUNTIES THE MONEY
7 APPROPRIATED FOR MAKING PROGRAM LOANS UNDER THE REGULAR
8 REHABILITATION PROGRAM.

9 (B) FACTORS.

10 WHEN ALLOCATING MONEY TO A COUNTY, THE DEPARTMENT SHALL
11 CONSIDER:

12 (1) THE NUMBER OF FAMILIES OF LIMITED INCOME IN THE COUNTY;

13 (2) THE NEED TO REHABILITATE BUILDINGS IN THE COUNTY;

14 (3) THE CAPABILITY OF THE COUNTY TO ADMINISTER A LOCAL
15 REHABILITATION PROGRAM; AND

16 (4) OTHER STANDARDS THAT THE DEPARTMENT CONSIDERS RELEVANT
17 TO ENSURE FAIR AND EQUITABLE DISTRIBUTION OF MONEY AMONG COUNTIES.

18 (C) METHODS.

19 THE DEPARTMENT MAY:

20 (1) ALLOCATE ON A COUNTYWIDE BASIS FIRST AND THEN MAKE
21 SUBALLOCATIONS AMONG PARTICIPATING MUNICIPAL CORPORATIONS WITHIN
22 COUNTIES;

23 (2) ALLOCATE UP TO 25% OF THE TOTAL MONEY AVAILABLE IN THE
24 SPECIAL LOAN PROGRAMS FUND TO A RESERVE; AND

25 (3) FROM TIME TO TIME, REALLOCATE THE MONEY HELD IN THE
26 RESERVE.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 2-303(c).

29 In subsection (a) of this section, the former requirement that the
30 Department "at least annually reallocate" money is deleted in light of the
31 requirement to "allocate annually" money.

32 In subsection (b)(3) of this section, the reference to "a local" rehabilitation
33 program is added for clarity.

1 In subsection (c)(1) of this section, the reference to "municipal
2 corporations" is substituted for the former reference to "political
3 subdivision" to clarify that municipal corporations are the only kind of
4 political subdivisions that exist within counties. *See* Md. Constitution, Art.
5 XI-E.

6 In subsection (c)(2) of this section, the reference to the "Special Loan
7 Programs" Fund is added for clarity.

8 Defined terms: "County" § 1-101

9 "Department" § 1-101

10 "Program loan" § 4-901

11 4-912. MONEY TO ANNUITY BOND FUND.

12 MONEY THAT IS RECEIVED AS REPAYMENT OF PRINCIPAL OR PAYMENT OF
13 INTEREST ON LOANS UNDER THE PROGRAM AND THAT IS NOT APPROPRIATED IN THE
14 STATE BUDGET MAY BE CREDITED TO THE ANNUITY BOND FUND, TO BE USED TO PAY
15 THE PRINCIPAL OF OR INTEREST ON MONEY BORROWED BY THE STATE AND
16 APPROPRIATED TO THE PROGRAM.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 2-313(f).

19 Defined term: "Program" § 4-901

20 4-913. INFORMATION ON PROGRAM LOANS REQUIRED IN APPROPRIATION REQUEST.

21 THE DEPARTMENT SHALL INCLUDE IN ITS REQUEST FOR APPROPRIATIONS FOR
22 THE PROGRAM:

23 (1) AN ESTIMATE OF THE INTEREST RATES AT WHICH PROGRAM LOANS
24 MAY BE MADE IN THE NEXT FISCAL YEAR;

25 (2) THE TOTAL PRINCIPAL AMOUNT OF PROGRAM LOANS EXPECTED TO
26 BE MADE AT THOSE INTEREST RATES IN THE NEXT FISCAL YEAR; AND

27 (3) ANY OTHER INFORMATION THAT THE SECRETARY OF BUDGET AND
28 MANAGEMENT REQUESTS ABOUT PROGRAM LOANS.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from former Art. 83B, § 2-303(i).

31 The former references to "lower" interest rates are deleted as surplusage.

32 In the introductory language of this section, the former phrase "at a
33 minimum" is deleted as included in the phrase "shall include".

34 In item (1) of this section, the defined term "Program loans" is substituted
35 for the former reference to "eligible loans" for clarity.

1 Defined terms: "Department" § 1-101

2 "Program loan" § 4-901

3 4-914. ADMINISTRATION OF COUNTY REHABILITATION PROGRAMS.

4 (A) IN GENERAL.

5 IF THE DEPARTMENT CERTIFIES A POLITICAL SUBDIVISION AS CAPABLE OF
6 ADMINISTERING A LOCAL REHABILITATION PROGRAM, THE POLITICAL SUBDIVISION
7 MAY ORIGINATE AND ADMINISTER PROGRAM LOANS UNDER REGULATIONS OF THE
8 DEPARTMENT.

9 (B) STANDARDS TO DETERMINE CAPABILITY OF STAFF.

10 (1) BY REGULATION, THE DEPARTMENT SHALL ESTABLISH STANDARDS
11 FOR DETERMINING THE CAPABILITY OF A POLITICAL SUBDIVISION TO ADMINISTER A
12 REHABILITATION PROGRAM.

13 (2) THE STANDARDS SHALL INCLUDE PROVISIONS ON:

14 (I) THE SIZE, TRAINING, AND EXPERIENCE OF THE PROFESSIONAL
15 STAFF THAT WOULD ADMINISTER THE PROGRAM; AND

16 (II) THE CAPABILITY OF THE PROFESSIONAL STAFF TO:

17 1. DETERMINE REHABILITATION NEEDS;

18 2. ESTABLISH REHABILITATION PROGRAMS;

19 3. EVALUATE APPLICATIONS FOR PROGRAM LOANS; AND

20 4. MONITOR PROGRAM LOANS AND THE REHABILITATION
21 WORK DONE WITH THEM.

22 (C) PROGRAM LOAN ORIGINATION AND ADMINISTRATION BY DEPARTMENT.

23 IF THE DEPARTMENT DETERMINES THAT A POLITICAL SUBDIVISION CANNOT
24 OR DOES NOT WANT TO ADMINISTER A LOCAL REHABILITATION PROGRAM, THE
25 DEPARTMENT MAY ORIGINATE AND ADMINISTER PROGRAM LOANS FROM THE
26 ALLOCATION OR SUBALLOCATION TO THAT POLITICAL SUBDIVISION.

27 (D) TRAINING AND SUPPORT.

28 THE DEPARTMENT MAY:

29 (1) HELP TRAIN EMPLOYEES OF POLITICAL SUBDIVISIONS TO
30 ADMINISTER LOCAL REHABILITATION PROGRAMS UNDER THE STANDARDS THAT
31 THE DEPARTMENT SETS; AND

32 (2) PROVIDE POLITICAL SUBDIVISIONS ADVICE AND TECHNICAL
33 ASSISTANCE ON THE ADMINISTRATION OF THEIR LOCAL REHABILITATION

1 PROGRAMS, INCLUDING LOAN PACKAGING, CONTRACTOR AND BID SELECTION,
2 ZONING, MARKETING, ENGINEERING, AND RELATED SERVICES.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, §§ 2-302(v) and 2-303(d) and (e).

5 Former Art. 83B, § 2-302(v) is revised as a substantive provision for
6 clarity.

7 Defined terms: "Department" § 1-101

8 "Local rehabilitation program" § 1-101

9 "Political subdivision" § 1-101

10 "Program" § 4-901

11 "Program loan" § 4-901

12 4-915. FAMILY OF LIMITED INCOME.

13 (A) FACTORS FOR SETTING INCOME LIMITS.

14 (1) THE SECRETARY SHALL SET UPPER LIMITS ON THE INCOME THAT A
15 FAMILY OR INDIVIDUAL MAY HAVE TO QUALIFY AS A FAMILY OF LIMITED INCOME.

16 (2) IN SETTING THE LIMITS, THE SECRETARY SHALL CONSIDER
17 FACTORS THAT INCLUDE:

18 (I) THE PORTION OF THE TOTAL FAMILY INCOME AVAILABLE FOR
19 HOUSING;

20 (II) THE SIZE OF THE FAMILY;

21 (III) THE COST AND CONDITION OF AVAILABLE HOUSING;

22 (IV) THE ABILITY OF THE FAMILY TO COMPETE SUCCESSFULLY IN
23 THE PRIVATE HOUSING MARKET; AND

24 (V) RELEVANT STANDARDS AND DEFINITIONS ESTABLISHED FOR
25 FEDERAL AND STATE HOUSING PROGRAMS.

26 (B) WAIVER.

27 THE SECRETARY MAY WAIVE INCOME LIMITS FOR A BORROWER OR OCCUPANT
28 SEEKING A PROGRAM LOAN TO REHABILITATE A BUILDING THAT THE STATE
29 HISTORICAL PRESERVATION OFFICER FINDS HISTORICALLY OR ARCHITECTURALLY
30 SIGNIFICANT.

31 REVISOR'S NOTE: This section is new language derived without substantive
32 change from the second sentence and, as it specified factors for setting
33 limits, the first sentence of former Art. 83B, § 2-302(e).

34 It is revised as a substantive provision for clarity.

1 For the balance of former Art. 83B, § 2-302(e), *see* § 4-901(b) of this
2 subtitle.

3 Defined terms: "Family of limited income" § 4-901

4 "Program loan" § 4-901

5 "Secretary" § 1-101

6 4-916. PROGRAM LOANS FOR AFFORDABLE HOUSING -- IN GENERAL.

7 (A) TERMS.

8 (1) THE DEPARTMENT MAY MAKE PROGRAM LOANS FOR HOUSING ON
9 TERMS THAT THE DEPARTMENT CONSIDERS NECESSARY TO MAKE THE HOUSING
10 AFFORDABLE TO FAMILIES OF LIMITED INCOME.

11 (2) THE TERMS MAY INCLUDE:

12 (I) DEFERRED PAYMENT OF PRINCIPAL AND INTEREST UNTIL THE
13 MATURITY DATE OR THE DATE OF ANY SALE OR OTHER TRANSFER OF THE BUILDING
14 OR AN INTEREST IN THE BUILDING;

15 (II) AN INTEREST RATE AS LOW AS 0% OR AS HIGH AS IS
16 REASONABLE, GIVEN THE INCOMES OF THE PROPOSED OCCUPANTS, IF THE
17 INTEREST RATE DOES NOT VIOLATE ANY FEDERAL REGULATION GOVERNING THE
18 BORROWING OF MONEY BY THE STATE;

19 (III) INCREASED INTEREST RATES OR ACCELERATED PAYMENTS OF
20 PRINCIPAL AND INTEREST, IF THE BORROWER NO LONGER QUALIFIES FOR THE
21 PROGRAM LOAN; AND

22 (IV) ADVANCE PAYMENTS TO A NONPROFIT SPONSOR FOR CERTAIN
23 DEVELOPMENT COSTS, INCLUDING ARCHITECTURAL, ENGINEERING, AND
24 ATTORNEYS' FEES.

25 (B) INCOME RANGES, INTEREST RATES, AND PREFERENCES.

26 WITHIN THE MAXIMUM INCOME LIMITS FOR FAMILIES OF LIMITED INCOME,
27 THE SECRETARY MAY ESTABLISH:

28 (1) LOWER INCOME RANGES;

29 (2) INTEREST RATES TO BE AVAILABLE ON PROGRAM LOANS SERVING
30 OCCUPANTS WITH INCOMES WITHIN THOSE LOWER RANGES; AND

31 (3) ANY PREFERENCE OR RESERVATION OF MONEY FOR APPLICATIONS
32 FOR PROGRAM LOANS TO FINANCE HOUSING TO SERVE OCCUPANTS IN THOSE
33 LOWER INCOME RANGES.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 2-303(f) and (g).

1 Defined terms: "Department" § 1-101

2 "Family of limited income" § 4-901

3 "Program loan" § 4-901

4 "Secretary" § 1-101

5 4-917. SAME -- CONDITIONS.

6 (A) IN GENERAL.

7 A PROGRAM LOAN:

8 (1) MAY NOT BE MADE IF THE DEPARTMENT DETERMINES THAT
9 COMPARABLE PRIVATE FINANCING IS AVAILABLE TO THE PROSPECTIVE BORROWER;
10 AND

11 (2) MAY NOT EXCEED AN AMOUNT THE SECRETARY ESTABLISHES BY
12 REGULATION.

13 (B) SECURITY.

14 (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION,
15 A PROGRAM LOAN OF MORE THAN \$5,000 SHALL BE SECURED WHOLLY OR PARTLY BY
16 A RECORDED MORTGAGE OR DEED OF TRUST ON REAL PROPERTY.

17 (2) A PROGRAM LOAN TO A POLITICAL SUBDIVISION MAY BE SECURED
18 BY A RECORDED MORTGAGE, DEED OF TRUST ON REAL PROPERTY, OR OTHER
19 SECURITY DEVICE ACCEPTABLE TO THE DEPARTMENT.

20 (C) RECIPIENTS.

21 PROGRAM LOANS SHALL BE MADE TO:

22 (1) FAMILIES OF LIMITED INCOME OWNING AND OCCUPYING THE
23 BUILDING TO BE REHABILITATED; OR

24 (2) SPONSORS OR NONPROFIT SPONSORS.

25 (D) INSURANCE.

26 THE DEPARTMENT MAY REQUIRE THAT PROGRAM LOANS BE INSURED.

27 (E) COVERAGE.

28 A PROGRAM LOAN MAY COVER:

29 (1) COSTS OF A REHABILITATION PROJECT, INCLUDING
30 IMPLEMENTATION COSTS SUCH AS APPRAISAL, ARCHITECTURAL, AND ENGINEERING
31 FEES; AND

32 (2) CLOSING COSTS OF THE PROGRAM LOAN.

1 (F) PROGRAM LOANS IN DEFAULT.

2 THE DEPARTMENT MAY MODIFY THE INTEREST RATE, THE TIME OR AMOUNT
3 OF PAYMENT, OR ANY OTHER TERM OF A PROGRAM LOAN THAT IS IN DEFAULT TO
4 FACILITATE REPAYMENT OF THE PROGRAM LOAN AND ACHIEVE THE PURPOSES OF
5 THE PROGRAM.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-303(h)(1) through (6).

8 In subsection (c) of this section, the former phrase "from the Fund" is
9 deleted as surplusage.

10 In subsection (d) of this section, the authority of the Department to
11 "require that Program loans be insured" is substituted for the former
12 phrase that loans may be insured or uninsured "as the Department
13 requires", for clarity.

14 Defined terms: "Department" § 1-101

15 "Political subdivision" § 1-101

16 "Program" § 4-901

17 "Program loan" § 4-901

18 "Rehabilitation project" § 4-901

19 "Secretary" § 1-101

20 4-918. SAME -- DWELLINGS.

21 (A) REQUIRED FOR FAMILIES OF LIMITED INCOME.

22 (1) WHEN THE DEPARTMENT MAKES A PROGRAM LOAN TO FINANCE A
23 RESIDENTIAL REHABILITATION PROJECT, THE SPONSOR OR NONPROFIT SPONSOR
24 SHALL RESTRICT SOME DWELLINGS FOR OCCUPANCY BY FAMILIES OF LIMITED
25 INCOME FOR AT LEAST THE GREATER OF 15 YEARS AND THE NUMBER OF YEARS
26 REQUIRED BY FEDERAL LAW.

27 (2) THE NUMBER OF DWELLINGS RESTRICTED UNDER PARAGRAPH (1)
28 OF THIS SUBSECTION SHALL BE AT LEAST THE GREATER OF:

29 (I) THE NUMBER THAT BEARS THE SAME RATIO TO THE TOTAL
30 NUMBER OF DWELLINGS IN THE PROJECT AS THE AMOUNT THE PROGRAM LOAN
31 BEARS TO THE TOTAL FINANCING OF THE UNDERTAKING;

32 (II) THE NUMBER OF DWELLINGS CHOSEN BY THE SPONSOR TO
33 SATISFY FEDERAL OCCUPANCY REQUIREMENTS IF THE RESIDENTIAL
34 REHABILITATION PROJECT RECEIVES AN ALLOCATION OF FEDERAL LOW-INCOME
35 HOUSING TAX CREDITS; AND

36 (III) THE NUMBER OF DWELLINGS REQUIRED FOR A COMMUNITY
37 DEVELOPMENT PROJECT UNDER § 4-217(B)(1)(II) OF THIS TITLE OR THE NUMBER OF
38 DWELLINGS THAT THE ISSUER OF THE BONDS CHOOSES, WHICHEVER IS GREATER, IF

1 A PORTION OF THE COSTS OF THE RESIDENTIAL REHABILITATION PROJECT IS
2 FINANCED BY GOVERNMENT-ISSUED, FEDERALLY TAX EXEMPT REVENUE BONDS.

3 (B) DWELLINGS COUNTED TOWARD MINIMUM REQUIREMENT.

4 DWELLINGS RESTRICTED FOR OCCUPANCY TO MEET OTHER FEDERAL OR
5 STATE OCCUPANCY REQUIREMENTS MAY BE COUNTED TOWARD THE NUMBER
6 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

7 (C) CONTRIBUTION TO REHABILITATION PROJECT.

8 AS A CONDITION TO CERTAIN TYPES OF PROGRAM LOANS, THE DEPARTMENT
9 MAY REQUIRE THE POLITICAL SUBDIVISION WHERE A REHABILITATION PROJECT IS
10 LOCATED TO MAKE A CONTRIBUTION TO THE PROJECT.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 2-303(h)(7) and (8).

13 In subsection (a)(2)(i) of this section, the reference to "the same ratio" is
14 substituted for the former reference to "proportion" for accuracy.

15 Defined terms: "Department" § 1-101

16 "Family of limited income" § 4-901

17 "Nonprofit sponsor" § 4-901

18 "Political subdivision" § 1-101

19 "Program loan" § 4-901

20 "Rehabilitation project" § 4-901

21 4-919. SAME -- PRIVATE FINANCING STANDARDS.

22 (A) SECRETARY TO SET STANDARDS.

23 THE SECRETARY SHALL ESTABLISH STANDARDS TO PROMOTE THE MAXIMUM
24 USE OF PRIVATE FINANCING.

25 (B) RESTRICTIONS ON USE.

26 IF A PORTION OF A REHABILITATION PROJECT IS TO BE FINANCED BY A
27 PRIVATE LENDING INSTITUTION, THE DEPARTMENT SHALL REQUIRE THAT THE
28 SPONSOR USE ALL THE PRIVATE FINANCING THAT THE REHABILITATION PROJECT
29 CAN SUPPORT WITHOUT IMPAIRING:

30 (1) THE REHABILITATION PROJECT; OR

31 (2) AFFORDABLE HOUSING FOR FAMILIES OF LIMITED INCOME, IF THE
32 REHABILITATION PROJECT IS RESIDENTIAL.

33 (C) MINIMUM INTEREST RATE.

1 AS LONG AS THE STATE COMPLIES WITH ALL APPLICABLE FEDERAL TREASURY
2 REGULATIONS GOVERNING BORROWING MONEY BY THE STATE, A PROGRAM LOAN
3 SHALL BE AT AN INTEREST RATE THAT AT LEAST COVERS:

4 (1) THE ADMINISTRATIVE AND OTHER EXPENSES OF THE PROGRAM;
5 AND

6 (2) REASONABLY EXPECTED LOSSES FROM DEFAULTS ON PROGRAM
7 LOANS.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 2-303(h)(9) and (10).

10 In subsection (a) of this section, the former reference to "any available"
11 private financing is deleted as implicit in the reference to "private
12 financing".

13 In subsection (b)(2) of this section, the defined term "famil[ies] of limited
14 income" is substituted for the former reference to "limited-income tenants"
15 to conform to the terminology used throughout this subtitle.

16 Defined terms: "Department" § 1-101

17 "Family of limited income" § 4-901

18 "Program" § 4-901

19 "Program loan" § 4-901

20 "Rehabilitation project" § 4-901

21 "Secretary" § 1-101

22 4-920. LOAN CEILING FOR NONRESIDENTIAL REHABILITATION.

23 THE DEPARTMENT SHALL ESTABLISH A MAXIMUM PERCENTAGE OR AMOUNT
24 OF PROGRAM LOANS FROM THE RENTAL HOUSING PROGRAMS FUND THAT MAY BE
25 USED FOR NONRESIDENTIAL REHABILITATION.

26 REVISOR'S NOTE: This section is new language derived without substantive
27 change from former Art. 83B, § 2-303(j).

28 Defined terms: "Department" § 1-101

29 "Program loan" § 4-901

30 4-921. FINANCING OF REHABILITATION LOANS.

31 (A) MULTIFAMILY REHABILITATION PROGRAM AND NONPROFIT
32 REHABILITATION LOANS.

33 REHABILITATION LOANS UNDER THE MULTIFAMILY REHABILITATION
34 PROGRAM AND NONPROFIT REHABILITATION LOANS SHALL BE FINANCED BY THE
35 RENTAL HOUSING PROGRAMS FUND.

36 (B) REGULAR REHABILITATION PROGRAM AND SPECIAL LOANS.

1 REHABILITATION LOANS UNDER THE REGULAR REHABILITATION PROGRAM
2 AND SPECIAL LOAN PROGRAMS SHALL BE FINANCED BY THE SPECIAL LOAN
3 PROGRAMS FUND.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from the first clauses of former Art. 83B, § 2-313(a) and (b).

6 Defined term: "Special loan program" § 4-901

7 4-922. FEDERAL PROGRAMS AND OTHER SOURCES FOR GRANTS AND LOANS.

8 (A) IN GENERAL.

9 IN ADDITION TO MAKING LOANS FOR REHABILITATION PROJECTS TO FAMILIES
10 OF LIMITED INCOME FROM THE RENTAL HOUSING PROGRAMS FUND AND THE
11 SPECIAL LOAN PROGRAMS FUND, THE DEPARTMENT MAY USE MONEY FROM ANY
12 OTHER AUTHORIZED SOURCE, INCLUDING FEDERAL PROGRAMS OF ASSISTANCE FOR
13 REHABILITATION, TO MAKE:

14 (1) GRANTS FOR REHABILITATION PROJECTS TO FAMILIES OF LIMITED
15 INCOME OR NONPROFIT SPONSORS; AND

16 (2) LOANS FOR REHABILITATION PROJECTS TO SPONSORS, NONPROFIT
17 SPONSORS, OR FAMILIES OF LIMITED INCOME.

18 (B) USE OF FEDERAL PROGRAMS.

19 (1) THE DEPARTMENT:

20 (I) SHALL USE FEDERAL PROGRAMS OF ASSISTANCE FOR
21 REHABILITATION TO THE MAXIMUM EXTENT CONSISTENT WITH THE PURPOSES OF
22 THIS SUBTITLE; AND

23 (II) MAY DO ALL THINGS NECESSARY TO QUALIFY FOR
24 PARTICIPATION IN THOSE PROGRAMS.

25 (2) THE TERMS AND CONDITIONS OF LOANS AND GRANTS MADE UNDER
26 THIS SECTION SHALL BE IN ACCORDANCE WITH THE LEGISLATION OR OTHER
27 AUTHORITY BY WHICH THE MONEY IS MADE AVAILABLE TO THE DEPARTMENT.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 2-310.

30 In the introductory language of subsection (a) of this section, the reference
31 to the "Rental Housing Programs Fund and the Special Loan Programs"
32 Fund is substituted for the former reference to the "fund" to reflect the
33 division of the former, single Fund by Ch. 274, Acts of 1989.

34 In subsection (a)(1) of this section, the former reference to nonprofit
35 sponsors "for rehabilitation projects to families of limited income" is
36 deleted as implicit in the defined term "nonprofit sponsor".

1 In subsection (b)(2) of this section, the reference to "money" is substituted
2 for the former reference to "funds" to conform to the terminology used in
3 subsection (a) of this section.

4 Defined terms: "Department" § 1-101

5 "Family of limited income" § 4-901

6 "Nonprofit sponsor" § 4-901

7 "Rehabilitation project" § 4-901

8 "Sponsor" § 4-901

9 4-923. REHABILITATION PROJECTS.

10 (A) PURPOSE.

11 THE PURPOSE OF A REHABILITATION PROJECT IS:

12 (1) TO BRING A BUILDING TO A DECENT, SAFE, AND SANITARY
13 CONDITION IN ACCORDANCE WITH APPLICABLE CODES AND STANDARDS,
14 INCLUDING THOSE FOR CONSTRUCTION, HEALTH, SAFETY, FIRE, AND OCCUPANCY;

15 (2) TO MAINTAIN THE BUILDING IN THAT CONDITION;

16 (3) TO MAKE THE BUILDING MORE USEFUL AND ATTRACTIVE;

17 (4) TO CONFORM THE BUILDING TO THE APPROPRIATE MINIMUM
18 LIVABILITY CODE;

19 (5) TO PROVIDE, UNDER APPLICABLE SPECIAL LOAN PROGRAMS:

20 (I) LEAD PAINT ABATEMENT;

21 (II) INDOOR PLUMBING; OR

22 (III) SHARED, ACCESSORY, OR SHELTERED HOUSING;

23 (6) IN THE CASE OF A LOAN TO AN ELDERLY OR DISABLED HOMEOWNER,
24 TO MODIFY OR IMPROVE A DWELLING TO MAKE IT MORE ACCESSIBLE OR
25 FUNCTIONAL FOR THE OCCUPANTS, IF THE BUILDING IS, OR AFTER IMPROVEMENTS
26 WILL BE, STRUCTURALLY SOUND AND FREE OF HEALTH AND SAFETY HAZARDS; OR

27 (7) TO PROVIDE, UNDER APPLICABLE SPECIAL LOAN PILOT PROGRAMS,
28 RADON ABATEMENT OR ASBESTOS ABATEMENT.

29 (B) APPLICABLE CODES AND STANDARDS.

30 (1) THE APPLICABLE CODES AND STANDARDS UNDER SUBSECTION (A)(1)
31 OF THIS SECTION ARE:

32 (I) THOSE IN FORCE IN THE POLITICAL SUBDIVISION WHERE THE
33 BUILDING IS LOCATED; OR

1 (II) THOSE THAT THE DEPARTMENT SETS BY REGULATION FOR
 2 THAT POLITICAL SUBDIVISION SOLELY FOR PURPOSES OF THIS SUBTITLE, IF THE
 3 POLITICAL SUBDIVISION LACKS CODES AND STANDARDS THAT THE SECRETARY
 4 CONSIDERS SUFFICIENT TO PROMOTE THE OBJECTIVES OF THIS SUBTITLE.

5 (2) WITH THE APPROVAL OF THE LOCAL ENFORCEMENT AUTHORITY,
 6 THE SECRETARY MAY ALLOW EXCEPTIONS TO A CODE OR STANDARD TO PRESERVE
 7 THE HISTORIC OR ARCHITECTURAL VALUE OF A BUILDING UNDERGOING
 8 REHABILITATION UNDER THIS SUBTITLE.

9 REVISOR'S NOTE: This section is new language derived without substantive
 10 change from former Art. 83B, § 2-302(o)(2) and, except for the introductory
 11 language, (1).

12 This section is revised as a substantive provision for clarity.

13 In subsection (a)(7) of this section, the former reference to radon "gas" is
 14 deleted as surplusage.

15 In subsection (b)(1) of this section, the former exception from this
 16 subsection of "§§ 2-304, 2-307, and 2-308 of this subtitle" is deleted as
 17 misleading because those sections did not contain contrary provisions.

18 In subsection (b)(2) of this section, the former authority of the Secretary to
 19 allow exceptions "when necessary" is deleted as surplusage.

20 Defined terms: "Department" § 1-101

21 "Minimum livability code" § 4-901

22 "Political subdivision" § 1-101

23 "Rehabilitation project" § 4-901

24 "Secretary" § 1-101

25 4-924. RESERVED.

26 4-925. RESERVED.

27 PART II. PROGRAMS IN THE MARYLAND HOUSING REHABILITATION PROGRAM.

28 4-926. ACCESSORY, SHARED, AND SHELTERED HOUSING PROGRAM.

29 (A) DEFINED TERMS.

30 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 31 INDICATED.

32 (2) "ACCESSORY HOUSING" MEANS A DWELLING WITH COMPLETE AND
 33 INDEPENDENT SLEEPING, COOKING, AND LIVING FACILITIES THAT IS:

34 (I) WITHIN, ATTACHED TO, OR ON THE SAME PARCEL AS A
 35 SINGLE-FAMILY, OWNER-OCCUPIED DWELLING; AND

1 (II) SUBORDINATE TO BUT UNDER THE SAME OWNERSHIP AS THE
2 SINGLE-FAMILY, OWNER-OCCUPIED DWELLING.

3 (3) "SHARED HOUSING" MEANS A SINGLE-FAMILY, OWNER-OCCUPIED
4 DWELLING ADAPTED FOR COMMON AND SHARED LIVING USE BY THE
5 OWNER-OCCUPANT AND ANOTHER FAMILY OF LIMITED INCOME.

6 (4) "SHELTERED HOUSING" MEANS A SINGLE-FAMILY,
7 OWNER-OCCUPIED DWELLING THAT:

8 (I) ACCOMMODATES THE OWNER-OCCUPANT; AND

9 (II) PROVIDES SLEEPING AND LIVING FACILITIES, MEALS, AND
10 ASSISTANCE WITH DAILY ACTIVITIES FOR A RENTAL FEE TO NOT MORE THAN 15
11 ELDERLY INDIVIDUALS OR INDIVIDUALS WITH DISABILITIES.

12 (B) ESTABLISHED.

13 THERE IS AN ACCESSORY, SHARED, AND SHELTERED HOUSING PROGRAM.

14 (C) DUTIES OF DEPARTMENT.

15 THE DEPARTMENT SHALL OPERATE THE ACCESSORY, SHARED, AND
16 SHELTERED HOUSING PROGRAM AND MAKE LOANS FOR REHABILITATION COSTS
17 FOR ACCESSORY, SHARED, AND SHELTERED HOUSING FROM THE SPECIAL LOAN
18 PROGRAMS FUND UNDER THIS SUBTITLE.

19 (D) TERMS OF LOANS.

20 THE TERMS FOR ACCESSORY, SHARED, AND SHELTERED HOUSING LOANS
21 SHALL SATISFY THE REQUIREMENTS OF § 4-916(B) OF THIS SUBTITLE.

22 (E) QUALIFICATIONS FOR ACCESSORY HOUSING LOAN.

23 TO QUALIFY FOR AN ACCESSORY HOUSING LOAN, AN APPLICANT SHALL:

24 (1) OWN THE PROPERTY FOR WHICH THE LOAN IS MADE AND AGREE TO
25 LIVE IN THE PROPERTY AFTER THE REHABILITATION IS COMPLETED; AND

26 (2) (I) AGREE TO USE THE LOAN PROCEEDS TO IMPLEMENT A
27 REHABILITATION PROJECT TO PROVIDE AN ACCESSORY DWELLING FOR A FAMILY OF
28 LIMITED INCOME FOR A FIXED MINIMUM TERM THAT THE DEPARTMENT
29 DETERMINES; OR

30 (II) BE A FAMILY OF LIMITED INCOME WHEN THE LOAN IS MADE
31 AND AGREE TO USE THE LOAN PROCEEDS TO PROVIDE AN ACCESSORY DWELLING
32 FOR A FIXED MINIMUM TERM THAT THE DEPARTMENT DETERMINES.

33 (F) QUALIFICATIONS FOR SHARED HOUSING LOAN.

34 TO QUALIFY FOR A SHARED HOUSING LOAN, AN APPLICANT SHALL:

- 1 (1) BE A FAMILY OF LIMITED INCOME;
- 2 (2) OWN THE PROPERTY FOR WHICH THE LOAN IS MADE AND AGREE TO
3 LIVE IN THE PROPERTY AFTER THE REHABILITATION IS COMPLETED; AND
- 4 (3) AGREE TO USE THE LOAN PROCEEDS TO IMPLEMENT A
5 REHABILITATION PROJECT TO PROVIDE SHARED HOUSING OR AN ACCESSORY
6 DWELLING FOR A FAMILY OF LIMITED INCOME.

7 (G) QUALIFICATIONS FOR SHELTERED HOUSING LOAN.

8 TO QUALIFY FOR A SHELTERED HOUSING LOAN, AN APPLICANT SHALL:

- 9 (1) OWN THE PROPERTY FOR WHICH THE LOAN IS MADE AND AGREE TO
10 LIVE IN THE PROPERTY AFTER THE REHABILITATION IS COMPLETED;
- 11 (2) AGREE TO PROVIDE SHELTER, MEALS, AND ASSISTANCE WITH DAILY
12 ACTIVITIES TO NOT MORE THAN 15 ELDERLY INDIVIDUALS OR INDIVIDUALS WITH
13 DISABILITIES WHO QUALIFY AS FAMILIES OF LIMITED INCOME; AND
- 14 (3) DEMONSTRATE THAT THE PROPERTY WILL BE CERTIFIED BY THE
15 APPROPRIATE GOVERNMENTAL UNIT TO PROVIDE SHELTERED CARE TO ELDERLY
16 INDIVIDUALS OR INDIVIDUALS WITH DISABILITIES.

17 REVISOR'S NOTE: Subsection (a)(1) of this section is standard language added
18 to introduce a definition subsection.

19 Subsections (a)(2) through (g) of this section are standard language derived
20 without substantive change from former Art. 83B, §§ 2-302(b), (p), and (r),
21 2-306(b) through (f) and, as it created the Accessory, Shared, and
22 Sheltered Housing Program, (a).

23 In subsection (a)(4)(ii) of this section, the former reference to "disabled
24 persons" is deleted in light of the reference to "individuals with
25 disabilities".

26 In subsection (c) of this section, the reference to the "Special Loan
27 Programs" Fund is substituted for the former reference to the "fund" in
28 light of § 4-921(b) of this subtitle. *See* Ch. 274, Acts of 1989.

29 In subsection (d) of this section, the reference to "§ 4-916(b) of this
30 subtitle" - which revises former § 2-303(h)(1) through (6) - is substituted
31 for the former erroneous reference to § 2-303(g). The former reference to §
32 2-303(g) was made obsolete as a result of Ch. 274, Acts of 1989.

33 Also in subsection (d) of this section, the former reference to "provisions
34 for" accessory, shared and sheltered housing loans is deleted as surplusage.

35 In the introductory language of subsections (e), (f), and (g) of this section,
36 the references to an "applicant" are substituted for the former references to

1 the "owner" of a "residential property" and a "single unit property" for
2 brevity.

3 In subsections (e)(1) and (g)(1) of this section, the requirements that an
4 owner seeking to qualify for an accessory housing loan shall "agree to" live
5 in the property after the rehabilitation is completed are added for clarity.
6 Similarly, in subsection (e)(2)(i) of this section, the requirement that an
7 owner seeking to qualify for an accessory housing loan shall "agree to" use
8 the proceeds of the loan to implement a rehabilitation project is added, and
9 in subsection (f)(3) of this section, the requirement that an owner seeking
10 to qualify for a shared housing loan shall "agree to" use the proceeds of the
11 loan to implement a rehabilitation project is added for clarity.

12 Defined terms: "Department" § 1-101

13 "Family of limited income" § 4-901

14 "Governmental unit" § 1-101

15 "Rehabilitation project" § 4-901

16 "Program" § 4-901

17 4-927. INDOOR PLUMBING PROGRAM.

18 (A) ESTABLISHED.

19 THERE IS AN INDOOR PLUMBING PROGRAM.

20 (B) DUTIES OF DEPARTMENT.

21 THE DEPARTMENT SHALL:

22 (1) OPERATE THE INDOOR PLUMBING PROGRAM; AND

23 (2) MAKE LOANS FOR REHABILITATION PROJECTS THAT PROVIDE FOR
24 ADEQUATE INDOOR PLUMBING FROM THE SPECIAL LOAN PROGRAMS FUND UNDER
25 THIS SUBTITLE.

26 (C) TERMS OF LOAN.

27 (1) THE TERMS FOR INDOOR PLUMBING LOANS SHALL MEET THE
28 REQUIREMENTS OF §§ 4-917 THROUGH 4-919 OF THIS SUBTITLE.

29 (2) THE DEPARTMENT MAY FORGIVE ALL OR PART OF A DEFERRED
30 PAYMENT LOAN, IF:

31 (I) THE LOAN IS MADE TO A FAMILY OF LIMITED INCOME THAT
32 OWNS AND OCCUPIES THE DWELLING AND WHOSE INCOME IS WITHIN A LOWER
33 INCOME RANGE ESTABLISHED UNDER § 4-916(B) OF THIS SUBTITLE; AND

34 (II) THE SECRETARY DETERMINES THAT THE FAMILY OF LIMITED
35 INCOME DOES NOT HAVE ENOUGH INCOME TO REPAY THE PRINCIPAL AMOUNT OF
36 THE LOAN.

1 (D) QUALIFICATIONS FOR LOAN.

2 TO QUALIFY FOR AN INDOOR PLUMBING LOAN, AN APPLICANT SHALL:

3 (1) OWN A BUILDING THAT IS OTHERWISE STRUCTURALLY SOUND, OR
 4 FOR WHICH THE APPLICANT PROVIDES A COMMITMENT FROM A LENDER TO
 5 FINANCE IMPROVEMENTS NEEDED TO MAKE THE BUILDING STRUCTURALLY SOUND,
 6 AND THAT:

7 (I) HAS NO OR INCOMPLETE INDOOR PLUMBING OR A FAILING
 8 SEPTIC SYSTEM; AND

9 (II) NEEDS INDOOR PLUMBING PIPES, EQUIPMENT, WELLS, SEPTIC
 10 TANKS OR OTHER ON-SITE SEWER SYSTEM, OR A CONNECTION TO A COMMUNITY
 11 WATER OR SEWER SYSTEM;

12 (2) LIVE IN THE BUILDING AND BE A FAMILY OF LIMITED INCOME, OR
 13 RENT AT LEAST TWO-THIRDS OF THE DWELLINGS IN THE BUILDING TO FAMILIES OF
 14 LIMITED INCOME; AND

15 (3) SUBMIT TO THE DEPARTMENT A PROPOSAL FOR INSTALLING AN
 16 ADEQUATE INDOOR PLUMBING SYSTEM FOR WATER SUPPLY AND SEWAGE DISPOSAL,
 17 INCLUDING ANY NEEDED SEPTIC SYSTEM, WELL, OR CONNECTION TO A COMMUNITY
 18 SEWER OR WATER SYSTEM THAT MEETS THE REQUIREMENTS OF THE DEPARTMENT
 19 OF THE ENVIRONMENT AND EVERY OTHER GOVERNMENTAL UNIT THAT HAS
 20 JURISDICTION OVER THE SYSTEM.

21 REVISOR'S NOTE: This section is new language derived without substantive
 22 change from former Art. 83B, § 2-308(b) through (d) and, as it created the
 23 Indoor Plumbing Program, (a).

24 In subsection (b)(2) of this section, the reference to the "Special Loan
 25 Programs" Fund is substituted for the "fund" in light of § 4-921(b) of this
 26 subtitle. *See* Ch. 274, Acts of 1989.

27 In subsection (d)(1)(i) of this section, the phrase "has no or incomplete
 28 indoor plumbing or a failing septic system" is substituted for the former
 29 phrase "have no or incomplete indoor plumbing or an existing failing septic
 30 system" for brevity.

31 Defined terms: "Department" § 1-101

32 "Family of limited income" § 4-901

33 "Governmental unit" § 1-101

34 "Program" § 4-901

35 "Rehabilitation project" § 4-901

36 "Secretary" § 1-101

37 4-928. MIGRATORY WORKER HOUSING PROGRAM.

38 (A) DEFINITIONS.

1 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (2) (I) "MIGRATORY LABOR CAMP" MEANS ONE OR MORE
4 STRUCTURES, BUILDINGS, TENTS, BARRACKS, TRAILERS, VEHICLES, MOBILE HOMES,
5 CONVERTED BUILDINGS, OR UNCONVENTIONAL ENCLOSURES OF LIVING SPACE
6 THAT ARE ESTABLISHED, OPERATED, OR USED AS LIVING QUARTERS FOR FOUR OR
7 MORE MIGRATORY WORKERS ENGAGED IN AGRICULTURAL ACTIVITIES, INCLUDING
8 RELATED FOOD PROCESSING.

9 (II) "MIGRATORY LABOR CAMP" INCLUDES APPURTENANT LAND.

10 (3) "MIGRATORY HOUSING PROGRAM" MEANS THE MIGRATORY WORKER
11 HOUSING PROGRAM.

12 (4) "MIGRATORY WORKER" MEANS AN INDIVIDUAL FROM WITHIN OR
13 OUTSIDE THE STATE WHO:

14 (I) IS NOT A YEAR-ROUND EMPLOYEE BUT MOVES SEASONALLY
15 FROM ONE PLACE TO ANOTHER FOR WORK; AND

16 (II) DURING A PERIOD OF WORK, OCCUPIES LIVING QUARTERS
17 THAT ARE NOT THE INDIVIDUAL'S PERMANENT HOME.

18 (B) ESTABLISHED.

19 THERE IS A MIGRATORY WORKER HOUSING PROGRAM.

20 (C) DUTIES OF DEPARTMENT.

21 THE DEPARTMENT SHALL:

22 (1) OPERATE THE MIGRATORY HOUSING PROGRAM;

23 (2) MAKE MIGRATORY WORKER HOUSING LOANS FROM THE SPECIAL
24 LOAN PROGRAMS FUND UNDER THIS SUBTITLE TO A QUALIFIED OWNER OF A
25 MIGRATORY LABOR CAMP TO MAKE MIGRATORY WORKER HOUSING SAFER AND
26 MORE HEALTHFUL; AND

27 (3) TO THE EXTENT DETERMINED BY THE SECRETARY, ADMINISTER THE
28 MIGRATORY HOUSING PROGRAM IN CONJUNCTION WITH ANY APPROPRIATE
29 FEDERAL PROGRAM.

30 (D) LOAN REQUIREMENT.

31 TO THE EXTENT APPLICABLE, MIGRATORY WORKER HOUSING LOANS SHALL
32 SATISFY THE REQUIREMENTS OF § 4-916(B) OF THIS SUBTITLE.

33 (E) QUALIFICATIONS OF LOAN RECIPIENTS.

1 TO QUALIFY FOR A MIGRATORY HOUSING LOAN, THE OWNER OF A MIGRATORY
2 LABOR CAMP SHALL:

3 (1) LIVE OR HAVE A PRINCIPAL PLACE OF BUSINESS IN THE STATE;

4 (2) HAVE BEEN DENIED A LOAN BY A PRIVATE LENDING INSTITUTION
5 OR HAVE RECEIVED A COMMITMENT FROM A PRIVATE LENDING INSTITUTION FOR
6 LESS THAN THE AMOUNT OF MONEY REQUIRED TO FINANCE THE NECESSARY
7 HEALTH AND SAFETY IMPROVEMENTS; AND

8 (3) SUBMIT TO THE DEPARTMENT A PLAN FOR THE NECESSARY HEALTH
9 AND SAFETY IMPROVEMENTS THAT HAS BEEN APPROVED BY THE DEPARTMENT OF
10 THE ENVIRONMENT.

11 REVISOR'S NOTE: Subsection (a)(1) of this section is standard language added
12 to introduce a definition section.

13 Subsection (a)(2) of this section is new language derived without
14 substantive change from former Art. 83B, § 2-302(g).

15 Subsection (a)(3) of this section is new language added to provide a
16 convenient reference to the Migratory Worker Housing Program.

17 Subsection (a)(4) of this section is new language derived without
18 substantive change from former Art. 83B, § 2-302(h).

19 Subsection (b) of this section is new language derived without substantive
20 change from former Art. 83B, § 2-304(a), as it created the Migratory
21 Worker Housing Program.

22 Subsections (c) through (e) of this section are new language derived
23 without substantive change from former Art. 83B, §§ 2-304(b) through (e)
24 and 2-302(i).

25 In the introductory language of subsection (a)(4) of this section, the
26 reference to an "individual" is substituted for the former reference to a
27 "person", because only an individual, and not the other entities in the
28 defined term "person", can be an employee. *See* § 1-101 of this article.

29 In subsection (a)(4)(i) of this section, the reference to "work" is substituted
30 for the former reference to "employment" to conform to the terminology
31 used throughout this section.

32 In subsection (a)(4)(ii) of this section, the reference to quarters "that are
33 not" the individual's permanent home is substituted for the former
34 reference to quarters "other than" the home to include those workers who
35 lack permanent homes.

36 In subsection (b) of this section, the reference to the "Migratory Worker
37 Housing Program" is substituted for the former references to the

1 "Migratory Worker Housing Facilities Program" for brevity. Similarly, in
2 subsections (c)(2) and (d) of this section, the references to "migratory
3 worker housing loans" are substituted for the former references to
4 "migratory housing facilities loans".

5 In subsection (c)(2) of this section, the reference to the "Special Loan
6 Programs" Fund is substituted for the former reference to the "fund" in
7 light of § 4-921(b) of this subtitle. *See* Ch. 274, Acts of 1989.

8 In subsection (d) of this section, the reference to "§ 4-916(b) of this
9 subtitle" - which revises former § 2-303(h)(1) through (6) - is substituted
10 for the former erroneous reference to § 2-303(g). The former reference to §
11 2-303(g) was made obsolete as a result of Ch. 274, Acts of 1989.

12 Also in subsection (d) of this section, the former reference to "provisions
13 for" migratory housing facilities loans is deleted as surplusage.

14 In subsection (e)(3) of this section, the former reference to "the Office of
15 Environmental Programs" of the Department of the Environment is
16 deleted as obsolete.

17 Former Art. 83B, § 2-302(m), which defined "owner of a migratory labor
18 camp" to mean any individual, partnership, corporation, or other business
19 entity which owns a migratory labor camp located in the State, is deleted
20 as unnecessary because it simply restated the ordinary meaning of the
21 term "owner of a migratory labor camp".

22 Defined terms: "Department" § 1-101

23 "Secretary" § 1-101

24 4-929. NONPROFIT REHABILITATION PROGRAM.

25 (A) ESTABLISHED.

26 THERE IS A NONPROFIT REHABILITATION PROGRAM.

27 (B) DUTIES OF DEPARTMENT.

28 THE DEPARTMENT SHALL:

29 (1) OPERATE THE NONPROFIT REHABILITATION PROGRAM; AND

30 (2) MAKE LOANS FOR REHABILITATION PROJECTS TO NONPROFIT
31 SPONSORS UNDER THIS SUBTITLE.

32 (C) TERMS OF LOANS.

33 THE TERMS OF A NONPROFIT REHABILITATION LOAN SHALL MEET THE
34 REQUIREMENTS OF § 4-916(B) OF THIS SUBTITLE.

35 (D) QUALIFICATIONS FOR LOAN.

1 TO QUALIFY FOR A NONPROFIT REHABILITATION LOAN, A NONPROFIT SPONSOR
2 SHALL:

3 (1) OWN THE BUILDING TO BE REHABILITATED OR ACT ON BEHALF OF
4 THE OWNER;

5 (2) DEMONSTRATE THE CAPABILITY TO MANAGE THE REHABILITATED
6 PROJECT AND PAY BACK THE LOAN; AND

7 (3) AGREE TO USE THE LOAN PROCEEDS FOR A REHABILITATION
8 PROJECT THAT PROVIDES HOUSING FOR FAMILIES OF LIMITED INCOME IN
9 ACCORDANCE WITH THE REQUIREMENTS OF § 4-918(A) AND (B) OF THIS SUBTITLE.

10 (E) OPTIONAL BUILDING USES.

11 A NONPROFIT SPONSOR THAT QUALIFIES FOR A NONPROFIT REHABILITATION
12 LOAN MAY PROVIDE FOR:

13 (1) NONRESIDENTIAL USES THAT ARE NOT DIRECTLY RELATED TO THE
14 RESIDENTIAL FACILITIES BUT OCCUPY A MINOR PART OF THE BUILDING AND OFFER
15 GOODS OR SERVICES FOR FAMILIES OF LIMITED INCOME OR OTHER
16 DISADVANTAGED INDIVIDUALS; OR

17 (2) PERIODIC OR TEMPORARY LIMITED USE OF THE RESIDENTIAL OR
18 NONRESIDENTIAL SPACE OF THE BUILDING FOR ACTIVITIES THAT MAKE THE
19 PROJECT MORE FINANCIALLY VIABLE AND DO NOT HARM THE USE OF THE PROJECT
20 AS HOUSING FOR FAMILIES OF LIMITED INCOME.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, § 2-305(b) through (d) and, as it created the
23 Nonprofit Rehabilitation Program, (a).

24 In subsection (c) of this section, the reference to "§ 4-916(b) of this subtitle"
25 - which revises former § 2-303(h)(1) through (6) - is substituted for the
26 former erroneous reference to § 2-303(g). The former reference to §
27 2-303(g) was made obsolete as a result of Ch. 274, Acts of 1989.

28 Also in subsection (c) of this section, the former reference to "provisions" of
29 a nonprofit rehabilitation loan is deleted in light of the reference to
30 "terms".

31 In subsection (d)(3) of this section, the requirement that a nonprofit
32 sponsor seeking a nonprofit rehabilitation loan must "agree to" use the
33 proceeds of the loan for a rehabilitation project is added for clarity.

34 Also in subsection (d)(3) of this section, the reference to "housing" is
35 substituted for the former reference to "dwelling units or residential
36 facilities" for brevity.

1 Defined terms: "Family of limited income" § 4-901

2 "Nonprofit sponsor" § 4-901

3 "Program" § 4-901

4 "Rehabilitation project" § 4-901

5 4-930. RADON AND ASBESTOS ABATEMENT PILOT PROGRAM.

6 (A) ESTABLISHED.

7 THERE IS A RADON AND ASBESTOS ABATEMENT PILOT PROGRAM.

8 (B) DUTIES OF DEPARTMENT.

9 THE DEPARTMENT SHALL:

10 (1) OPERATE THE RADON AND ASBESTOS ABATEMENT PILOT PROGRAM;
11 AND

12 (2) MAKE LOANS FOR REHABILITATION PROJECTS FOR RADON AND
13 ASBESTOS ABATEMENT.

14 (C) TERMS OF LOANS.

15 THE TERMS OF LOANS SHALL MEET THE REQUIREMENTS UNDER §§ 4-917
16 THROUGH 4-919 OF THIS SUBTITLE.

17 (D) QUALIFICATIONS FOR LOAN.

18 (1) TO QUALIFY FOR A LOAN, AN APPLICANT SHALL:

19 (I) OWN A BUILDING IN NEED OF RADON OR ASBESTOS
20 ABATEMENT:

21 1. THAT IS OTHERWISE STRUCTURALLY SOUND; OR

22 2. FOR WHICH THE APPLICANT PROVIDES A COMMITMENT
23 FROM A LENDER TO FINANCE IMPROVEMENTS TO MAKE THE BUILDING
24 STRUCTURALLY SOUND; AND

25 (II) MAKE A PROPOSAL TO THE DEPARTMENT FOR TREATMENT
26 THAT COMPLIES WITH THE REQUIREMENTS AND PROCEDURES OF THE DEPARTMENT
27 OF THE ENVIRONMENT FOR RADON OR ASBESTOS ABATEMENT.

28 (2) IN ADDITION TO THE REQUIREMENTS IN PARAGRAPH (1) OF THIS
29 SUBSECTION, THE APPLICANT SHALL:

30 (I) LIVE IN THE BUILDING AND BE A FAMILY OF LIMITED INCOME;

31 (II) AGREE TO RENT AT LEAST TWO-THIRDS OF THE DWELLINGS IN
32 THE BUILDING TO FAMILIES OF LIMITED INCOME; OR

1 (III) AGREE TO PROVIDE CONGREGATE OR GROUP HOUSING OR
2 TEMPORARY SHELTERS TO FAMILIES OF LIMITED INCOME.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, § 2-307(b) through (d) and, as it created the
5 Radon and Asbestos Abatement Pilot Program, (a).

6 Throughout this section, the former references to radon "gas" are deleted
7 as surplusage.

8 In subsection (d)(1)(ii) of this section, the former phrase "to provide a safe
9 environment" is deleted as surplusage.

10 In the introductory language of subsection (d)(2) of this section, the
11 reference to the "applicant" is substituted for the former reference to the
12 "owner of a building" for brevity.

13 In subsection (d)(2)(ii) and (iii) of this section, the requirements that the
14 owner of a building "agree to" rent at least two-thirds of dwellings and
15 provide group housing or temporary shelters to families of limited income
16 are added for clarity.

17 Defined terms: "Department" § 1-101

18 "Family of limited income" § 4-901

19 "Program" § 4-901

20 "Rehabilitation project" § 4-901

21 4-931. RESERVED.

22 4-932. RESERVED.

23 PART III. PROHIBITED ACTS; PENALTIES.

24 4-933. FALSE STATEMENTS OR REPORTS.

25 (A) PROHIBITED.

26 A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A FALSE
27 STATEMENT OF MATERIAL FACT, INCLUDING AN OVERSTATEMENT OR
28 UNDERSTATEMENT OF FINANCIAL CONDITION, TO INFLUENCE THE ACTION OF THE
29 DEPARTMENT ON A GRANT OR LOAN OR AN APPLICATION FOR A GRANT OR LOAN
30 UNDER THIS SUBTITLE.

31 (B) PENALTY.

32 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
33 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
34 NOT EXCEEDING \$5,000 OR BOTH.

35 (C) ACCELERATED PAYMENT.

1 IF A BORROWER VIOLATES THIS SECTION, THE DEPARTMENT MAY
2 IMMEDIATELY ACCELERATE THE LOAN, WHETHER OR NOT A CRIMINAL
3 PROSECUTION HAS BEGUN AND REGARDLESS OF THE STATUS OF THE PROSECUTION.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-312.

6 In subsection (a) of this section, the former reference to "any other fact
7 material to the Department's actions" is deleted as surplusage.

8 In subsection (c) of this section, the clause "[i]f a borrower violates this
9 section" is substituted for the former clause "[e]very borrower who
10 knowingly makes or causes to be made such a false statement or report" for
11 brevity.

12 Defined terms: "Department" § 1-101

13 "Person" § 1-101

14 SUBTITLE 10. NEIGHBORHOOD HOUSING SERVICES FUND.

15 4-1001. DEFINITIONS.

16 (A) IN GENERAL.

17 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

18 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1301(a).

19 No changes are made.

20 (B) FUND.

21 "FUND" MEANS THE NEIGHBORHOOD HOUSING SERVICES FUND.

22 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1301(b).

23 No changes are made.

24 (C) NEIGHBORHOOD CORPORATION.

25 "NEIGHBORHOOD CORPORATION" MEANS A NEIGHBORHOOD HOUSING
26 SERVICES CORPORATION ESTABLISHED IN CONNECTION WITH THE NEIGHBORHOOD
27 REINVESTMENT CORPORATION.

28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from former Art. 83B, § 2-1301(e).

30 The former reference to the "National" Neighborhood Reinvestment
31 Corporation is deleted as erroneous.

32 (D) OPERATING BUDGET.

1 (1) "OPERATING BUDGET" MEANS THE MONEY NECESSARY TO OPERATE
2 A NEIGHBORHOOD CORPORATION, INCLUDING MONEY TO PAY:

3 (I) ADMINISTRATIVE, TECHNICAL, LEGAL, OR OTHER EXPENSES;
4 AND

5 (II) EXPENSES INCURRED BY AN UMBRELLA CORPORATION IN
6 OPERATING PROGRAMS.

7 (2) "OPERATING BUDGET" DOES NOT INCLUDE MONEY ALLOCATED TO
8 REVOLVING OR OTHER LOAN FUNDS.

9 REVISOR'S NOTE: This subsection is new language derived without
10 substantive change from former Art. 83B, § 2-1301(c).

11 Defined terms: "Neighborhood corporation" § 4-1001

12 "Umbrella corporation" § 4-1001

13 (E) PROGRAM.

14 "PROGRAM" MEANS A PROGRAM THAT A NEIGHBORHOOD CORPORATION
15 ESTABLISHES AND SUPERVISES TO ACHIEVE ITS GOALS AND TO PROVIDE SERVICES
16 WITHIN A SPECIFIC NEIGHBORHOOD.

17 REVISOR'S NOTE: This subsection is new language derived without
18 substantive change from former Art. 83B, § 2-1301(f).

19 Defined term: "Neighborhood corporation" § 4-1001

20 (F) UMBRELLA CORPORATION.

21 "UMBRELLA CORPORATION" MEANS A NEIGHBORHOOD CORPORATION THAT
22 ESTABLISHES AND SUPERVISES AT LEAST TWO PROGRAMS.

23 REVISOR'S NOTE: This subsection is new language derived without
24 substantive change from former Art. 83B, § 2-1301(g).

25 Defined terms: "Neighborhood corporation" § 4-1001

26 "Program" § 4-1001

27 4-1002. NEIGHBORHOOD HOUSING SERVICES FUND.

28 (A) ESTABLISHED.

29 THERE IS A NEIGHBORHOOD HOUSING SERVICES FUND.

30 (B) ADMINISTRATION.

31 THE DEPARTMENT SHALL ADMINISTER THE FUND.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 2-1302.

3 Defined terms: "Department" § 1-101

4 "Fund" § 4-1001

5 4-1003. REGULATIONS.

6 THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, § 2-1306.

9 The reference to adopting regulations to "carry out" this subtitle is
10 substituted for the former reference to adopting regulations "necessary for
11 the implementation of" this subtitle for brevity.

12 Defined term: "Department" § 1-101

13 4-1004. GRANTS.

14 (A) ELIGIBILITY.

15 TO BE ELIGIBLE FOR A GRANT UNDER THIS SUBTITLE, A NEIGHBORHOOD
16 CORPORATION OR UMBRELLA CORPORATION SHALL:

17 (1) SUBMIT A TIMELY APPLICATION IN THE FORM THAT THE SECRETARY
18 PRESCRIBES;

19 (2) CREATE A BOARD OF DIRECTORS COMPOSED OF:

20 (I) A MEMBER OF THE GENERAL ASSEMBLY;

21 (II) NEIGHBORHOOD RESIDENTS;

22 (III) REPRESENTATIVES OF LOCAL FINANCIAL INSTITUTIONS; AND

23 (IV) REPRESENTATIVES OF LOCAL POLITICAL SUBDIVISIONS, IF
24 NOT INCONSISTENT WITH LOCAL LAW;

25 (3) BE AUTHORIZED TO ESTABLISH AND ADMINISTER A REVOLVING
26 LOAN FUND BY LENDING MONEY AT FLEXIBLE RATES AND TERMS TO
27 NEIGHBORHOOD HOMEOWNERS WHO CANNOT OBTAIN MORTGAGE FINANCING ON
28 REASONABLE TERMS THROUGH NORMAL LENDING CHANNELS TO PRESERVE OR
29 REVITALIZE NEIGHBORHOODS AND ENCOURAGE HOMEOWNERSHIP; AND

30 (4) BE AUTHORIZED TO ESTABLISH AND ADMINISTER, IN COOPERATION
31 WITH APPROPRIATE OFFICIALS OF THE POLITICAL SUBDIVISION, A HOUSING
32 PROGRAM TO BRING NEIGHBORHOOD DWELLINGS TO ACCEPTABLE LEVELS OF
33 HEALTH AND SAFETY.

1 (B) VOTING MEMBER.

2 THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL BE A VOTING MEMBER
3 OF EACH NEIGHBORHOOD CORPORATION RECEIVING GRANTS FROM THE
4 DEPARTMENT.

5 (C) CONTENTS OF APPLICATION.

6 AN APPLICATION FOR A GRANT UNDER SUBSECTION (A)(1) OF THIS SECTION
7 SHALL CONTAIN:

8 (1) A DESCRIPTION OF THE BOUNDARIES OF THE AREA THAT THE
9 NEIGHBORHOOD CORPORATION OR PROGRAM SERVES;

10 (2) CERTIFICATION THAT THE APPLICANT IS REGISTERED WITH THE
11 NEIGHBORHOOD REINVESTMENT CORPORATION;

12 (3) CERTIFICATION OF INCORPORATION UNDER STATE LAW;

13 (4) CERTIFICATION OF RECEIPT OF A RULING FROM THE INTERNAL
14 REVENUE SERVICE THAT THE APPLICANT IS EXEMPT FROM FEDERAL INCOME
15 TAXATION;

16 (5) CERTIFICATION THAT THE PORTION OF THE APPLICANT'S ANNUAL
17 OPERATING BUDGET THAT WILL NOT BE COVERED BY THE GRANT SOUGHT HAS
18 BEEN PROVIDED EXCLUSIVELY FROM POLITICAL SUBDIVISIONS OR PRIVATE
19 SOURCES; AND

20 (6) ANY OTHER INFORMATION THAT THE SECRETARY REQUIRES.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, §§ 2-1304 and 2-1305.

23 In subsection (b)(1) of this section, the former reference to an "ex officio"
24 member is deleted as surplusage.

25 In subsection (c)(1) of this section, the former reference to "geographic"
26 boundaries is deleted as surplusage.

27 In subsection (c)(5) of this section, the reference to the portion of the
28 applicant's annual operating budget "that will not be covered by the grant
29 sought" is substituted for the former reference to "the remaining
30 two-thirds" portion of the budget, for clarity. For the limit on grants, *see* §
31 4-1005 of this subtitle.

32 In subsection (c)(6) of this section, the reference to "information" is
33 substituted for the former reference to "requirements" for clarity.

34 The Housing Article Review Committee notes, for consideration by the
35 General Assembly, that in subsection (a)(3) of this section, a neighborhood
36 corporation or an umbrella corporation must be authorized, but the

1 provision does not state who may confer the authorization on the
2 corporation.

3 Defined terms: "Department" § 1-101

4 "Neighborhood corporation" § 4-1001

5 "Operating budget" § 4-1001

6 "Political subdivision" § 1-101

7 "Program" § 4-1001

8 "Secretary" § 1-101

9 "Umbrella corporation" § 4-1001

10 4-1005. MAXIMUM GRANT AMOUNTS.

11 (A) ONE-THIRD OF BUDGET OR \$50,000.

12 (1) EACH ELIGIBLE NEIGHBORHOOD CORPORATION MAY APPLY FOR A
13 GRANT IN AN AMOUNT UP TO \$50,000 THAT DOES NOT EXCEED ONE-THIRD OF ITS
14 ANNUAL OPERATING BUDGET.

15 (2) EACH UMBRELLA CORPORATION MAY APPLY FOR A GRANT FOR EACH
16 PROGRAM UNDER ITS SUPERVISION IN AN AMOUNT UP TO \$50,000 THAT DOES NOT
17 EXCEED ONE-THIRD OF THE ANNUAL OPERATING BUDGET OF THE PROGRAM.

18 (B) PRO RATA REDUCTION REQUIRED.

19 IF THE AMOUNT REQUESTED BY ELIGIBLE APPLICANTS IN A FISCAL YEAR
20 EXCEEDS THE AMOUNT OF THE FUND, THE SECRETARY SHALL REDUCE EACH GRANT
21 PRO RATA SO THAT THE FUND AMOUNT APPROPRIATED FOR THAT FISCAL YEAR IS
22 NOT EXCEEDED.

23 REVISOR'S NOTE: This section is new language derived without substantive
24 change from former Art. 83B, § 2-1303(a)(2), (b), and (c).

25 In subsection (b) of this section, the reference to the "amount requested by
26 eligible applicants" is substituted for the former reference to "the amount
27 of grant applications" for clarity.

28 Also in subsection (b) of this section, the former reference to applications
29 received "by the Department" is deleted as surplusage.

30 Former Art. 83B, § 2-1303(a)(1), which required the Department to make
31 grants to eligible neighborhood corporations pursuant to subsections (b)
32 and (c) of this section, is deleted as surplusage.

33 Defined terms: "Department" § 1-101

34 "Fund" § 4-1001

35 "Neighborhood corporation" § 4-1001

36 "Operating budget" § 4-1001

37 "Program" § 4-1001

38 "Secretary" § 1-101

1 "Umbrella corporation" § 4-1001

2 SUBTITLE 11. OPERATING ASSISTANCE GRANTS DEMONSTRATION PROJECTS.

3 4-1101. GRANTS TO INCREASE PARTICIPATION IN PROJECTS AND ACTIVITIES.

4 (A) PURPOSE.

5 THE DEPARTMENT SHALL AWARD OPERATING ASSISTANCE GRANTS TO
6 NONPROFIT ORGANIZATIONS TO INCREASE THEIR CAPACITY TO PARTICIPATE IN
7 HOUSING PROJECTS AND ACTIVITIES AUTHORIZED BY THE PROGRAMS THAT ARE
8 FINANCED THROUGH THE HOMEOWNERSHIP PROGRAMS FUND UNDER § 4-502 OF
9 THIS TITLE, THE RENTAL HOUSING PROGRAMS FUND UNDER § 4-504 OF THIS TITLE,
10 THE SPECIAL LOAN PROGRAMS FUND UNDER § 4-505 OF THIS TITLE, OR OTHERWISE
11 FINANCED TOTALLY OR PARTLY BY THE DEPARTMENT.

12 (B) ELIGIBILITY.

13 TO BE ELIGIBLE FOR AN OPERATING ASSISTANCE GRANT UNDER THIS SECTION,
14 A NONPROFIT ORGANIZATION MUST HAVE LIMITED EXPERTISE OR NO RECENT
15 EXPERIENCE PARTICIPATING IN PROJECTS OR ACTIVITIES FINANCED WHOLLY OR
16 PARTLY BY THE DEPARTMENT.

17 (C) AREAS IN WHICH GRANTEE MAY RECEIVE GRANTS.

18 A NONPROFIT ORGANIZATION MAY RECEIVE A GRANT OR GRANTS UNDER THIS
19 SECTION FOR UP TO 3 YEARS TO INCREASE ITS CAPACITY TO PARTICIPATE IN EACH
20 OF THE HOUSING DEVELOPMENT AREAS OF RENTAL HOUSING PROGRAMS,
21 HOMEOWNERSHIP PROGRAMS, AND SPECIAL LOAN PROGRAMS.

22 (D) TERM OF GRANT.

23 A GRANT UNDER THIS SECTION MAY BE FOR A TERM OF UP TO 3 YEARS IF THE
24 DEPARTMENT FINDS THAT:

25 (1) THE PERFORMANCE OF THE NONPROFIT ORGANIZATION IN THE
26 PRIOR YEAR WAS ACCEPTABLE; AND

27 (2) MONEY IS APPROPRIATED AND AVAILABLE TO PAY THE GRANT.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, §§ 2-1202, 2-1201(b), (e), and (f), and
30 2-1204(b) and (c).

31 In subsection (a) of this section, the former reference to programs
32 "established in this title" is deleted as implicit in the reference to programs
33 that are financed through the Homeownership Programs Fund, the Rental
34 Housing Programs Fund, the Special Loan Programs Fund, or otherwise
35 financed totally or partly by the Department.

1 Defined terms: "Department" § 1-101

2 "Nonprofit organization" § 1-101

3 4-1102. GRANTS FOR LIMITED INCOME HOUSING.

4 (A) IN GENERAL.

5 THE DEPARTMENT SHALL AWARD OPERATING ASSISTANCE GRANTS TO
6 NONPROFIT ORGANIZATIONS TO FURTHER THE PRODUCTION OR REHABILITATION
7 OF LIMITED INCOME HOUSING BY THOSE ORGANIZATIONS OR BY INDIVIDUALS THEY
8 HELP.

9 (B) ELIGIBILITY.

10 A NONPROFIT ORGANIZATION IS ELIGIBLE FOR A GRANT IF IT MEETS THE
11 PERFORMANCE AND OTHER STANDARDS THAT THE DEPARTMENT SETS AND:

12 (1) MAKES AN APPLICATION THAT:

13 (I) DESCRIBES THE HOUSING PROJECT;

14 (II) INCLUDES EVIDENCE OF ACCEPTABLE PERFORMANCE IN THE
15 PRIOR YEAR, IF THE NONPROFIT ORGANIZATION RECEIVED A GRANT IN THE PRIOR
16 YEAR; AND

17 (III) IS ACCEPTABLE TO THE DEPARTMENT;

18 (2) HAS HELPED INDIVIDUALS TO APPLY FOR LOANS FROM THE
19 DEPARTMENT; OR

20 (3) WAS RESPONSIBLE FOR ORIGINATING APPLICATIONS, AS CERTIFIED
21 BY A POLITICAL SUBDIVISION APPROVED BY THE DEPARTMENT.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, § 2-1203.

24 In subsection (b)(3) of this section, the defined term "political subdivision"
25 is substituted for the former reference to "local government" to conform to
26 the terminology used throughout this division.

27 Defined terms: "Department" § 1-101

28 "Nonprofit organization" § 1-101

29 "Political subdivision" § 1-101

30 4-1103. USE OF GRANT.

31 A NONPROFIT ORGANIZATION MAY USE AN OPERATING ASSISTANCE GRANT
32 FOR PREDEVELOPMENT, OPERATING, AND OVERHEAD COSTS, INCLUDING:

33 (1) STAFF COSTS;

1 (2) ORGANIZATIONAL COSTS; AND

2 (3) FOR A GRANT UNDER § 4-1102 OF THIS SUBTITLE, COSTS RELATING
3 TO APPLYING FOR LOANS OR HELPING INDIVIDUALS TO APPLY FOR LOANS.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-1201(d).

6 It is revised as a substantive provision rather than a definition for clarity.

7 Defined term: "Nonprofit organization" § 1-101

8 4-1104. AMOUNT AND SOURCE OF GRANTS.

9 (A) AMOUNT.

10 OPERATING ASSISTANCE GRANTS UNDER THIS SUBTITLE MAY NOT EXCEED
11 THE AMOUNTS THAT THE DEPARTMENT SETS.

12 (B) SOURCE.

13 DURING A FISCAL YEAR, ALL OPERATING ASSISTANCE GRANTS UNDER THIS
14 SUBTITLE SHALL BE MADE FROM:

15 (1) UP TO 1% OF THE TOTAL AMOUNT OF BUDGETED MONEY IN THE
16 HOMEOWNERSHIP PROGRAMS FUND UNDER § 4-502 OF THIS TITLE, THE RENTAL
17 HOUSING PROGRAMS FUND UNDER § 4-504 OF THIS TITLE, AND THE SPECIAL LOAN
18 PROGRAMS FUND UNDER § 4-505 OF THIS TITLE; AND

19 (2) MONEY APPROPRIATED FROM ANY OTHER SOURCE.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, §§ 2-1201(b), (e), and (f) and 2-1204(a) and
22 (d).

23 Defined terms: "Department" § 1-101

24 "Nonprofit organization" § 1-101

25 4-1105. REGULATIONS.

26 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

27 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1205.

28 No changes are made.

29 Defined term: "Department" § 1-101

1 SUBTITLE 12. PARTNERSHIP RENTAL HOUSING PROGRAM.

2 4-1201. DEFINITIONS.

3 (A) IN GENERAL.

4 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

5 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1102(a).

6 No changes are made.

7 (B) FUND.

8 "FUND" MEANS THE PARTNERSHIP RENTAL HOUSING FUND.

9 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1102(c).

10 No changes are made.

11 (C) HOUSEHOLD OF LOWER INCOME.

12 "HOUSEHOLD OF LOWER INCOME" MEANS A HOUSEHOLD THAT QUALIFIES
13 UNDER § 4-1206 OF THIS SUBTITLE.14 REVISOR'S NOTE: This subsection is new language added to provide a
15 convenient reference to a "household of lower income".

16 (D) HOUSING AUTHORITY.

17 "HOUSING AUTHORITY" MEANS A HOUSING AUTHORITY AUTHORIZED UNDER
18 ARTICLE 44A OF THE CODE.19 REVISOR'S NOTE: This subsection is new language derived without
20 substantive change from former Art. 83B, § 2-1102(e), as it referred to a
21 housing authority authorized under Article 44A.22 The defined term "housing authority" is substituted for the former defined
23 term "local government" for clarity.

24 (E) PARTNERSHIP PROJECT.

25 "PARTNERSHIP PROJECT" MEANS AN UNDERTAKING THAT THE PROGRAM
26 FINANCES TO ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, OR REHABILITATE
27 A BUILDING OR IMPROVEMENT, OR A PART OF A BUILDING OR IMPROVEMENT.28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from former Art. 83B, § 2-1102(f).

30 Defined term: "Program" § 4-1201

1 (F) PARTNERSHIP RENTAL HOUSING.

2 (1) "PARTNERSHIP RENTAL HOUSING" MEANS RENTAL HOUSING
3 FINANCED UNDER THIS SUBTITLE.

4 (2) "PARTNERSHIP RENTAL HOUSING" INCLUDES APARTMENTS,
5 CONDOMINIUM UNITS, COOPERATIVES, TOWN HOUSES, TOWN HOMES, SINGLE ROOM
6 OCCUPANCY AND SHARED LIVING UNIT FACILITIES, AND SINGLE-FAMILY HOMES.

7 REVISOR'S NOTE: This subsection is new language derived without
8 substantive change from former Art. 83B, § 2-1102(g).

9 (G) PROGRAM.

10 "PROGRAM" MEANS THE PARTNERSHIP RENTAL HOUSING PROGRAM.

11 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1102(h).

12 No changes are made.

13 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 2-1102(e), as it defined
14 "local government" to mean any municipal corporation in Maryland subject
15 to the provisions of Md. Constitution, Art. XI-E or a county, is deleted in
16 light of the defined term "political subdivision". See § 1-101 of this article.

17 4-1202. FINDINGS.

18 THE GENERAL ASSEMBLY FINDS THAT:

19 (1) THERE IS A SHORTAGE OF DECENT, SAFE, AND SANITARY RENTAL
20 HOUSING FOR HOUSEHOLDS OF LOWER INCOME;

21 (2) THE PRIVATE SECTOR OFTEN CANNOT DEVELOP, IMPROVE,
22 OPERATE, AND MAINTAIN HOUSING FOR HOUSEHOLDS OF LOWER INCOME; AND

23 (3) TO ADDRESS THIS SHORTAGE, A PARTNERSHIP IS NEEDED AMONG
24 THE STATE, POLITICAL SUBDIVISIONS, HOUSING AUTHORITIES, AND HOUSEHOLDS
25 OF LOWER INCOME TO DEVELOP, OPERATE, AND MAINTAIN HOUSING FOR
26 HOUSEHOLDS OF LOWER INCOME.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 2-1101.

29 In the introductory language of this section, the reference to the "General
30 Assembly" is added for consistency with similar provisions in this article.

31 Also in the introductory language of this section, the former reference to a
32 "declar[ation]" is deleted in light of the reference to a "find[ing]".

33 Defined terms: "Household of lower income" § 4-1201

34 "Housing authority" § 4-1201

1 "Political subdivision" § 1-101

2 4-1203. ESTABLISHED.

3 THERE IS A PARTNERSHIP RENTAL HOUSING PROGRAM.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-1103(a).

6 The former phrase "in the Department" is deleted in light of § 4-103 of this
7 title.

8 4-1204. PURPOSES OF PROGRAM.

9 THE PURPOSES OF THE PROGRAM ARE TO:

10 (1) PROVIDE DECENT, SAFE, AND SANITARY RENTAL HOUSING FOR
11 HOUSEHOLDS OF LOWER INCOME;

12 (2) PROVIDE FINANCIAL ASSISTANCE TO POLITICAL SUBDIVISIONS OR
13 HOUSING AUTHORITIES TO ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, OR
14 REHABILITATE RENTAL HOUSING AFFORDABLE TO HOUSEHOLDS OF LOWER
15 INCOME;

16 (3) STIMULATE THE DEVELOPMENT AND OWNERSHIP OF RENTAL
17 HOUSING FOR HOUSEHOLDS OF LOWER INCOME BY POLITICAL SUBDIVISIONS,
18 HOUSING AUTHORITIES, OR PARTNERSHIPS THAT INCLUDE POLITICAL
19 SUBDIVISIONS OR HOUSING AUTHORITIES;

20 (4) PROVIDE FINANCIAL ASSISTANCE TO PRIVATE DEVELOPERS TO
21 ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, OR REHABILITATE HOUSING
22 UNITS FOR SALE TO POLITICAL SUBDIVISIONS, HOUSING AUTHORITIES, OR
23 PARTNERSHIPS THAT INCLUDE POLITICAL SUBDIVISIONS OR HOUSING
24 AUTHORITIES, AS AFFORDABLE RENTAL HOUSING FOR HOUSEHOLDS OF LOWER
25 INCOME;

26 (5) PROMOTE AFFORDABLE HOUSING PROGRAMS AND INCREASED
27 CONTRIBUTIONS TO THE PRODUCTION OF AFFORDABLE RENTAL HOUSING BY
28 POLITICAL SUBDIVISIONS OR HOUSING AUTHORITIES;

29 (6) ENCOURAGE HOUSEHOLDS OF LOWER INCOME THAT LIVE IN
30 PARTNERSHIP RENTAL HOUSING TO CONTRIBUTE ACTIVELY TO THE OPERATION OR
31 MAINTENANCE OF THE HOUSING OR THE COMMUNITY; AND

32 (7) FINANCE RENTAL HOUSING THAT IS:

33 (I) TO BE OCCUPIED BY HOUSEHOLDS OF LOWER INCOME;

34 (II) TO BE OWNED BY POLITICAL SUBDIVISIONS OR HOUSING
35 AUTHORITIES OR PARTNERSHIPS THAT INCLUDE POLITICAL SUBDIVISIONS OR
36 HOUSING AUTHORITIES; AND

1 (III) EXPECTED TO BE FINANCIALLY SELF-SUFFICIENT, WITHOUT
2 FURTHER GOVERNMENTAL FINANCING FOR MAINTENANCE, RENOVATION, OR
3 OPERATING SUBSIDIES.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, §§ 2-1104 and 2-1103(b).

6 In item (1) of this section, the former reference to "occupancy by"
7 households of lower income is deleted as implicit in the reference to
8 "housing for households of lower income".

9 In items (2) and (4) of this section, the former references to providing
10 financial assistance for "the costs of" acquiring housing units are deleted
11 as implicit in the references to "financial assistance".

12 Defined terms: "Financial assistance" § 1-101

13 "Household of lower income" § 4-1201

14 "Housing authority" § 4-1201

15 "Partnership rental housing" § 4-1201

16 "Political subdivision" § 1-101

17 "Program" § 4-1201

18 4-1205. DUTIES OF DEPARTMENT.

19 (A) IN GENERAL.

20 THE DEPARTMENT SHALL:

21 (1) ADMINISTER THE PROGRAM;

22 (2) ADOPT POLICIES AND PROCEDURES THAT ENCOURAGE
23 PARTNERSHIP RENTAL HOUSING THROUGHOUT THE STATE; AND

24 (3) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM, INCLUDING
25 REGULATIONS THAT SET MINIMUM AND MAXIMUM LOCAL CONTRIBUTIONS TO THE
26 COST OF EACH SUCCESSIVE PARTNERSHIP PROJECT UNDERTAKEN BY A POLITICAL
27 SUBDIVISION OR HOUSING AUTHORITY BASED ON THE FISCAL CAPACITY OF THE
28 POLITICAL SUBDIVISION OR HOUSING AUTHORITY, AS PROVIDED IN § 4-1207(A)(8) OF
29 THIS SUBTITLE.

30 (B) GUIDELINES.

31 THE DEPARTMENT MAY ESTABLISH:

32 (1) MAXIMUM LIMITS FOR FINANCING THAT IT WILL PROVIDE TO:

33 (I) INDIVIDUAL PARTNERSHIP RENTAL HOUSING UNITS;

34 (II) ANY ONE PARTNERSHIP PROJECT; OR

35 (III) ANY POLITICAL SUBDIVISION OR HOUSING AUTHORITY;

1 (2) A PROCESS FOR APPROVING FINANCING FOR PARTNERSHIP
2 PROJECTS THAT ENCOURAGES A BROAD GEOGRAPHIC DISTRIBUTION OF MONEY;
3 AND

4 (3) THE TIME THAT A HOUSEHOLD MAY OCCUPY THE PARTNERSHIP
5 RENTAL HOUSING AFTER THE ANNUAL INCOME OF THE HOUSEHOLD EXCEEDS THE
6 CONTINUING OCCUPANCY INCOME LIMITS FOR HOUSEHOLDS OF LOWER INCOME.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, §§ 2-1108 and 2-1105(1) through (3) and the
9 first sentence of (4).

10 In subsection (a)(1) of this section, the former requirement that the
11 Department "supervise" and "[m]anage" the Program is deleted in light of
12 the requirement to "administer" it.

13 In subsection (a)(3) of this section, the former reference to "rules" is deleted
14 in light of the reference to "regulations". *See* General Revisor's Note to
15 article.

16 Also in subsection (a)(3) of this section, the former reference to the
17 requirement that the Department adopt regulations "in conformance with
18 statutory requirements" is deleted as implicit in the reference to
19 "regulations". *See* Title 2, Subtitle 10 of the State Government Article.

20 In subsection (b)(3) of this section, the former reference to the "applicable"
21 continuing occupancy income limits for households of lower income is
22 deleted as surplusage.

23 In subsection (b)(3) of this section, the former reference to a "length of"
24 time is deleted as surplusage.

25 Defined terms: "Department" § 1-101

26 "Household of lower income" § 4-1201

27 "Housing authority" § 4-1201

28 "Partnership project" § 4-1201

29 "Partnership rental housing" § 4-1201

30 "Political subdivision" § 1-101

31 "Program" § 4-1201

32 4-1206. HOUSEHOLD ELIGIBILITY.

33 A HOUSEHOLD QUALIFIES AS A HOUSEHOLD OF LOWER INCOME:

34 (1) FOR INITIAL OCCUPANCY, IF THE GROSS ANNUAL INCOME OF THE
35 HOUSEHOLD DOES NOT EXCEED:

36 (I) 50% OF THE STATEWIDE MEDIAN INCOME FOR A HOUSEHOLD
37 OF LIKE SIZE; OR

1 (II) A LOWER INCOME LEVEL THAT THE SECRETARY ESTABLISHES
2 FOR A PARTICULAR PARTNERSHIP PROJECT; AND

3 (2) FOR CONTINUING OCCUPANCY, IF THE GROSS ANNUAL INCOME FOR
4 THE HOUSEHOLD DOES NOT EXCEED THE GREATER OF:

5 (I) 140% OF INITIAL OCCUPANCY LIMITS FOR PARTNERSHIP
6 PROJECTS FOR THE YEAR OF CONTINUING OCCUPANCY; AND

7 (II) AN APPLICABLE FEDERAL REQUIREMENT.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 2-1102(d).

10 It is revised as a substantive provision rather than as a definition for
11 clarity.

12 Defined terms: "Household of lower income" § 4-1201

13 "Partnership project" § 4-1201

14 "Secretary" § 1-101

15 4-1207. APPLICATION FOR PROJECT.

16 (A) REQUIREMENTS FOR APPROVAL.

17 THE DEPARTMENT MAY APPROVE AN APPLICATION FOR A PROPOSED
18 PARTNERSHIP PROJECT ONLY IF:

19 (1) THE APPLICATION IS AUTHORIZED BY THE CHIEF ELECTED
20 OFFICIAL OF THE POLITICAL SUBDIVISION OR, IF THERE IS NO CHIEF ELECTED
21 OFFICIAL, BY THE GOVERNING BODY OF THE POLITICAL SUBDIVISION IN WHICH THE
22 PROJECT IS LOCATED;

23 (2) THE POLITICAL SUBDIVISION OR HOUSING AUTHORITY:

24 (I) CONTRIBUTES FROM NONSTATE SOURCES THE LAND FOR THE
25 PARTNERSHIP RENTAL HOUSING; OR

26 (II) FUNDS THE PART OF THE ACQUISITION COST OF THE
27 PROPERTY THAT IS ATTRIBUTABLE TO THE VALUE OF THE LAND;

28 (3) THE POLITICAL SUBDIVISION OR HOUSING AUTHORITY IS TO HAVE
29 AN OWNERSHIP INTEREST IN THE PARTNERSHIP PROJECT OR IN THE RENTAL UNITS
30 FINANCED BY THE PROGRAM AND SOLD TO THE POLITICAL SUBDIVISION OR
31 HOUSING AUTHORITY OR TO A PARTNERSHIP THAT INCLUDES THE POLITICAL
32 SUBDIVISION OR HOUSING AUTHORITY;

33 (4) THE POLITICAL SUBDIVISION OR HOUSING AUTHORITY DIRECTLY OR
34 INDIRECTLY MANAGES THE PARTNERSHIP PROJECT;

1 (5) THE RENTAL UNITS FINANCED BY THE PROGRAM ARE TO BE
2 OCCUPIED ON COMPLETION OF THE ACQUISITION, CONSTRUCTION,
3 RECONSTRUCTION, RENOVATION, OR REHABILITATION BY HOUSEHOLDS OF LOWER
4 INCOME;

5 (6) THE HOUSEHOLDS OF LOWER INCOME OCCUPYING THE
6 PARTNERSHIP PROJECT OR THE PART FINANCED BY THE PROGRAM ARE REQUIRED
7 TO CONTRIBUTE SERVICES TO ENHANCE OR MAINTAIN THE PARTNERSHIP PROJECT
8 OR THE COMMUNITY IN A WAY THAT THE POLITICAL SUBDIVISION OR HOUSING
9 AUTHORITY ACCEPTS;

10 (7) IT IS REASONABLE TO ANTICIPATE THAT:

11 (I) MORE STATE SUBSIDIES WILL NOT BE NEEDED FOR
12 LONG-TERM OCCUPANCY BY HOUSEHOLDS OF LOWER INCOME; AND

13 (II) RENTAL INCOME, INCLUDING ANY CONTRIBUTION TO ALLOW
14 FOR MORE AFFORDABLE RENTS UNDER § 4-1208(D) OF THIS SUBTITLE, WILL BE
15 ENOUGH TO PAY THE OPERATING COSTS OF THE PARTNERSHIP PROJECT AND TO
16 BUILD AN ADEQUATE RESERVE FOR THE LONG-TERM MAINTENANCE AND
17 RENOVATION OF THE PARTNERSHIP PROJECT; AND

18 (8) FOR THE SECOND AND EACH SUCCEEDING PARTNERSHIP PROJECT
19 THAT A POLITICAL SUBDIVISION OR HOUSING AUTHORITY UNDERTAKES, THE
20 PERCENTAGE OF THE LOCAL CONTRIBUTION TO THE PARTNERSHIP PROJECT
21 EXCEEDS THE PERCENTAGE OF THE LOCAL CONTRIBUTION TO THE IMMEDIATELY
22 PRECEDING PARTNERSHIP PROJECT, UNLESS THE SECRETARY DETERMINES THAT
23 THE POLITICAL SUBDIVISION OR HOUSING AUTHORITY:

24 (I) CURRENTLY IS MAKING SUBSTANTIAL COMMITMENTS TO
25 AFFORDABLE HOUSING; OR

26 (II) IS AT TAXING CAPACITY AND LACKS DISCRETIONARY SURPLUS
27 MONEY.

28 (B) RENTAL UNITS FINANCED BY PROGRAM.

29 THE RENTAL UNITS FINANCED BY THE PROGRAM MAY INCLUDE, AS AMONG
30 THOSE THAT MUST BE OCCUPIED BY HOUSEHOLDS OF LOWER INCOME, RENTAL
31 UNITS RESTRICTED FOR OCCUPANCY TO MEET OTHER FEDERAL OR STATE
32 OCCUPANCY REQUIREMENTS.

33 REVISOR'S NOTE: This section is new language derived without substantive
34 change from former Art. 83B, § 2-1106.

35 In the introductory language of subsection (a)(1) of this section, the phrase
36 "may approve" is substituted for the former phrase "shall approve" to use
37 the standard language for stating conditions under which the Department
38 grants approval.

1 In subsection (a)(1) of this section, the reference to the chief elected official
2 of a "political subdivision" is substituted for the former broader reference
3 to the "local government's" chief elected official, which was defined in part
4 to mean a housing authority.

5 In subsection (a)(3) and (5) of this section, the references to "rental" units
6 are added to conform to the terminology used throughout this section.

7 Defined terms: "Department" § 1-101

8 "Household of lower income" § 4-1201

9 "Housing authority" § 4-1201

10 "Partnership project" § 4-1201

11 "Political subdivision" § 1-101

12 "Program" § 4-1201

13 "Secretary" § 1-101

14 4-1208. PARTICIPATION BY POLITICAL SUBDIVISION OR HOUSING AUTHORITY.

15 (A) POWERS OF POLITICAL SUBDIVISION OR HOUSING AUTHORITY.

16 A POLITICAL SUBDIVISION OR HOUSING AUTHORITY MAY PARTICIPATE IN THE
17 PROGRAM AND DO ALL THINGS NECESSARY OR CONVENIENT TO ITS PARTICIPATION,
18 INCLUDING:

19 (1) DEVELOPING, ACQUIRING, IMPROVING, OWNING, OPERATING, AND
20 MANAGING RENTAL HOUSING;

21 (2) BORROWING MONEY; AND

22 (3) MORTGAGING, PLEDGING, AND GRANTING A SECURITY INTEREST IN
23 REAL OR PERSONAL PROPERTY RELATED TO A PARTICULAR PARTNERSHIP PROJECT.

24 (B) REPAYMENT OF MONEY.

25 THE DEPARTMENT MAY NOT REQUIRE A POLITICAL SUBDIVISION OR HOUSING
26 AUTHORITY TO REPAY MONEY MADE AVAILABLE UNDER THE PROGRAM, UNLESS
27 THE POLITICAL SUBDIVISION OR HOUSING AUTHORITY:

28 (1) SELLS THE PARTNERSHIP PROJECT; OR

29 (2) FAILS TO OPERATE THE PARTNERSHIP PROJECT FOR THE BENEFIT
30 OF HOUSEHOLDS OF LOWER INCOME IN ACCORDANCE WITH AGREEMENTS
31 BETWEEN THE DEPARTMENT AND THE POLITICAL SUBDIVISION OR HOUSING
32 AUTHORITY.

33 (C) SECURITY.

34 THE DEPARTMENT SHALL SECURE THE OBLIGATIONS OF THE POLITICAL
35 SUBDIVISION OR HOUSING AUTHORITY BY USING A MORTGAGE, DEED OF TRUST, OR

1 OTHER SECURITY DEVICE THAT THE DEPARTMENT ACCEPTS ON THE PROPERTY OR
2 ON REVENUES DERIVED FROM THE PROPERTY.

3 (D) CONTRIBUTION OF LOCAL MONEY.

4 (1) TO ALLOW FOR MORE AFFORDABLE RENTS, A POLITICAL
5 SUBDIVISION OR HOUSING AUTHORITY MAY CONTRIBUTE LOCAL MONEY,
6 INCLUDING LOCALLY ADMINISTERED FEDERAL MONEY OR FEDERAL RENTAL
7 ASSISTANCE.

8 (2) POLITICAL SUBDIVISIONS OR HOUSING AUTHORITIES WITH
9 GREATER FISCAL CAPACITY SHALL MAKE LARGER CONTRIBUTIONS TO ACQUIRE,
10 CONSTRUCT, RECONSTRUCT, RENOVATE, OR REHABILITATE PARTNERSHIP RENTAL
11 HOUSING, EXCLUDING THE COST OF THE LAND, BUT INCLUDING THE COSTS OF:

12 (I) NECESSARY STUDIES, SURVEYS, TESTS, PLANS, AND
13 SPECIFICATIONS;

14 (II) ARCHITECTURAL, DESIGN, ENGINEERING, AND OTHER SPECIAL
15 SERVICES;

16 (III) SITE PREPARATION; AND

17 (IV) INDEMNITY AND SURETY BONDS AND PREMIUMS ON TITLE
18 AND HAZARD INSURANCE.

19 (E) FULL FAITH AND CREDIT.

20 TO PARTICIPATE IN THE PROGRAM AND TO RECEIVE LOANS, A POLITICAL
21 SUBDIVISION OR HOUSING AUTHORITY MAY NOT BE REQUIRED TO PLEDGE ITS FULL
22 FAITH AND CREDIT.

23 (F) PROVISIONS OF SUBTITLE CONTROLLING.

24 FOR RENTAL HOUSING FINANCED FROM THE FUND AND OWNED OR MANAGED
25 BY A HOUSING AUTHORITY, THIS SUBTITLE SUPERSEDES:

26 (1) ARTICLE 44A, §§ 1-401 THROUGH 1-403 OF THE CODE; AND

27 (2) ALL OTHER RESTRICTIONS ON TENANT INCOME UNDER ARTICLE 44A
28 OF THE CODE.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from former Art. 83B, §§ 2-1107, 2-1102(b), and the second
31 sentence of § 2-1105(4).

32 In the introductory language of subsection (f) of this section, the former
33 phrase "authorized under Article 44A of the Code" is deleted as surplusage.

34 In subsection (f)(2) of this section, the former reference to "applicable"
35 restrictions is deleted as surplusage.

1 Defined terms: "Department" § 1-101

2 "Fund" § 4-1201

3 "Household of lower income" § 4-1201

4 "Housing authority" § 4-1201

5 "Partnership project" § 4-1201

6 "Political subdivision" § 1-101

7 "Program" § 4-1201

8 4-1209. FALSE STATEMENTS OR REPORTS.

9 (A) STATEMENTS IN REQUIRED DOCUMENTS.

10 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
11 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE GIVEN TO THE
12 DEPARTMENT IN CONNECTION WITH THE PROGRAM.

13 (2) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
14 FALSE STATEMENT OR REPORT TO INFLUENCE THE ACTION OF THE DEPARTMENT IN
15 CONNECTION WITH THE PROGRAM.

16 (B) PENALTY.

17 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
18 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE
19 NOT EXCEEDING \$50,000 OR BOTH.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 2-1110.

22 Defined terms: "Department" § 1-101

23 "Person" § 1-101

24 SUBTITLE 14. RENTAL ALLOWANCE PROGRAM.

25 4-1401. "PROGRAM" DEFINED.

26 IN THIS SUBTITLE, "PROGRAM" MEANS THE RENTAL ALLOWANCE PROGRAM.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 2-901(a) and (c).

29 The former clause, "the following words have the meanings indicated", is
30 deleted because only one word is defined in this subtitle.

31 4-1402. ESTABLISHED.

32 THERE IS A RENTAL ALLOWANCE PROGRAM.

33 REVISOR'S NOTE: This section is new language added as a standard
34 provision to state explicitly that the Rental Allowance Program exists.

1 4-1403. PURPOSE OF PROGRAM.

2 THE DEPARTMENT SHALL ADMINISTER A PROGRAM OF FINANCIAL ASSISTANCE
3 TO LOWER INCOME HOUSEHOLDS BY PROVIDING FIXED MONTHLY RENTAL
4 ALLOWANCE PAYMENTS TO OR ON BEHALF OF ELIGIBLE LOWER INCOME
5 HOUSEHOLDS.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-902.

8 The Housing Article Review Committee notes, for consideration by the
9 General Assembly, that the reference to "monthly" rental payments may be
10 unnecessarily restrictive, prohibiting payments made on a periodic basis
11 other than monthly.

12 Defined term: "Program" § 4-1401

13 4-1404. ADMINISTRATION.

14 EXCEPT AS PROVIDED IN § 4-1408(B) OF THIS SUBTITLE, THE DEPARTMENT
15 SHALL ADMINISTER THE PROGRAM:

16 (1) IN CONJUNCTION WITH POLITICAL SUBDIVISIONS OR THROUGH
17 THEIR LOCAL HOUSING AGENCIES OR DEPARTMENTS; AND

18 (2) IN CONSULTATION WITH THE DEPARTMENT OF HUMAN RESOURCES.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-906 and, except as it described the
21 purpose of the Program, § 2-902.

22 Defined terms: "Department" § 1-101

23 "Political subdivision" § 1-101

24 "Program" § 4-1401

25 4-1405. DUTIES OF SECRETARY.

26 THE SECRETARY SHALL ESTABLISH:

27 (1) INCOME LIMITS FOR ELIGIBILITY OF LOWER INCOME HOUSEHOLDS
28 NOT EXCEEDING 30% OF THE STATE OR AREA MEDIAN INCOME, WHICHEVER IS
29 HIGHER;

30 (2) THE MAXIMUM TIME TO PROVIDE ALLOWANCES TO A SPECIFIC
31 HOUSEHOLD NOT EXCEEDING 12 CONSECUTIVE MONTHS, EXCEPT WHEN THE
32 SECRETARY DETERMINES THAT UNDUE HARDSHIP WILL RESULT IF ASSISTANCE IS
33 ENDED;

34 (3) BY HOUSEHOLD SIZE, THE MAXIMUM TOTAL RENT FOR AN ASSISTED
35 UNIT, THE SIZE OF AN ASSISTED UNIT, AND THE AMOUNT OF THE MONTHLY RENTAL
36 ALLOWANCE PAYMENTS, TAKING INTO ACCOUNT:

- 1 (I) REGIONAL VARIATION IN THE STATE;
- 2 (II) EXPECTED AVERAGE ANNUAL RECIPIENT INCOME BY
3 HOUSEHOLD SIZE;
- 4 (III) TYPICAL RENTAL COSTS; AND
- 5 (IV) ANY OTHER FACTOR RELATED TO INCOME OR RENTAL COSTS;
- 6 (4) MINIMUM STANDARDS FOR ELIGIBLE DWELLING UNITS; AND
- 7 (5) A METHOD OF SELECTING LOCATIONS TO IMPLEMENT THE
8 PROGRAM THAT ENSURES THE DISTRIBUTION OF MONEY AMONG THE VARIOUS
9 REGIONS OF THE STATE.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 2-903.

12 Defined terms: "Program" § 4-1401

13 "Secretary" § 1-101

14 4-1406. ELIGIBILITY FOR PAYMENT.

15 RENTAL ALLOWANCE PAYMENTS MAY BE GIVEN ONLY TO OR ON BEHALF OF:

- 16 (1) A HOMELESS INDIVIDUAL WHO:
- 17 (I) DOES NOT HAVE PERMANENT HOUSING;
- 18 (II) LACKS THE RESOURCES TO SECURE PERMANENT HOUSING;
- 19 (III) CANNOT BE SERVED BY A FEDERAL OR MORE COST EFFECTIVE
20 STATE HOUSING ASSISTANCE PROGRAM; AND
- 21 (IV) CAN MAINTAIN INDEPENDENT LIVING QUARTERS; OR
- 22 (2) AN ELIGIBLE HOUSEHOLD WITH CRITICAL AND EMERGENCY
23 HOUSING NEEDS THAT CANNOT BE SERVED BY A FEDERAL OR MORE COST
24 EFFECTIVE STATE HOUSING ASSISTANCE PROGRAM.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from former Art. 83B, § 2-904.

27 4-1407. USE OF PAYMENT.

28 A RENTAL ALLOWANCE PAYMENT FOR AN ELIGIBLE DWELLING UNIT MAY BE
29 APPLIED ONLY TO PAYMENT OF:

- 30 (1) MONTHLY RENT; OR
- 31 (2) A REQUIRED SECURITY DEPOSIT.

1 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-905.

2 The only changes are in style.

3 4-1408. AWARD OF GRANT; PERCENTAGE RETAINED.

4 (A) AWARD OF GRANT.

5 IN AWARDING RENTAL ALLOWANCE GRANTS TO A POLITICAL SUBDIVISION,
6 THE DEPARTMENT SHALL TAKE INTO ACCOUNT:

7 (1) THE NUMBER OF ELIGIBLE HOUSEHOLDS IN THE POLITICAL
8 SUBDIVISION;

9 (2) THE AVAILABILITY OF SUITABLE HOUSING STOCK IN THE POLITICAL
10 SUBDIVISION FOR THE POPULATION THAT THE POLITICAL SUBDIVISION PROPOSES
11 TO SERVE;

12 (3) THE WILLINGNESS OF THE POLITICAL SUBDIVISION TO CONTRIBUTE
13 ADMINISTRATIVE COSTS; AND

14 (4) OTHER FACTORS THAT THE DEPARTMENT CONSIDERS RELEVANT.

15 (B) PERCENTAGE RETAINED.

16 THE DEPARTMENT MAY KEEP UP TO 25% OF THE MONEY PROVIDED FOR THE
17 PROGRAM TO BE USED FOR RENTAL ALLOWANCE PAYMENTS TO ELIGIBLE
18 HOUSEHOLDS ON A STATEWIDE BASIS, INCLUDING PAYMENTS FOR CRITICAL
19 EMERGENCY HOUSING NEEDS.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 2-907.

22 In subsection (a)(1) and (2) of this section, the references to a "political
23 subdivision" are substituted for the former references to "jurisdiction" for
24 consistency and to conform to similar provisions in this subtitle.

25 Defined terms: "Department" § 1-101

26 "Political subdivision" § 1-101

27 "Program" § 4-1401

28 SUBTITLE 15. RENTAL HOUSING PRODUCTION PROGRAM.

29 4-1501. DEFINITIONS.

30 (A) IN GENERAL.

31 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

32 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-501(a).

1 No changes are made.

2 (B) DEVELOPMENT COSTS.

3 (1) "DEVELOPMENT COSTS" MEANS COSTS INCURRED TO CONSTRUCT
4 OR REHABILITATE A PROJECT.

5 (2) "DEVELOPMENT COSTS" INCLUDES THE COSTS OF:

6 (I) NECESSARY STUDIES, SURVEYS, PLANS, OR SPECIFICATIONS;

7 (II) ARCHITECTURAL, ENGINEERING, OR OTHER SPECIALIZED
8 SERVICES;

9 (III) THE ACQUISITION OF LAND OR IMPROVEMENTS;

10 (IV) SITE PREPARATION OR DEVELOPMENT;

11 (V) CONSTRUCTION, RECONSTRUCTION, REHABILITATION,
12 ANCILLARY DEMOLITION, LOT CONSOLIDATION, OR IMPROVEMENT;

13 (VI) ACQUISITION OF NECESSARY MACHINERY, EQUIPMENT, OR
14 FURNISHINGS;

15 (VII) THE INITIAL OCCUPANCY EXPENSES OF THE PROJECT;

16 (VIII) INDEMNITY BONDS, SURETY BONDS, OR INSURANCE
17 PREMIUMS; AND

18 (IX) OTHER FEES OR RELOCATION EXPENSES.

19 REVISOR'S NOTE: This subsection is new language derived without
20 substantive change from former Art. 83B, § 2-501(b).

21 In items (2)(i), (iv), (v), (vi), (viii), and (ix) of this subsection, references to
22 "or" are substituted for former references to "and" because there seemed no
23 intent to require that all elements listed in an item be included in each
24 development cost.

25 Defined term: "Project" § 4-1501

26 (C) FAMILY OF LOWER INCOME.

27 "FAMILY OF LOWER INCOME" MEANS A FAMILY OR INDIVIDUAL WHOSE
28 INCOME:

29 (1) DOES NOT EXCEED THE UPPER INCOME LIMITS THAT THE
30 SECRETARY ESTABLISHES UNDER § 4-1505 OF THIS SUBTITLE; AND

31 (2) IS LOWER THAN THE INCOME LIMITS ESTABLISHED FOR FAMILIES
32 OF LIMITED INCOME AS PROVIDED IN § 4-212 OF THIS TITLE.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from the introductory language of former Art. 83B, §
3 2-501(c)(2) and, as it referred to the definition of "families of lower
4 income", (1).

5 As for the balance of former Art. 83B, § 2-501(c), *see* § 4-1505 of this
6 subtitle.

7 Defined terms: "Project" § 4-1501

8 "Secretary" § 1-101

9 (D) FUND.

10 "FUND" MEANS THE RENTAL HOUSING PROGRAMS FUND UNDER SUBTITLE 5 OF
11 THIS TITLE.

12 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-501(d).

13 The only changes are in style.

14 (E) OFFICE OR OTHER COMMERCIAL SPACE CONVERSION.

15 "OFFICE OR OTHER COMMERCIAL SPACE CONVERSION" MEANS THE
16 CONVERSION TO RENTAL HOUSING OF A BUILDING THAT:

17 (1) IS IN A DESIGNATED NEIGHBORHOOD ESTABLISHED UNDER § 6-304
18 OF THIS ARTICLE;

19 (2) WAS BUILT MORE THAN 30 YEARS BEFORE AN APPLICATION IS
20 SUBMITTED TO THE DEPARTMENT TO FINANCE THE CONVERSION;

21 (3) CONSISTS OF AT LEAST TWO FLOORS AT OR ABOVE GROUND LEVEL;
22 AND

23 (4) WAS LAST USED AS OFFICE OR OTHER COMMERCIAL SPACE.

24 REVISOR'S NOTE: This subsection is new language derived without
25 substantive change from former Art. 83B, § 2-501(h) and (i).

26 Defined term: "Department" § 1-101

27 (F) OPERATING COSTS.

28 (1) "OPERATING COSTS" MEANS A COST THAT A SPONSOR OF A
29 COMPLETED PROJECT INCURS THAT IS NECESSARY TO MAINTAIN OR OPERATE A
30 PROJECT.

31 (2) "OPERATING COSTS" INCLUDES PAYMENTS OF PRINCIPAL AND
32 INTEREST ON A LOAN TO COVER DEVELOPMENT COSTS.

33 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-501(j).

1 The only changes are in style.

2 Defined terms: "Development costs" § 4-1501

3 "Project" § 4-1501

4 "Sponsor" § 4-1501

5 (G) PROGRAM.

6 "PROGRAM" MEANS THE RENTAL HOUSING PRODUCTION PROGRAM.

7 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-501(n).

8 No changes are made.

9 (H) PROGRAM LOAN.

10 "PROGRAM LOAN" MEANS A LOAN THAT THE DEPARTMENT MAKES UNDER THIS
11 SUBTITLE.

12 REVISOR'S NOTE: This subsection is new language derived without
13 substantive change from former Art. 83B, § 2-501(f).

14 The term "[p]rogram loan" is substituted for the former term "[l]oan" for
15 clarity.

16 (I) PROJECT.

17 "PROJECT" MEANS A RENTAL HOUSING PRODUCTION PROJECT THAT MEETS
18 THE QUALIFICATIONS UNDER § 4-1504 OF THIS SUBTITLE.

19 REVISOR'S NOTE: This subsection is new language added to provide a
20 convenient reference to a rental housing production project.

21 (J) SPONSOR.

22 "SPONSOR" MEANS THE DEPARTMENT, A POLITICAL SUBDIVISION, OR A PERSON
23 THAT APPLIES FOR A PROGRAM LOAN.

24 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-501(p).

25 The former phrase "established under this subtitle" is deleted as implicit in
26 the reference to the defined term "Program".

27 The former references to "partnership, joint venture, corporation,
28 nonprofit organization, or other legal entity" are deleted as included in the
29 defined term "person".

30 Defined terms: "Department" § 1-101

31 "Person" § 1-101

32 "Political subdivision" § 1-101

33 "Program loan" § 4-1501

1 4-1502. ESTABLISHED.

2 THERE IS A RENTAL HOUSING PRODUCTION PROGRAM.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, § 2-502.

5 The former phrase "of the Department" is deleted in light of § 4-103 of this
6 title.

7 4-1503. PURPOSE OF PROGRAM.

8 (A) "LOT CONSOLIDATION" DEFINED.

9 IN THIS SECTION, "LOT CONSOLIDATION" MEANS ACQUISITION OF REAL
10 PROPERTY ADJACENT TO, AND TO BE INCLUDED IN, A PROJECT.

11 (B) IN GENERAL.

12 THE PURPOSES OF THE PROGRAM ARE TO:

13 (1) INCREASE THE SUPPLY OF DECENT, SAFE, AND SANITARY RENTAL
14 HOUSING FOR OCCUPANCY BY FAMILIES OF LOWER INCOME;

15 (2) PROVIDE FINANCIAL ASSISTANCE FOR ACQUISITION,
16 CONSTRUCTION, OR REHABILITATION OF RENTAL HOUSING, INCLUDING
17 DEMOLITION AND LOT CONSOLIDATION SO THAT FAMILIES OF LOWER INCOME CAN
18 AFFORD THE RENTAL HOUSING;

19 (3) ENCOURAGE POLITICAL SUBDIVISIONS TO PROVIDE ASSISTANCE IN
20 PRODUCING RENTAL HOUSING THAT FAMILIES OF LOWER INCOME CAN AFFORD;
21 AND

22 (4) REVITALIZE DESIGNATED NEIGHBORHOODS THROUGH OFFICE OR
23 OTHER COMMERCIAL SPACE CONVERSION.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, §§ 2-503 and 2-501(g).

26 In subsection (b)(4) of this section, the reference to "office or other
27 commercial space conversion" is substituted for the former reference to
28 "office space conversion" to conform to the defined term used in this
29 subtitle.

30 Defined terms: "Family of lower income" § 4-1501

31 "Office or other commercial space conversion" § 4-1501

32 "Political subdivision" § 1-101

33 "Program" § 4-1501

34 "Project" § 4-1501

1 4-1504. QUALIFICATION OF PROJECT.

2 (A) IN GENERAL.

3 TO QUALIFY UNDER THIS SUBTITLE, A PROJECT MUST BE:

4 (1) AN OFFICE OR OTHER COMMERCIAL SPACE CONVERSION; OR

5 (2) AN UNDERTAKING TO ACQUIRE, CONSTRUCT, OR REHABILITATE
6 BUILDINGS AND IMPROVEMENTS OR PARTS OF THEM WITH AT LEAST A MINIMUM
7 NUMBER OF DWELLING UNITS RESTRICTED FOR OCCUPANCY BY FAMILIES OF
8 LOWER INCOME FOR AT LEAST THE GREATER OF 15 YEARS AND THE NUMBER OF
9 YEARS REQUIRED BY APPLICABLE FEDERAL LAW.

10 (B) OPTIONAL ELEMENTS.

11 A PROJECT MAY INCLUDE:

12 (1) A SINGLE ROOM OCCUPANCY FACILITY;

13 (2) A SHARED LIVING UNIT FACILITY;

14 (3) AN EMERGENCY OR TEMPORARY SHELTER; AND

15 (4) LIMITED EQUITY COOPERATIVE HOUSING AS DEFINED IN
16 § 143(K)(9)(C) OF THE INTERNAL REVENUE CODE AND REGULATIONS THAT THE
17 INTERNAL REVENUE SERVICE ADOPTS UNDER § 143(K)(9)(C) OF THE INTERNAL
18 REVENUE CODE IF, WHEN SHARES ARE SOLD OR TRANSFERRED, THE OCCUPANCY
19 REQUIREMENTS UNDER THIS SECTION ARE SATISFIED.

20 (C) MINIMUM NUMBER OF DWELLING UNITS.

21 THE NUMBER OF DWELLING UNITS RESTRICTED UNDER SUBSECTION (A)(2) OF
22 THIS SECTION SHALL BE AT LEAST THE GREATEST OF:

23 (1) THE NUMBER THAT BEARS THE SAME RATIO TO THE WHOLE
24 NUMBER OF DWELLING UNITS IN THE UNDERTAKING AS THE AMOUNT OF THE
25 PROGRAM LOAN FOR THE PROJECT BEARS TO THE WHOLE FINANCING OF THE
26 UNDERTAKING;

27 (2) THE NUMBER OF DWELLING UNITS CHOSEN BY THE SPONSOR TO
28 SATISFY FEDERAL OCCUPANCY REQUIREMENTS IF THE PROJECT RECEIVES
29 FEDERAL LOW INCOME HOUSING TAX CREDITS; AND

30 (3) THE NUMBER OF DWELLING UNITS REQUIRED FOR COMMUNITY
31 DEVELOPMENT PROJECTS UNDER § 4-217(B)(1)(II) OF THIS TITLE OR THE NUMBER OF
32 DWELLING UNITS THAT THE ISSUER OF THE BONDS CHOOSES, WHICHEVER IS
33 GREATER, IF A PART OF THE COST OF THE PROJECT IS FINANCED WITH
34 GOVERNMENT ISSUED FEDERALLY TAX-EXEMPT REVENUE BONDS.

35 (D) DWELLING UNITS COUNTED TOWARD MINIMUM REQUIREMENT.

1 DWELLING UNITS RESTRICTED FOR OCCUPANCY TO MEET OTHER FEDERAL OR
2 STATE OCCUPANCY REQUIREMENTS MAY BE COUNTED TOWARD THE MINIMUM
3 NUMBER REQUIRED UNDER THIS SECTION.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-501(e) and (o).

6 In subsection (a)(1) of this section, the reference to "office or other
7 commercial space conversion" is substituted for the former reference to
8 "office and commercial space conversion" to conform to the defined term
9 used in this subtitle.

10 Defined terms: "Family of lower income" § 4-1501

11 "Office or other commercial space conversion" § 4-1501

12 "Program loan" § 4-1501

13 "Project" § 4-1501

14 4-1505. QUALIFICATION OF FAMILY OF LOWER INCOME.

15 (A) INCOME LIMIT.

16 THE SECRETARY SHALL ESTABLISH INCOME LIMITS FOR A FAMILY OF LOWER
17 INCOME BY CONSIDERING FACTORS THAT INCLUDE:

18 (1) THE TOTAL AMOUNT OF FAMILY INCOME AVAILABLE FOR HOUSING;

19 (2) THE SIZE OF THE FAMILY;

20 (3) THE COST AND CONDITION OF AVAILABLE HOUSING;

21 (4) THE ABILITY OF THE FAMILY TO COMPETE SUCCESSFULLY IN THE
22 CONVENTIONAL PRIVATE HOUSING MARKET; AND

23 (5) RELEVANT STANDARDS AND DEFINITIONS OF FEDERAL HOUSING
24 PROGRAMS.

25 (B) VARIANCES.

26 (1) THE LIMITS MAY VARY FOR DIFFERENT AREAS OR REGIONS OF THE
27 STATE.

28 (2) A LIMIT OF GENERAL APPLICABILITY MAY BE SUPPLEMENTED BY A
29 LOWER LIMIT FOR A PARTICULAR PROJECT.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 2-501(c).

32 Defined terms: "Family of lower income" § 4-1501

33 "Project" § 4-1501

34 "Secretary" § 1-101

1 4-1506. POWERS AND DUTIES OF DEPARTMENT.

2 (A) POWERS.

3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE OR ANY OTHER
4 LAW, THE DEPARTMENT MAY:

5 (1) MAKE AND PARTICIPATE IN MAKING PROGRAM LOANS TO SPONSORS
6 FOR:

7 (I) DEVELOPMENT COSTS RELATED TO THE CONSTRUCTION OR
8 REHABILITATION OF A PROJECT; AND

9 (II) THE ACQUISITION OF COMPLETED PROJECTS;

10 (2) OWN OR LEASE A PROJECT OR THE LAND FOR A PROJECT DURING
11 THE CONSTRUCTION OR REHABILITATION OF THE PROJECT AND SELL, ASSIGN, OR
12 TRANSFER A COMPLETED PROJECT WITHOUT PUBLIC BIDDING OR PUBLIC SALE TO A
13 SPONSOR ON TERMS AND CONDITIONS THAT MAKE ECONOMICALLY FEASIBLE
14 RENTAL HOUSING AVAILABLE FOR FAMILIES OF LOWER INCOME OR FROM OFFICE
15 OR OTHER COMMERCIAL SPACE CONVERSIONS;

16 (3) OWN, LEASE, CONSTRUCT, OR REHABILITATE A PROJECT OR THE
17 LAND FOR A PROJECT AND MAY AT ANYTIME AFTER THE COMPLETION OF THE
18 PROJECT TRANSFER THE PROJECT OR THE LAND TO AN ELIGIBLE SPONSOR;

19 (4) LIMIT THE RETURN ON EQUITY ALLOWED TO SPONSORS OR ENTER
20 INTO EQUITY PARTICIPATION AGREEMENTS WITH SPONSORS; OR

21 (5) ESTABLISH INCOME RANGES AND PERCENTAGES OF EACH INCOME
22 RANGE TO BE SERVED BY A PROJECT, EXCEPT AS PROVIDED IN SUBSECTION (C) OF
23 THIS SECTION AND WITHIN THE LIMITS ESTABLISHED FOR FAMILIES OF LOWER
24 INCOME.

25 (B) DUTIES.

26 THE DEPARTMENT SHALL:

27 (1) ADMINISTER THE PROGRAM;

28 (2) ADOPT POLICIES TO ENSURE THAT RENTAL HOUSING IS MADE
29 AVAILABLE TO FAMILIES OF LOWER INCOME WITH THE ASSISTANCE OF POLITICAL
30 SUBDIVISIONS, EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION;

31 (3) ATTACH SUCH SPECIFIC TERMS TO ANY PURCHASE, SALE, OR LEASE
32 OF A PROJECT OR LAND FOR A PROJECT AS MAY BE NECESSARY TO CARRY OUT THE
33 PURPOSES OF THE PROGRAM;

34 (4) DEVELOP PROCEDURES FOR MONITORING THE OCCUPANCY OF THE
35 RENTAL UNITS PRODUCED UNDER THE PROGRAM BY FAMILIES OF LOWER INCOME
36 TO ENSURE THAT THE RENTAL UNITS RECEIVING FINANCIAL ASSISTANCE UNDER

1 THE PROGRAM ARE OCCUPIED BY FAMILIES OF LOWER INCOME, EXCEPT AS
2 PROVIDED IN SUBSECTION (C) OF THIS SECTION; AND

3 (5) COMPLY WITH THE REQUIREMENTS OF LOCAL LAWS APPLICABLE TO
4 ANY PARTICULAR PROJECT.

5 (C) OFFICE OR OTHER COMMERCIAL SPACE CONVERSION.

6 SUBSECTIONS (A)(5) AND (B)(2) AND (4) DO NOT APPLY TO OFFICE OR OTHER
7 COMMERCIAL SPACE CONVERSIONS.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 2-504(b), (c), and (a)(1) through (5).

10 In the introductory language of subsection (a) of this section, the former
11 reference to a "regulation" is deleted as surplusage. A regulation adopted
12 under statutory authority has the force and effect of law. *Staly v. Board of*
13 *Education*, 308 Md. 42 (1986); *Maryland Port Administration v. John W.*
14 *Brawnes Contracting Co.*, 303 Md. 44 (1985).

15 In subsection (a)(1)(i) of this section, the former phrase "any rental housing
16 production project" is deleted in light of the defined term "project".

17 In subsection (b)(1) of this section, the former references to "[m]anage" and
18 "supervise" are deleted in light of the reference to "administer".

19 In subsection (b)(5) of this section, the former reference to "ordinances,
20 codes, charters, or regulations" is deleted as included in the reference to
21 "laws".

22 Defined terms: "Department" § 1-101

23 "Development costs" § 4-1501

24 "Family of lower income" § 4-1501

25 "Financial assistance" § 1-101

26 "Office or other commercial space conversion" § 4-1501

27 "Political subdivision" § 1-101

28 "Program" § 4-1501

29 "Program loan" § 4-1501

30 "Project" § 4-1501

31 "Sponsor" § 4-1501

32 4-1507. REGULATIONS.

33 (A) IN GENERAL.

34 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

35 (B) SCOPE.

36 BY REGULATION, THE DEPARTMENT MAY ESTABLISH:

- 1 (1) STANDARDS OF ELIGIBILITY FOR SPONSORS;
- 2 (2) LIMITATIONS ON THE RETURN ON INVESTMENT ALLOWED TO
3 SPONSORS;
- 4 (3) REQUIREMENTS FOR THE NUMBER OF BEDROOMS IN A PROJECT FOR
5 EACH INCOME RANGE;
- 6 (4) TERMS, FEES, AND CHARGES OF PROGRAM LOANS;
- 7 (5) A PROCESS TO SELECT PROJECTS THAT ENSURES A BROAD
8 GEOGRAPHIC DISTRIBUTION OF MONEY; AND
- 9 (6) INCENTIVES FOR NONPROFIT SPONSORS TO PARTICIPATE IN THE
10 PROGRAM, INCLUDING:
- 11 (I) RESERVING PART OF THE FUND FOR A PERIOD OF TIME FOR
12 PROGRAM LOANS TO NONPROFIT SPONSORS; AND
- 13 (II) ALLOWING ADVANCE PAYMENT TO NONPROFIT SPONSORS FOR
14 DEVELOPMENT COSTS, INCLUDING ARCHITECTS', ENGINEERS', AND ATTORNEYS'
15 FEES.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, §§ 2-504(a)(6) and 2-508.

18 In subsection (a) of this section, the former reference to "rules" is deleted.
19 *See* General Revisor's Note to article.

20 Also in subsection (a) of this section, the former phrase "in conformance
21 with statutory requirements" is deleted as implicit in the phrase "to carry
22 out the Program".

23 Defined terms: "Department" § 1-101

24 "Development costs" § 4-1501

25 "Fund" § 4-1501

26 "Program loan" § 4-1501

27 "Project" § 4-1501

28 "Sponsor" § 4-1501

29 4-1508. APPROVAL PROCESS FOR APPLICATIONS.

30 (A) IN GENERAL.

31 THE DEPARTMENT MAY APPROVE AN APPLICATION FOR A PROJECT ONLY IF
32 THE POLITICAL SUBDIVISION IN WHICH THE PROJECT IS TO BE SITUATED HAS:

33 (1) APPROVED THE PROJECT; AND

34 (2) (I) CONTRIBUTED TO REDUCING THE DEVELOPMENT COSTS OR
35 OPERATING COSTS; OR

1 (II) OTHERWISE SUPPORTED THE PROJECT.

2 (B) APPROVAL OF LOAN APPLICATIONS.

3 IN REVIEWING AN APPLICATION FOR A PROGRAM LOAN, THE DEPARTMENT
4 SHALL CONSIDER:

5 (1) THE ECONOMIC FEASIBILITY OF THE PROJECT;

6 (2) THE CONTRIBUTION OF THE POLITICAL SUBDIVISION FOR THE
7 PROJECT IN RELATION TO THE ABILITY OF THE POLITICAL SUBDIVISION TO
8 CONTRIBUTE; AND

9 (3) OTHER RELEVANT FACTORS.

10 REVISOR'S NOTE: This section is new language derived from former Art. 83B,
11 § 2-507.

12 In the introductory language of subsection (a) of this section, the reference
13 stating that the Department "may" approve an application is substituted
14 for the former reference stating that the Department "shall" approve an
15 application in light of § 4-1506(a)(1) of this title, which states that the
16 Department may make and participate in making Program loans to
17 sponsors.

18 In the introductory language of subsection (b) of this section, the phrase
19 "[i]n reviewing" an application for a Program loan is substituted for the
20 former phrase "in approving" an application to avoid the erroneous
21 implication that all applications for Program loans must be approved.

22 Defined terms: "Department" § 1-101

23 "Development costs" § 4-1501

24 "Operating costs" § 4-1501

25 "Political subdivision" § 1-101

26 "Program loan" § 4-1501

27 "Project" § 4-1501

28 4-1509. LOANS.

29 (A) SECURITY.

30 (1) A PROGRAM LOAN MAY BE SECURED BY A MORTGAGE LIEN.

31 (2) A LIEN UNDER THIS SUBSECTION MAY:

32 (I) BE SUBORDINATE TO OTHER MORTGAGE LIENS; AND

33 (II) INCLUDE TERMS THE DEPARTMENT CONSIDERS NECESSARY
34 TO MAKE THE RENTAL HOUSING AFFORDABLE TO FAMILIES OF LOWER INCOME,
35 INCLUDING:

- 1 1. DEFERRED PAYMENT OF PRINCIPAL AND INTEREST; AND
- 2 2. INTEREST RATES AS LOW AS 0%.

3 (B) USE OF PROGRAM LOANS.

4 A PROGRAM LOAN MAY BE USED FOR:

5 (1) CAPITAL ASSISTANCE TO FINANCE ALL OR PART OF THE
6 DEVELOPMENT COSTS OF A PROJECT IF ALL OR PART OF THE PROGRAM LOAN IS
7 SECURED BY A MORTGAGE LIEN; OR

8 (2) OPERATING ASSISTANCE TO REDUCE THE OPERATING COSTS OF A
9 PROJECT BY DEPOSITING THE PROCEEDS OF THE PROGRAM LOAN IN AN INTEREST
10 BEARING ACCOUNT THAT IS UNDER THE CONTROL OF THE DEPARTMENT AND IS
11 USED TO PAY THE OPERATING COSTS, INCLUDING THE PRINCIPAL AND INTEREST
12 WHEN DUE ON ANY PRIOR MORTGAGE LOAN SECURING THE PROJECT.

13 (C) POWERS OF DEPARTMENT.

14 TO FACILITATE REPAYMENT OF THE PROGRAM LOAN AND ACHIEVE THE
15 PURPOSES OF THE PROGRAM, THE DEPARTMENT MAY MODIFY:

- 16 (1) THE INTEREST RATE;
- 17 (2) THE TIME OR AMOUNT OF PAYMENT; OR
- 18 (3) ANY OTHER TERM OF THE PROGRAM LOAN.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-506.

21 In subsection (b)(2) of this section, the former reference to "some or all" of
22 the operating costs is deleted as surplusage.

23 In the introductory language of subsection (c) of this section, the reference
24 to "facilitate" repayment is substituted for the former reference to "ensure"
25 repayment for clarity.

26 Defined terms: "Department" § 1-101

27 "Development costs" § 4-1501

28 "Family of lower income" § 4-1501

29 "Operating costs" § 4-1501

30 "Program loan" § 4-1501

31 "Project" § 4-1501

32 4-1510. EFFECT OF CONVERSION ON TENANTS.

33 IF A RENTAL HOUSING FACILITY IS CONVERTED TO LIMITED EQUITY
34 COOPERATIVE HOUSING WITH THE HELP OF A PROGRAM LOAN, A TENANT MAY NOT
35 BE REQUIRED TO VACATE THE PREMISES BECAUSE THE TENANT DOES NOT ELECT

1 TO BECOME A STOCKHOLDER IN THE CORPORATION OWNING THE LIMITED EQUITY
2 COOPERATIVE HOUSING.

3 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-510.

4 The only changes are in style.

5 Defined term: "Program loan" § 4-1501

6 4-1511. FALSE STATEMENTS OR REPORTS.

7 (A) PROHIBITED.

8 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
9 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO
10 THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.

11 (2) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE A FALSE
12 STATEMENT OR REPORT TO BE MADE TO INFLUENCE THE ACTION OF THE
13 DEPARTMENT ON A PROGRAM LOAN APPLICATION OR TO INFLUENCE ACTION OF THE
14 DEPARTMENT AFFECTING A PROGRAM LOAN ALREADY MADE.

15 (B) PENALTY.

16 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
17 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE
18 NOT EXCEEDING \$50,000 OR BOTH.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 2-509.

21 Defined terms: "Department" § 1-101

22 "Person" § 1-101

23 "Program loan" § 4-1501

24 SUBTITLE 16. RESIDENTIAL MORTGAGE PROGRAMS FOR CERTAIN COUNTIES.

25 4-1601. DEFINITIONS.

26 (A) IN GENERAL.

27 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from the introductory language of former Art. 83B, §
30 2-403.

31 (B) COVERED COUNTY.

32 "COVERED COUNTY" MEANS:

1 (1) A COUNTY THAT HAS ADOPTED HOME RULE POWERS UNDER
2 ARTICLE XI-F OF THE MARYLAND CONSTITUTION; OR

3 (2) ANNE ARUNDEL COUNTY, CALVERT COUNTY, FREDERICK COUNTY,
4 HOWARD COUNTY, OR WASHINGTON COUNTY.

5 REVISOR'S NOTE: This subsection is new language derived without
6 substantive change from former Art. 83B, § 2-403(2).

7 The term "[c]overed county" is substituted for the former term "county" to
8 provide a clear reference to the specific counties affected by this subtitle
9 and to avoid confusion with the defined term "county". *See* § 1-101 of this
10 article.

11 In paragraph (1) of this subtitle, the former reference to the "optional"
12 home rule powers is deleted as surplusage.

13 (C) FAMILY OF LOW OR MODERATE INCOME.

14 "FAMILY OF LOW OR MODERATE INCOME" MEANS A FAMILY OR INDIVIDUAL
15 THAT A COVERED COUNTY DETERMINES CANNOT AFFORD A PRICE OR RENT
16 SUFFICIENT TO INDUCE PRIVATE ENTERPRISE IN THE COVERED COUNTY TO BUILD
17 ENOUGH ADEQUATE, SAFE, AND SANITARY HOUSING WITHOUT THE ASSISTANCE OF
18 A PROGRAM.

19 REVISOR'S NOTE: This subsection is new language derived without
20 substantive change from former Art. 83B, § 2-403(1).

21 The reference to "housing" is substituted for the former reference to
22 "dwellings" to conform to the terminology used throughout this subtitle.

23 The reference to "program" is substituted for the former reference to "this
24 subtitle" for clarity.

25 Defined terms: "Covered county" § 4-1601

26 "Program" § 4-1601

27 (D) PROGRAM.

28 "PROGRAM" MEANS A RESIDENTIAL MORTGAGE PROGRAM UNDER THIS
29 SUBTITLE.

30 REVISOR'S NOTE: This subsection is new language added to provide a
31 convenient reference to the Residential Mortgage Program.

32 4-1602. FINDINGS.

33 (A) IN GENERAL.

34 THE GENERAL ASSEMBLY FINDS THAT:

1 (1) IN MANY AREAS OF COVERED COUNTIES, INCLUDING AREAS THAT
2 CONTAIN PRESENTLY STABLE NEIGHBORHOODS AND MIDDLE CLASS RESIDENTIAL
3 HOUSING, FAMILIES OF LOW OR MODERATE INCOME CANNOT PURCHASE,
4 REHABILITATE, OR MAINTAIN DECENT, SAFE, AND SANITARY HOUSING, AND SO DO
5 NOT HAVE AN OPPORTUNITY FOR HOME OWNERSHIP DIRECTLY OR THROUGH A
6 CONDOMINIUM OR COOPERATIVE;

7 (2) THE INABILITY OF FAMILIES OF LOW OR MODERATE INCOME UNDER
8 ITEM (1) OF THIS SUBSECTION IS THE RESULT OF CONTINUING INCREASES IN:

9 (I) THE COST OF CONSTRUCTION OR REHABILITATION;

10 (II) COUNTY TAXES;

11 (III) HEATING AND ELECTRICITY EXPENSES;

12 (IV) MAINTENANCE AND REPAIR EXPENSES;

13 (V) INFLATION;

14 (VI) THE COST OF LAND;

15 (VII) THE COST OF ENERGY CONSERVATION; AND

16 (VIII) BORROWING COSTS, INCLUDING INTEREST;

17 (3) THE INABILITY OF FAMILIES OF LOW OR MODERATE INCOME TO
18 PURCHASE AND HOLD HOUSING IN COVERED COUNTIES RESULTS IN THE DECLINE
19 OF NEW HOUSING, THE DECAY OF EXISTING HOUSING AND NEIGHBORHOODS, AND
20 INCREASED COSTS FOR WELFARE, POLICE, AND FIRE PROTECTION;

21 (4) THE DECLINE IN NEW HOUSING CONSTRUCTION AND THE DECAY OF
22 EXISTING HOUSING HAVE PRODUCED A CRITICAL SHORTAGE OF ADEQUATE
23 HOUSING, HARMING THE ECONOMY OF COVERED COUNTIES AND THE WELL-BEING
24 OF RESIDENTS;

25 (5) PRIVATE ENTERPRISE CANNOT CONSTRUCT OR REHABILITATE
26 ADEQUATE HOUSING FOR FAMILIES OF LOW OR MODERATE INCOME WITHOUT THE
27 ASSISTANCE OF A PROGRAM; AND

28 (6) FORCING FAMILIES OF LOW OR MODERATE INCOME TO LIVE IN
29 SUBSTANDARD HOUSING IS UNDESIRABLE BECAUSE IT DECREASES THE INTEREST
30 OF THE FAMILIES IN THEIR COMMUNITIES AND THE MAINTENANCE OF THEIR
31 PROPERTY AND THEIR NEIGHBORHOODS.

32 (B) ADEQUATE HOUSING.

33 THE GENERAL ASSEMBLY FINDS THAT:

1 (1) IT WILL BE HARD FOR MANY RESIDENTS IN COVERED COUNTIES TO
2 FIND DECENT, SAFE, AND SANITARY HOUSING UNLESS HOUSING IS CONSTRUCTED
3 OR REHABILITATED;

4 (2) UNLESS THE SUPPLY OF HOUSING AND THE ABILITY OF FAMILIES OF
5 LOW OR MODERATE INCOME TO GET MORTGAGE FINANCING ARE INCREASED
6 SIGNIFICANTLY AND EXPEDITIOUSLY, MANY RESIDENTS OF COVERED COUNTIES
7 MAY HAVE TO LIVE IN UNSANITARY, OVERCROWDED, OR UNSAFE CONDITIONS TO
8 THE DETRIMENT OF THE HEALTH, WELFARE, AND WELL-BEING OF THESE
9 INDIVIDUALS AND OF THE WHOLE COMMUNITY OF WHICH THEY ARE A PART; AND

10 (3) INCREASING THE HOUSING SUPPLY IN COVERED COUNTIES AND
11 THE ABILITY OF FAMILIES OF LOW OR MODERATE INCOME TO GET MORTGAGE
12 FINANCING WILL:

13 (I) HELP IN THE CLEARANCE, REPLANNING, DEVELOPMENT OF,
14 AND REDEVELOPMENT OF BLIGHTED AREAS;

15 (II) REDUCE THE CRITICAL SHORTAGE OF ADEQUATE HOUSING;
16 AND

17 (III) GREATLY ENHANCE THE MAINTENANCE AND USE OF EXISTING
18 HOUSING AND NEIGHBORHOODS.

19 (C) HOUSING CRISIS.

20 THE GENERAL ASSEMBLY FINDS THAT:

21 (1) A MAJOR CAUSE OF THE HOUSING CRISIS IS A LACK OF:

22 (I) MONEY THAT CAN BE BORROWED AT A COST LOW ENOUGH TO
23 ENABLE FAMILIES OF LOW OR MODERATE INCOME TO AFFORD TO OWN AND
24 MAINTAIN DECENT, SAFE, AND SANITARY HOUSING; AND

25 (II) MONEY WITH WHICH PRIVATE MORTGAGE LENDERS CAN
26 FINANCE HOUSING; AND

27 (2) THE LACK OF MONEY HAS FRUSTRATED THE MAINTENANCE, SALE,
28 AND PURCHASE OF EXISTING HOUSING IN COVERED COUNTIES.

29 (D) PUBLIC INTEREST OF COVERED COUNTIES.

30 THE GENERAL ASSEMBLY FINDS THAT COVERED COUNTIES HAVE A BASIC
31 PUBLIC INTEREST IN:

32 (1) PROVIDING A SUPPLEMENTAL SOURCE OF SINGLE-FAMILY
33 RESIDENTIAL MORTGAGE MONEY FOR FAMILIES OF LOW OR MODERATE INCOME AT
34 A COST LOWER THAN OTHERWISE PREVAILING FOR RESIDENTIAL MORTGAGES; AND

1 (2) STIMULATING A STEADY FLOW OF MONEY FOR RESIDENTIAL
 2 HOUSING FOR FAMILIES OF LOW OR MODERATE INCOME AND FOR LOW AND MIDDLE
 3 CLASS RESIDENTIAL HOUSING TO HELP MAINTAIN:

4 (I) A WELL-BALANCED SOCIETY;

5 (II) EXISTING HOUSING;

6 (III) ESTABLISHED NEIGHBORHOODS; AND

7 (IV) A SOUND TAX BASE.

8 (E) PROGRAMS.

9 THE GENERAL ASSEMBLY FINDS THAT THE POWER GIVEN BY THIS SUBTITLE
 10 AND THE SPENDING OF PUBLIC MONEY AS NEEDED TO CARRY OUT A PROGRAM
 11 SERVE A PUBLIC PURPOSE, AND THIS SUBTITLE IS IN THE PUBLIC INTEREST.

12 REVISOR'S NOTE: This section is new language derived without substantive
 13 change from former Art. 83B, § 2-401.

14 In subsection (b)(1) of this section, the former reference to the
 15 rehabilitation of existing housing "where appropriate" is deleted as
 16 implicit in the reference to "existing housing".

17 In subsection (b)(2) of this section, the former reference to a community "of
 18 which they [*i.e.*, low and moderate income persons] are a part" is deleted as
 19 implicit in the reference to "community".

20 In subsection (d)(1) of this section, the former reference to providing
 21 mortgage money at a cost lower "to the borrower" is deleted as implicit in
 22 the reference to "mortgage money".

23 In subsection (e) of this section, the defined term "program" is substituted
 24 for the former reference to "a residential mortgage program as
 25 contemplated in this section" for brevity.

26 Also in subsection (e) of this section, the former reference to a "valid"
 27 public purpose is deleted as included in the reference to a "public purpose".

28 Defined terms: "Covered county" § 4-1601

29 "Family of low or moderate income" § 4-1601

30 "Program" § 4-1601

31 4-1603. PURPOSES OF SUBTITLE.

32 THE PURPOSES OF THIS SUBTITLE ARE TO:

33 (1) HELP REMEDY THE CONDITIONS DESCRIBED IN § 4-1602 OF THIS
 34 SUBTITLE;

1 (2) MAKE RESIDENTIAL MORTGAGE LOANS AVAILABLE TO FAMILIES OF
2 LOW OR MODERATE INCOME AT BORROWING COSTS LOWER THAN THOSE
3 OTHERWISE PREVAILING FOR RESIDENTIAL MORTGAGES;

4 (3) HELP REDUCE THE SHORTAGE OF ADEQUATE HOUSING; AND

5 (4) HELP MAINTAIN HOUSING AND NEIGHBORHOODS.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 2-402.

8 The introductory phrase of this section "[t]he purposes of this subtitle are"
9 is substituted for the former phrase "[i]t is the declared legislative
10 purpose" to conform to the terminology used throughout this title.

11 In item (2) of this section, the phrase "to make residential mortgage loans
12 available" is substituted for the former phrase "to promote the expansion of
13 the supply of funds" for brevity and clarity.

14 In item (4) of this section, the former reference to "existing" housing is
15 deleted as implicit in the reference to "maintain[ing]" housing.

16 Defined term: "Family of low or moderate income" § 4-1601

17 4-1604. POWER OF COVERED COUNTY TO BORROW MONEY; AVAILABILITY OF
18 MONEY.

19 (A) AUTHORIZATION.

20 TO ACCOMPLISH THE PURPOSE OF THIS SUBTITLE AND NOTWITHSTANDING
21 ANY OTHER LAW, A COVERED COUNTY MAY BORROW MONEY BY ISSUING REVENUE
22 BONDS, NOTES, OR OTHER EVIDENCES OF OBLIGATION.

23 (B) AVAILABILITY OF MONEY.

24 MONEY UNDER SUBSECTION (A) OF THIS SECTION SHALL BE MADE AVAILABLE
25 FOR RESIDENTIAL MORTGAGE LOANS TO FAMILIES OF LOW OR MODERATE INCOME,
26 ONLY THROUGH MORTGAGE LENDING INSTITUTIONS BY:

27 (1) FORWARD COMMITMENT MORTGAGE PURCHASE;

28 (2) EXISTING MORTGAGE PURCHASE;

29 (3) LOANS TO LENDERS;

30 (4) REVOLVING MORTGAGE FUND; OR

31 (5) ANY OTHER MEANS THAT THE LEGISLATIVE BODY OF THE COVERED
32 COUNTY CONSIDERS APPROPRIATE.

1 REVISOR'S NOTE: This section is new language derived without substantive
 2 change from the first sentence of former Art. 83B, § 2-404, and the second
 3 sentence as it related to ways in which money shall be made available for
 4 residential mortgage loans.

5 In subsection (a) of this section, the introductory language, "[t]o
 6 accomplish the purpose of this subtitle", is substituted for the former
 7 phrase "[i]n order to better accomplish the foregoing purposes" for clarity.

8 In subsection (b)(5) of this section, the reference to the legislative body "of
 9 the covered county" is added for clarity.

10 Defined terms: "Covered county" § 4-1601

11 "Family of low or moderate income" § 4-1601

12 "Program" § 4-1601

13 4-1605. COVERED COUNTY MAY COLLECT CHARGES FROM BORROWERS.

14 A COVERED COUNTY MAY COLLECT FROM BORROWERS IN A PROGRAM THE
 15 CHARGES THAT THE LEGISLATIVE BODY OF THE COVERED COUNTY CONSIDERS
 16 PROPER FOR:

17 (1) LOAN PROCESSING;

18 (2) LOAN ADMINISTRATION;

19 (3) MORTGAGE INSURANCE; AND

20 (4) OTHER COSTS AND EXPENSES OF THE PROGRAM.

21 REVISOR'S NOTE: This section is new language derived without substantive
 22 change from the second sentence of former Art. 83B, § 2-404 as it related
 23 to the ability of a covered county to collect certain charges from borrowers
 24 in a program.

25 Defined terms: "Covered county" § 4-1601

26 "Program" § 4-1601

27 4-1606. ORDINANCE OR RESOLUTION TO ISSUE BONDS.

28 (A) ADOPTION OF ORDINANCE OR RESOLUTION.

29 THE LEGISLATIVE BODY OF A COVERED COUNTY THAT UNDERTAKES A
 30 PROGRAM SHALL ADOPT AN ORDINANCE OR RESOLUTION THAT SPECIFIES:

31 (1) THE PROPOSED PROGRAM;

32 (2) THE AMOUNT OF BONDS TO BE ISSUED;

33 (3) THE INTEREST RATE OR RATES THAT THE BONDS WILL BEAR OR THE
 34 METHOD TO DETERMINE THE RATE OR RATES; AND

1 (4) OTHER PROVISIONS CONSISTENT WITH THIS SUBTITLE THAT THE
2 LEGISLATIVE BODY CONSIDERS APPROPRIATE TO FINANCE MORTGAGE LOANS.

3 (B) FINDINGS OF COVERED COUNTY.

4 AN ORDINANCE OR RESOLUTION THAT AUTHORIZES THE ISSUANCE OF BONDS
5 SHALL INCLUDE FINDINGS ABOUT:

6 (1) THE APPROPRIATE RANGES OF INCOME OF FAMILIES OF LOW OR
7 MODERATE INCOME;

8 (2) THE NEED FOR THE FINANCING THAT IS ALLOWED UNDER THIS
9 SUBTITLE;

10 (3) THE TYPES OF HOUSING AVAILABLE AND NEEDED IN THE COVERED
11 COUNTY; AND

12 (4) OTHER FACTORS THAT THE LEGISLATIVE BODY OF THE COVERED
13 COUNTY FINDS APPROPRIATE TO ESTABLISH A PROGRAM.

14 (C) FINDING IS CONCLUSIVE.

15 A FINDING BY THE LEGISLATIVE BODY OF A COVERED COUNTY ABOUT THE
16 QUALIFICATION OF AN INDIVIDUAL OR FAMILY AS A FAMILY OF LOW OR MODERATE
17 INCOME, OR ABOUT ANY OTHER MATTER CONNECTED WITH A PROGRAM IS
18 CONCLUSIVE IN A SUIT, ACTION, OR PROCEEDING THAT INVOLVES THE VALIDITY OR
19 ENFORCEABILITY OF A BOND ISSUED UNDER THIS SUBTITLE OR THE SECURITY FOR
20 THE BOND.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, §§ 2-405 and 2-406(a).

23 In subsection (a)(4) of this section, the reference to "appropriate" is
24 substituted for the former reference to "necessary or desirable" to conform
25 to terminology used throughout this subtitle.

26 In subsection (b)(2) of this section, the reference to this "subtitle" is
27 substituted for the former reference to this "section" to reflect the
28 organization of this revision.

29 Defined terms: "Covered county" § 4-1601

30 "Family of low or moderate income" § 4-1601

31 "Program" § 4-1601

32 4-1607. CHARACTERISTICS OF BONDS.

33 (A) CONDITIONS OF ISSUANCE AND PAYMENT.

34 THE LEGISLATIVE BODY OF A COVERED COUNTY THAT ISSUES BONDS UNDER
35 THIS SUBTITLE SHALL DETERMINE:

1 (1) THE TIME OR TIMES WHEN INTEREST IS TO BE PAID ON THE BONDS;

2 (2) THE TIME OR TIMES WHEN THE BONDS ARE TO BE EXECUTED,
3 ISSUED, AND DELIVERED;

4 (3) THE FORM, DENOMINATION, AND TENOR OF THE BONDS;

5 (4) THE TIME OR TIMES WHEN THE PRINCIPAL OF THE BONDS IS TO BE
6 PAID, WHICH MAY NOT BE MORE THAN 40 YEARS AFTER THE BONDS ARE ISSUED;
7 AND

8 (5) THE PLACE OR PLACES WHERE THE BONDS ARE TO BE PAID.

9 (B) SECURITY.

10 THE BONDS MAY BE SECURED BY:

11 (1) A PLEDGE OF MORTGAGES OR NOTES SECURED BY DEEDS OF TRUST
12 ON ANY TYPE OF INTEREST IN REAL OR OTHER PROPERTY, INCLUDING THE REAL
13 PROPERTY OR OTHER INTERESTS HELD BY STOCK COOPERATIVES OR
14 CONDOMINIUMS AND THEIR UNIT OWNERS;

15 (2) SERVICING AGREEMENTS;

16 (3) CONDEMNATION PROCEEDS;

17 (4) PRIVATE, GOVERNMENTAL, OR OTHER MORTGAGE INSURANCE
18 PROCEEDS;

19 (5) CASUALTY OR SPECIAL HAZARD INSURANCE PROCEEDS; OR

20 (6) ANY OTHER SECURITY THAT THE LEGISLATIVE BODY OF THE
21 COVERED COUNTY FINDS APPROPRIATE.

22 (C) REDEMPTION.

23 THE BONDS MAY PROVIDE THAT, AT THE OPTION OF THE COVERED COUNTY,
24 THE BONDS OR ANY ONE OF THEM MAY BE CALLED FOR REDEMPTION BEFORE
25 MATURITY, AT A PRICE AND UNDER THE TERMS AND CONDITIONS THAT THE
26 LEGISLATIVE BODY OF THE COVERED COUNTY FIXED BEFORE ISSUING THE BONDS.

27 (D) TAX-EXEMPT STATUS.

28 THE FOLLOWING ARE EXEMPT AT ALL TIMES FROM TAXATION OF EVERY KIND
29 AND NATURE WHATSOEVER BY THE STATE OR A COUNTY:

30 (1) THE PRINCIPAL OF A BOND;

31 (2) THE TRANSFER OF, INTEREST PAYABLE ON, OR INCOME DERIVED
32 FROM A BOND; AND

1 (3) PROFIT MADE BY THE SALE OR TRANSFER OF A BOND.

2 (E) NEGOTIABILITY.

3 A BOND ISSUED UNDER THIS SUBTITLE IS A NEGOTIABLE INSTRUMENT.

4 (F) FORM OF BONDS.

5 A COVERED COUNTY MAY:

6 (1) ISSUE ITS BONDS IN COUPON FORM; OR

7 (2) PROVIDE FOR REGISTRATION OF THE BONDS AS TO PRINCIPAL
8 ALONE OR PRINCIPAL AND INTEREST.

9 (G) SIGNATURE AND SEAL.

10 (1) THE BONDS SHALL BE SIGNED BY A COMMISSIONER OR OTHER
11 CHIEF EXECUTIVE OFFICER OF THE COVERED COUNTY.

12 (2) THE SEAL OF THE COVERED COUNTY SHALL BE AFFIXED TO THE
13 BOND AND ATTESTED TO BY THE CLERK OR THE OFFICER EXERCISING THE
14 FUNCTIONS OF A CLERK.

15 (3) AN OFFICER'S SIGNATURE OR COUNTERSIGNATURE THAT APPEARS
16 ON BONDS OR COUPONS IS VALID EVEN IF THE OFFICER LEAVES OFFICE BEFORE
17 DELIVERY OF THE BONDS.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, §§ 2-406(b) through (e) and 2-407(a) and (b).

20 In subsection (a)(1) of this section, the reference to "the time or times
21 when" interest will be paid on the bonds is substituted for the former
22 reference to bonds "payable either annually, semiannually or otherwise"
23 for brevity. Similarly, in subsection (a)(2) of this section, the reference to
24 the determination of "the time or times when" bonds will be executed,
25 issued, and delivered is substituted for the former reference to bonds
26 executed, issued, and delivered "at any time or from time to time" for
27 brevity.

28 Defined terms: "Covered county" § 4-1601

29 "Family of low or moderate income" § 4-1601

30 4-1608. SALE AND PAYMENT OF BONDS.

31 (A) MANNER OF SALE.

32 (1) THE BONDS SHALL BE SOLD AT PUBLIC OR PRIVATE SALE ON THE
33 TERMS THAT THE LEGISLATIVE BODY OF THE COVERED COUNTY SETS.

1 (2) THE BONDS ARE NOT SUBJECT TO ARTICLE 31, §§ 9, 10, AND 11 OF THE
2 CODE.

3 (B) PAYMENT.

4 (1) THE BONDS AND THE INTEREST ON THEM SHALL BE LIMITED
5 OBLIGATIONS OF THE COVERED COUNTY.

6 (2) THE PRINCIPAL AND INTEREST ON THE BONDS SHALL BE PAYABLE
7 ONLY FROM:

8 (I) THE REVENUE DERIVED FROM:

9 1. INTEREST;

10 2. MORTGAGE INSURANCE;

11 3. CASUALTY OR SPECIAL HAZARD INSURANCE OR OTHER
12 INSURANCE PROCEEDS; OR

13 4. CONDEMNATION PROCEEDS;

14 (II) OTHER REVENUE DERIVED FROM MORTGAGE LOANS OR
15 PROPERTY SECURING THE LOANS; OR

16 (III) OTHER PAYMENTS OR REVENUES DERIVED FROM OR
17 RELATING TO THE MAKING OF THE LOANS.

18 (3) THE BONDS OR COUPONS ISSUED UNDER THIS SUBTITLE:

19 (I) ARE NOT AN INDEBTEDNESS OR A CHARGE AGAINST THE
20 GENERAL CREDIT OR TAXING POWERS OF THE ISSUING COUNTY WITHIN THE
21 MEANING OF A CONSTITUTION, COUNTY CODE PROVISION, OR STATUTORY LIMIT;
22 AND

23 (II) ARE NOT AND DO NOT GIVE RISE TO A MONETARY LIABILITY OF
24 THE ISSUING COUNTY.

25 (4) ON THE ADVICE OF COUNSEL, THE FACE OF EACH BOND MAY
26 PLAINLY STATE THAT THE BOND WAS ISSUED UNDER THIS SUBTITLE AND IS NOT AN
27 INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE COUNTY IS PLEDGED.

28 (C) APPLICATION OF MONEY RECEIVED.

29 MONEY RECEIVED FROM BONDS ISSUED UNDER THIS SUBTITLE SHALL BE
30 APPLIED SOLELY:

31 (1) TO MAKE MONEY AVAILABLE THROUGH MORTGAGE LENDING
32 INSTITUTIONS ONLY FOR RESIDENTIAL MORTGAGE LOANS TO FAMILIES OF LOW OR
33 MODERATE INCOME;

1 (2) TO ESTABLISH RESERVES;

2 (3) TO PAY THE NECESSARY EXPENSES OF FINANCING; OR

3 (4) TO ADVANCE THE PAYMENT OF INTEREST ON THE BONDS DURING
4 THE FIRST 3 YEARS AFTER THE DATE OF THE BONDS.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 2-407(c) through (e).

7 Defined terms: "County" § 1-101

8 "Covered county" § 4-1601

9 "Family of low or moderate income" § 4-1601

10 4-1609. NEW BONDS.

11 (A) AUTHORIZATION.

12 A COVERED COUNTY MAY ISSUE NEW BONDS TO PAY OUTSTANDING BONDS IN
13 ACCORDANCE WITH PROCEDURES OF THIS SUBTITLE AND ARTICLE 31, § 24 OF THE
14 CODE.

15 (B) SECURITY.

16 NEW BONDS SHALL BE SECURED TO THE SAME EXTENT AND SHALL HAVE THE
17 SAME SOURCE OF PAYMENT AS THE BONDS REFUNDED.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 2-408.

20 Defined term: "Covered county" § 4-1601

21 4-1610. NATURE OF PROGRAM.

22 (A) TYPES OF TRANSACTIONS.

23 A PROGRAM MAY PROVIDE FOR LOAN AGREEMENTS, SECURITY AGREEMENTS,
24 LOAN SERVICING AGREEMENTS, FORMS OF MORTGAGES, NOTES AND DEEDS OF
25 TRUST, AND OTHER SECURITY, DOCUMENTS, AGREEMENTS, PROVISIONS, AND OTHER
26 MATTERS AS THE COVERED COUNTY MAY FIND APPROPRIATE TO IMPLEMENT THE
27 FINANCING OF THE PROGRAM.

28 (B) NOT CAPITAL PROJECT.

29 A TRANSACTION UNDER THIS SUBTITLE IS NOT A CAPITAL PROJECT WITHIN
30 THE MEANING OF A CHARTER OR STATUTORY PROVISION.

31 (C) TRANSACTION AUTHORIZED.

1 A TRANSACTION UNDER THIS SUBTITLE SHALL BE AUTHORIZED BY ORDINANCE
2 OR RESOLUTION WITHOUT A REFERENDUM OR OTHER PROCEDURE NOT APPLICABLE
3 TO ALL ORDINANCES OR RESOLUTIONS ENACTED IN THE COVERED COUNTY.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 2-409.

6 In subsection (a) of this section, the former reference to a program
7 "effecting the financing under this section" is deleted as surplusage.

8 Also in subsection (a) of this section, the former reference to "necessary" is
9 deleted in light of the reference to "appropriate".

10 Defined terms: "Covered county" § 4-1601

11 "Program" § 4-1601

12 SUBTITLE 17. SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE PROGRAM.

13 4-1701. DEFINITIONS.

14 (A) IN GENERAL.

15 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

16 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1502(a).

17 No changes are made.

18 (B) FAMILY OF LIMITED INCOME.

19 "FAMILY OF LIMITED INCOME" MEANS A FAMILY OR INDIVIDUAL THAT
20 QUALIFIES UNDER § 4-1706 OF THIS SUBTITLE.

21 REVISOR'S NOTE: This subsection is new language added to provide a
22 convenient reference to "family of limited income".

23 (C) OWNER-BUILDER.

24 "OWNER-BUILDER" MEANS AN INDIVIDUAL OR FAMILY THAT PROVIDES ALL, OR
25 A SUBSTANTIAL AMOUNT, AS THE DEPARTMENT DETERMINES, OF THE LABOR TO
26 BUILD A DWELLING THAT WILL BE THE PRINCIPAL RESIDENCE OF THE INDIVIDUAL
27 OR FAMILY.

28 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1502(e).

29 The former reference to labor "necessary" to build a housing unit is deleted
30 as surplusage.

31 No other changes are made.

32 Defined term: "Department" § 1-101

1 (D) PROGRAM.

2 "PROGRAM" MEANS THE SELF-HELP HOMEOWNERSHIP TECHNICAL
3 ASSISTANCE PROGRAM.

4 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1502(g).

5 No changes are made.

6 (E) PROJECT.

7 "PROJECT" MEANS SIX OR MORE DWELLINGS NEAR ONE ANOTHER THAT ARE
8 BUILT OR REHABILITATED BY OWNER-BUILDERS OR SELF-HELP REHABILITATORS
9 WHO USE SELF-HELP METHODS AND WORK AS A TEAM ON EACH OTHER'S
10 DWELLINGS.

11 REVISOR'S NOTE: This subsection is new language derived without
12 substantive change from former Art. 83B, § 2-1502(h).

13 The former reference to the "construction or rehabilitation" of each other's
14 dwellings is deleted as surplusage.

15 Defined terms: "Owner-builder" § 4-1701

16 "Self-help rehabilitator" § 4-1701

17 (F) SELF-HELP REHABILITATOR.

18 "SELF-HELP REHABILITATOR" MEANS AN INDIVIDUAL OR FAMILY THAT
19 PROVIDES ALL, OR A SUBSTANTIAL AMOUNT, AS THE DEPARTMENT DETERMINES, OF
20 THE LABOR TO REHABILITATE, RENOVATE, OR IMPROVE THE PRINCIPAL RESIDENCE
21 OF THE INDIVIDUAL OR FAMILY.

22 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 2-1502(i).

23 The former reference to labor "necessary" to rehabilitate, renovate, or
24 improve the principal residence of the individual or family is deleted as
25 surplusage.

26 No other changes are made.

27 Defined term: "Department" § 1-101

28 (G) TECHNICAL ASSISTANCE GRANT.

29 "TECHNICAL ASSISTANCE GRANT" MEANS A GRANT UNDER THE PROGRAM.

30 REVISOR'S NOTE: This subsection is new language derived without
31 substantive change from the first clause of former Art. 83B, § 2-1502(k).

32 Defined term: "Program" § 4-1701

1 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 2-1502(d), which defined
2 "local jurisdiction" to mean a municipal corporation or county, is deleted in
3 light of the defined term "political subdivision" to the same effect. *See* §
4 1-101 of this division.

5 4-1702. FINDINGS.

6 THE GENERAL ASSEMBLY FINDS THAT:

7 (1) HOMEOWNERSHIP IS A STABILIZING FACTOR FOR COMMUNITIES
8 AND FAMILIES AND IS THE BEST WAY FOR FAMILIES OF LIMITED INCOME TO BUILD
9 EQUITY AND MOVE OUT OF POVERTY;

10 (2) HOMEOWNERSHIP HAS BECOME LESS AFFORDABLE OVER TIME
11 BECAUSE INCOMES HAVE NOT KEPT PACE WITH THE RISING COSTS OF
12 HOMEOWNERSHIP;

13 (3) SELF-HELP HOUSING HELPS FAMILIES OF LIMITED INCOME TO
14 BECOME HOMEOWNERS, INCREASING THEIR FINANCIAL STABILITY;

15 (4) FAMILIES WORKING TOGETHER IN GROUPS TO BUILD THEIR HOMES
16 HELP TO CREATE STRONGER COMMUNITIES; AND

17 (5) THERE HAVE BEEN THREE SUCCESSFUL FEDERALLY FINANCED
18 SELF-HELP PROGRAMS IN THE STATE, AND MODELING A STATE SELF-HELP
19 OWNERSHIP PROGRAM ON A WELL-TESTED FEDERAL PROGRAM WILL INCREASE
20 HOMEOWNERSHIP OPPORTUNITIES FOR FAMILIES OF LIMITED INCOME ACROSS THE
21 STATE.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, § 2-1501.

24 In the introductory language of this section, the former reference to
25 "declares" is deleted as surplusage.

26 In item (1) of this section, the defined term "family of limited income" is
27 substituted for the former terms "low income families" to conform to the
28 terminology used throughout this subtitle. Similarly, in items (3) and (5) of
29 this section, the defined term "famil[ies] of limited income" is substituted
30 for the former reference to "low income households".

31 In item (2) of this section, the reference to "over time" is substituted for the
32 former reference to "over the last 20 years" for clarity.

33 Defined term: "Family of limited income" § 4-1701

34 4-1703. ESTABLISHED.

35 THERE IS A SELF-HELP HOMEOWNERSHIP TECHNICAL ASSISTANCE PROGRAM.

36 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1503(a).

1 The former reference to the Program being "in the Department" is deleted
2 in light of § 4-103 of this title.

3 No other changes are made.

4 Defined term: "Department" § 1-101

5 4-1704. PURPOSE OF PROGRAM.

6 THE PURPOSE OF THE PROGRAM IS TO MAKE TECHNICAL ASSISTANCE GRANTS
7 TO EXPAND:

8 (1) THE PRODUCTION OF DECENT AND AFFORDABLE HOUSING FOR
9 FAMILIES OF LIMITED INCOME THROUGH SELF-HELP IN REHABILITATION AND
10 CONSTRUCTION;

11 (2) HOMEOWNERSHIP OPPORTUNITIES FOR THOSE WHO WOULD NOT
12 HAVE THESE OPPORTUNITIES WITHOUT THE COST SAVINGS ACHIEVED BY
13 SELF-HELP; AND

14 (3) SELF-RELIANCE, PRIDE OF OWNERSHIP, AND SENSE OF COMMUNITY
15 FOR PARTICIPANTS.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 2-1503(b).

18 Defined terms: "Family of limited income" § 4-1701

19 "Program" § 4-1701

20 "Technical assistance grant" § 4-1701

21 4-1705. DUTIES OF DEPARTMENT.

22 THE DEPARTMENT SHALL:

23 (1) ADMINISTER THE PROGRAM;

24 (2) ESTABLISH GUIDELINES TO DETERMINE ELIGIBILITY OF
25 APPLICANTS FOR TECHNICAL ASSISTANCE GRANTS; AND

26 (3) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, §§ 2-1504 and 2-1505(b).

29 Defined terms: "Department" § 1-101

30 "Program" § 4-1701

31 "Technical assistance grant" § 4-1701

32 4-1706. FAMILY ELIGIBILITY.

33 (A) QUALIFICATION.

1 A FAMILY OR INDIVIDUAL QUALIFIES AS A FAMILY OF LIMITED INCOME IF THE
2 INCOME OF THE FAMILY OR INDIVIDUAL DOES NOT EXCEED THE UPPER INCOME
3 LIMIT THAT THE SECRETARY ESTABLISHES.

4 (B) FACTORS FOR SETTING INCOME LIMITS.

5 FACTORS THAT THE SECRETARY SHALL CONSIDER IN SETTING THE UPPER
6 INCOME LIMIT UNDER SUBSECTION (A) OF THIS SECTION INCLUDE:

7 (1) THE TOTAL AMOUNT OF FAMILY OR INDIVIDUAL INCOME DEEMED
8 AVAILABLE FOR HOUSING;

9 (2) THE SIZE OF THE FAMILY;

10 (3) THE ABILITY OF THE FAMILY OR INDIVIDUAL TO COMPETE
11 SUCCESSFULLY IN THE PRIVATE HOUSING MARKET;

12 (4) THE COST AND CONDITION OF AVAILABLE HOUSING; AND

13 (5) STANDARDS AND DEFINITIONS UNDER RELATED FEDERAL AND
14 STATE HOUSING PROGRAMS.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 2-1502(c).

17 It is revised as a substantive provision for clarity.

18 In subsection (b)(1) and (3) of this section, the references to family "or
19 individual" income are added to conform to subsection (a) of this section.

20 In subsection (b)(1) of this section, the reference to "deemed" available is
21 added for clarity.

22 In subsection (b)(3) of this section, the former reference to the "normal"
23 private housing market is deleted as surplusage.

24 Defined terms: "Family of limited income" § 4-1701

25 "Secretary" § 1-101

26 4-1707. ELIGIBILITY STANDARDS.

27 THE DEPARTMENT MAY ESTABLISH STANDARDS TO DETERMINE ELIGIBILITY
28 FOR A TECHNICAL ASSISTANCE GRANT, WHICH MAY INCLUDE:

29 (1) THE NUMBER OF FAMILIES OF LIMITED INCOME THAT THE
30 REQUESTED GRANT WILL SERVE;

31 (2) THE EXTENT TO WHICH THE APPLICANT WILL USE FEDERAL, STATE,
32 AND LOCAL PROGRAMS AND RESOURCES IN THE PROJECT;

1 (3) THE ORGANIZATIONAL ABILITY OF THE APPLICANT TO CARRY OUT
2 THE PROJECT;

3 (4) THE FEASIBILITY OF THE PROJECT;

4 (5) THE COST IN SELF-HELP HOUSING FUND MONEY PER UNIT OF THE
5 PROJECT; AND

6 (6) THE EXTENT TO WHICH PROJECT PARTICIPANTS WILL USE
7 SELF-HELP LABOR.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 2-1505(a).

10 In the introductory language of this section, the former phrase "from the
11 Program" is deleted as implied in the defined term "technical assistance
12 grant".

13 In item (1) of this section, the former reference to "the largest proportion
14 of" families of limited income is deleted as surplusage.

15 Also in item (1) of this section, the reference to the "requested grant" is
16 substituted for the former reference to the "request for funds" for clarity.

17 In item (2) of this section, the former phrase "but not be limited to" is
18 deleted in light of Art. 1, § 30 to the same effect.

19 Also in item (2) of this section, the former reference to "[f]actors for
20 evaluation of applications" for technical assistance grants is deleted as
21 surplusage.

22 Defined terms: "Department" § 1-101

23 "Family of limited income" § 4-1701

24 "Project" § 4-1701

25 "Technical assistance grant" § 4-1701

26 4-1708. TECHNICAL ASSISTANCE GRANTS -- FOR SELF-HELP CONSTRUCTION.

27 (A) AUTHORIZED.

28 THE DEPARTMENT MAY AWARD A TECHNICAL ASSISTANCE GRANT TO A
29 POLITICAL SUBDIVISION OR NONPROFIT ORGANIZATION TO HELP FAMILIES OF
30 LIMITED INCOME THAT ARE OWNER-BUILDERS OR SELF-HELP REHABILITATORS.

31 (B) PURPOSES OF GRANT.

32 A TECHNICAL ASSISTANCE GRANT UNDER THIS SECTION SHALL BE USED TO:

33 (1) HELP, TRAIN, AND SUPERVISE OWNER-BUILDERS AND SELF-HELP
34 REHABILITATORS IN SELF-HELP CONSTRUCTION ACTIVITIES AND TECHNIQUES;

- 1 (2) HELP IN PROJECT DEVELOPMENT, INCLUDING:
- 2 (I) PREPARING PLANS FOR SELF-HELP HOUSING;
- 3 (II) PREPARING CONTRACTS FOR PROFESSIONAL SERVICES;
- 4 (III) APPLYING FOR FINANCING;
- 5 (IV) PACKAGING APPLICATIONS FOR ASSISTANCE;
- 6 (V) PREPARING SUBDIVISION MAPS;
- 7 (VI) REVIEWING ENGINEERING PLANS AND SPECIFICATIONS FOR
8 CONSTRUCTION AND REHABILITATION PROJECTS; AND
- 9 (VII) COMPLYING WITH THE REQUIREMENTS OF POLITICAL
10 SUBDIVISIONS AND FUNDING ENTITIES; AND
- 11 (3) PAY THE ADMINISTRATIVE COSTS OF PROVIDING TECHNICAL
12 ASSISTANCE FOR THE ACTIVITY THAT THE DEPARTMENT FINANCES.
- 13 (C) LIMITS ON USE.

14 A TECHNICAL ASSISTANCE GRANT MAY NOT BE:

- 15 (1) USED TO PURCHASE LAND, MATERIALS, TOOLS, OR CONSTRUCTION
16 EQUIPMENT OR TO PAY FOR CONSTRUCTION COSTS; OR
- 17 (2) AWARDED FOR A PROJECT OF FEWER THAN SIX DWELLINGS.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, §§ 2-1506, 1-1509(a)(2), and the second
20 clause of 2-1502(k).

21 In subsections (a) and (b)(2)(vii) of this section, the defined term "political
22 subdivision" is substituted for the former references to a "local jurisdiction"
23 and "local government" to conform to the terminology used throughout this
24 division.

25 In subsection (b)(1) of this section, the reference to "owner-builders and
26 self-help rehabilitators" is added for clarity.

27 In subsection (b)(2)(iii) of this section, the former defined term "project" is
28 deleted in light of the reference to a "project" in the introductory language
29 of subsection (b)(2) of this section.

30 Defined terms: "Department" § 1-101

31 "Family of limited income" § 4-1701

32 "Nonprofit organization" § 1-101

33 "Owner-builder" § 4-1701

34 "Political subdivision" § 1-101

- 1 "Project" § 4-1701
2 "Self-help rehabilitator" § 4-1701
3 "Technical assistance grant" § 4-1701

4 4-1709. SAME -- FOR INFORMATION AND TECHNICAL ASSISTANCE.

5 THE DEPARTMENT MAY AWARD A TECHNICAL ASSISTANCE GRANT TO A
6 POLITICAL SUBDIVISION, PUBLIC ENTITY, OR NONPROFIT ORGANIZATION TO
7 PROVIDE OWNER-BUILDERS AND SELF-HELP REHABILITATORS WITH INFORMATION
8 AND TECHNICAL ASSISTANCE ABOUT ANY TOPIC THAT THE DEPARTMENT FINDS
9 WILL FURTHER THE PURPOSE OF THE PROGRAM, INCLUDING:

- 10 (1) COST SAVINGS BY OWNER-BUILDERS IN CONSTRUCTING A
11 PRINCIPAL RESIDENCE AND BY SELF-HELP REHABILITATORS IN REHABILITATING,
12 RENOVATING, OR IMPROVING A PRINCIPAL RESIDENCE;
- 13 (2) CONSTRUCTION MATERIALS AND METHODS;
- 14 (3) LOCAL MATERIAL SOURCES;
- 15 (4) LOCAL TECHNICAL RESOURCES;
- 16 (5) FINANCING REQUIREMENTS AND OPPORTUNITIES;
- 17 (6) SITE ACQUISITION;
- 18 (7) INSURANCE AND LEGAL REQUIREMENTS;
- 19 (8) BUILDING AND HOUSING CODES AND STANDARDS; AND
- 20 (9) OTHER AVAILABLE HOUSING ALTERNATIVES.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, §§ 2-1507 and 2-1502(b), (f), and (j).

23 In the introductory language of this section, the reference to "any topic" is
24 added to clarify the list of topics.

25 Also in the introductory language of this section, the defined term
26 "political subdivision" is substituted for the former reference to "local
27 jurisdictions" to conform to the terminology used throughout this article.

28 In items (3) and (4) of this section, the former reference to "the identity of"
29 local material sources and technical resources is deleted as surplusage.

30 The Housing Article Review Committee notes, for consideration by the
31 General Assembly, that in the introductory language of this section, the
32 Department is allowed to award a technical assistance grant to a "public
33 entity" to reflect the use of that reference in the definition of the term
34 "applicant" in former Art. 83B, § 2-1502(b).

1 Defined terms: "Department" § 1-101

2 "Nonprofit organization" § 1-101

3 "Owner-builder" § 4-1701

4 "Political subdivision" § 1-101

5 "Program" § 4-1701

6 "Self-help rehabilitator" § 4-1701

7 "Technical assistance grant" § 4-1701

8 4-1710. SAME -- TERMS AND CONDITIONS.

9 (A) IN GENERAL.

10 THE DEPARTMENT MAY AWARD A TECHNICAL ASSISTANCE GRANT ONLY IF THE
11 APPLICANT AGREES TO:

12 (1) A BUDGET THAT STATES THE TYPES AND AMOUNTS OF
13 EXPENDITURES THAT MAY BE MADE WITH THE GRANT;

14 (2) THE MANNER, TIMING, AND CONDITIONS FOR DISBURSEMENT OF
15 MONEY TO THE GRANTEE;

16 (3) A TIMETABLE TO COMPLETE EACH STAGE OF THE PROJECT AND FOR
17 FINAL PROJECT COMPLETION; AND

18 (4) TERMS TO ENSURE COMPLIANCE WITH REGULATIONS, SPECIAL
19 CONDITIONS IMPOSED BY GRANT APPROVAL, AND ANY OTHER TERMS OR
20 CONDITIONS THAT THE DEPARTMENT SPECIFIES.

21 (B) AMOUNT.

22 THE AMOUNT OF A TECHNICAL ASSISTANCE GRANT MAY NOT EXCEED 20% OF
23 THE AVERAGE PURCHASE PRICE, OVER THE LAST 3 FISCAL YEARS FOR WHICH DATA
24 ARE AVAILABLE, OF A HOME:

25 (1) FINANCED BY A MORTGAGE LOAN THAT THE ADMINISTRATION
26 PURCHASED UNDER § 4-239 OF THIS TITLE; AND

27 (2) LOCATED IN THE REGION WHERE THE TECHNICAL ASSISTANCE
28 GRANT IS TO BE AWARDED.

29 (C) PROJECT COMPLETION.

30 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
31 TECHNICAL ASSISTANCE GRANT RECIPIENT SHALL COMPLETE THE PROJECT WITHIN
32 2 YEARS AFTER THE EFFECTIVE DATE OF THE GRANT.

33 (2) THE DEPARTMENT MAY EXTEND THE TERM OF A TECHNICAL
34 ASSISTANCE GRANT BECAUSE OF DELAYS BEYOND THE REASONABLE CONTROL OF
35 THE RECIPIENT.

36 (D) REPAYMENT.

1 THE DEPARTMENT MAY REQUIRE THAT ALL OR PART OF A TECHNICAL
 2 ASSISTANCE GRANT BE REPAID WHEN CONDITIONS THAT THE DEPARTMENT
 3 SPECIFIES OCCUR.

4 REVISOR'S NOTE: This section is new language derived without substantive
 5 change from former Art. 83B, §§ 2-1508 and 2-1509(a)(1) and (b).

6 In the introductory language of subsection (a) of this section, the reference
 7 to an "applicant" is substituted for the former reference to "local
 8 jurisdictions and nonprofit organizations" for brevity.

9 In subsection (c)(2) of this section, the term "may" is substituted for the
 10 former reference to the "discretion" of the Department for clarity and
 11 consistency.

12 Also in subsection (c)(2) of this section, the former reference to delays "in
 13 project implementation" is deleted as included in the reference to "delays".

14 Defined terms: "Administration" § 4-101

15 "Department" § 1-101

16 "Project" § 4-1701

17 "Technical assistance grant" § 4-1701

18 TITLE 5. DIVISION OF HISTORICAL AND CULTURAL PROGRAMS.

19 SUBTITLE 1. ESTABLISHED.

20 5-101. ESTABLISHED.

21 THERE IS A DIVISION OF HISTORICAL AND CULTURAL PROGRAMS.

22 REVISOR'S NOTE: This section is new language derived without substantive
 23 change from former Art. 83B, § 5-101(a).

24 The former reference to the Division of Historical and Cultural Programs
 25 "as an organizational unit within the Department of Housing and
 26 Community Development" is deleted in light of § 2-201 of this article.

27 5-102. GOVERNMENTAL UNITS IN DIVISION.

28 THE DIVISION OF HISTORICAL AND CULTURAL PROGRAMS INCLUDES:

29 (1) THE COMMISSION ON AFRICAN AMERICAN HISTORY AND CULTURE;

30 (2) THE COMMISSION ON INDIAN AFFAIRS;

31 (3) THE MARYLAND HISTORICAL TRUST; AND

32 (4) THE HISTORICAL AND CULTURAL MUSEUM ASSISTANCE PROGRAM.

33 REVISOR'S NOTE: This section formerly was Art. 83B, § 5-101(b).

1 No changes are made.

2 SUBTITLE 2. COMMISSION ON AFRICAN AMERICAN HISTORY AND CULTURE.

3 5-201. "COMMISSION" DEFINED.

4 IN THIS SUBTITLE, "COMMISSION" MEANS THE COMMISSION ON AFRICAN
5 AMERICAN HISTORY AND CULTURE.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from the second sentence of former Art. 83B, § 5-301.

8 5-202. ESTABLISHED.

9 THERE IS A COMMISSION ON AFRICAN AMERICAN HISTORY AND CULTURE.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from the first sentence of former Art. 83B, § 5-301.

12 The former reference to the Commission on African American History and
13 Culture being "a part of the Department" is deleted in light of § 2-201 of
14 this article.

15 5-203. MEMBERSHIP.

16 (A) COMPOSITION; APPOINTMENT.

17 THE COMMISSION CONSISTS OF NINE MEMBERS APPOINTED BY THE
18 GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

19 (B) QUALIFICATIONS.

20 THE MEMBERS SHALL:

21 (1) REPRESENT THE ENTIRE COMMUNITY OF THE STATE;

22 (2) KNOW ABOUT AFRICAN AMERICAN CULTURE AND HISTORY;

23 (3) BE SENSITIVE TO THE PROBLEMS OF MINORITY COMMUNITIES; AND

24 (4) BE CONNECTED WITH AGENCIES WORKING TO INTEGRATE
25 MINORITY HISTORY AND CULTURE INTO THE HISTORY OF THE STATE AND AMERICAN
26 CULTURE.

27 (C) TENURE; VACANCIES.

28 (1) THE TERM OF A MEMBER IS 4 YEARS.

29 (2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY
30 THE TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON OCTOBER 1, 2005.

1 (3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
2 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
3 QUALIFIES.

4 (D) REAPPOINTMENT.

5 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
6 MEMBER MAY BE REAPPOINTED.

7 (2) A MEMBER WHO HAS SERVED TWO CONSECUTIVE FOUR-YEAR
8 TERMS MAY NOT BE REAPPOINTED UNTIL AT LEAST ONE YEAR HAS ELAPSED AFTER
9 THE END OF THE PREVIOUS TERM.

10 (E) REMOVAL.

11 THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR
12 MISCONDUCT.

13 REVISOR'S NOTE: Subsections (a) through (c)(2) and (d) of this section are
14 new language derived without substantive change from former Art. 83B, §
15 5-302(a), (b), and (d).

16 Subsection (c)(3) of this section is standard language substituted for former
17 Art. 83B, § 5-302(c) to conform to similar provisions elsewhere in the
18 revised articles of the Code.

19 Subsection (e) of this section is new language that repeats the provisions of
20 Md. Constitution, Art. II, § 15. For other provisions on removal, *see* Md.
21 Constitution, Art. XV, § 2, on suspension and removal for crimes, and SG §
22 8-501, on removal for failure to attend meetings.

23 Throughout this subtitle, the references to a "member" are substituted for
24 the former references to "appointees" and a "Commissioner", for
25 consistency.

26 In subsection (c)(2) of this section, the reference to "October 1, 2005" is
27 substituted for the former obsolete reference to the initial terms of the
28 members of the Commission. *See* § ___ of Ch. ___, Acts of 2005. This
29 substitution is not intended to alter the term of any member of the
30 Commission. The terms of members serving on October 1, 2005, end as
31 follows: (1) two on June 30, 2007; (2) one on June 30, 2008; (3) three on
32 June 30, 2009; and (4) two on June 30, 2010.

33 Defined term: "Commission" § 5-201

34 5-204. CHAIR; VICE CHAIR.

35 THE COMMISSION SHALL ELECT ANNUALLY A CHAIR AND VICE CHAIR FROM
36 AMONG ITS MEMBERS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 5-302(e).

3 The references to a "chair" and a "vice chair" are substituted for the former
4 references to the "chairman" and "vice-chairman" because SG § 2-1238
5 requires the use of words that are neutral as to gender to the extent
6 practicable. *See* General Revisor's Note to article.

7 Defined term: "Commission" § 5-201

8 5-205. MEETINGS; COMPENSATION.

9 (A) MEETINGS.

10 THE COMMISSION SHALL MEET AT THE CALL OF THE CHAIR, A MAJORITY OF
11 THE MEMBERS, OR THE SECRETARY.

12 (B) COMPENSATION.

13 A MEMBER OF THE COMMISSION:

14 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
15 COMMISSION; BUT

16 (2) IS ENTITLED TO RECEIVE REIMBURSEMENT FOR EXPENSES UNDER
17 THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 5-302(f) and (g).

20 In subsection (a) of this section, the reference to the "chair" is substituted
21 for the former reference to the "chairman" because SG § 2-1238 requires
22 the use of words that are neutral as to gender to the extent practicable. *See*
23 General Revisor's Note to article.

24 In subsection (b)(1) of this section, the reference to compensation "as a
25 member of the Commission" is substituted for the former reference to
26 "their services" for clarity.

27 Subsection (b)(2) of this section is revised in standard language used to
28 allow reimbursement for expenses.

29 Defined terms: "Commission" § 5-201

30 "Secretary" § 1-101

31 5-206. DIRECTOR.

32 (A) POSITION.

33 (1) WITH THE APPROVAL OF THE SECRETARY, THE COMMISSION SHALL
34 APPOINT A DIRECTOR.

1 (2) THE DIRECTOR MAY NOT BE A MEMBER OF THE COMMISSION.

2 (3) THE DIRECTOR SERVES AT THE PLEASURE OF THE COMMISSION,
3 SUBJECT TO THE CONCURRENCE OF THE SECRETARY.

4 (B) CLASSIFICATION OF SERVICE.

5 THE DIRECTOR IS A SPECIAL APPOINTMENT IN THE STATE PERSONNEL
6 MANAGEMENT SYSTEM.

7 (C) DUTIES.

8 SUBJECT TO THE RULES AND POLICIES ADOPTED BY THE COMMISSION AND
9 THE ADMINISTRATIVE SUPERVISION OF THE SECRETARY IN ACCORDANCE WITH
10 TITLE 2 OF THIS ARTICLE, THE DIRECTOR SHALL:

11 (1) ADMINISTER THE ACTIVITIES OF THE COMMISSION; AND

12 (2) SUPERVISE THE APPOINTMENT AND REMOVAL OF COMMISSION
13 PERSONNEL.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 5-306.

16 Subsection (a)(2) of this section is substituted for the former requirement
17 that the director be appointed "from without their [Commission's] number"
18 for clarity.

19 In subsection (c) of this section, the former phrase "[b]e the chief
20 administrative officer of the Commission" is deleted as implicit in the
21 duties of the administrator listed within this subsection.

22 In subsection (c)(1) of this section, the former references to "[d]irect" and
23 "supervise" are deleted in light of the reference to "administer".

24 Defined terms: "Commission" § 5-201

25 "Secretary" § 1-101

26 5-207. POWERS AND DUTIES.

27 THE COMMISSION SHALL:

28 (1) INITIATE, DIRECT, AND COORDINATE PROJECTS THAT FURTHER THE
29 UNDERSTANDING OF AFRICAN AMERICAN HISTORY AND CULTURE;

30 (2) SURVEY HISTORIC BUILDINGS, SITES, ARTIFACTS, ARCHIVES, AND
31 REPOSITORIES, AND PUBLISH AND DISSEMINATE THE RESULTS;

32 (3) PLAN, COORDINATE, AND IMPLEMENT THE STATE'S ANNUAL
33 OFFICIAL OBSERVANCE OF THE MARTIN LUTHER KING, JR., HOLIDAY;

1 (4) RECEIVE AND ADMINISTER ANY AVAILABLE FEDERAL OR PRIVATE
2 MONEY TO PLAN AND EXECUTE COMMEMORATIVE AND EDUCATIONAL ACTIVITIES IN
3 CONNECTION WITH THE OBSERVANCE OF THE MARTIN LUTHER KING, JR., HOLIDAY;

4 (5) OPERATE THE BANNEKER-DOUGLASS MUSEUM IN ANNAPOLIS TO
5 HOUSE AND DISPLAY PHOTOGRAPHS, OBJECTS, ORAL HISTORY TAPES, ARTIFACTS,
6 AND OTHER MATERIALS OF AFRICAN AMERICAN HISTORIC AND CULTURAL
7 SIGNIFICANCE;

8 (6) LOCATE, PRESERVE, AND DISSEMINATE TO THE PUBLIC
9 INFORMATION ABOUT SIGNIFICANT BUILDINGS AND SITES RELATING TO AFRICAN
10 AMERICAN HISTORY AND CULTURE; AND

11 (7) PUBLISH AN ANNUAL REPORT AND ANY OTHER MATERIAL THAT THE
12 COMMISSION CONSIDERS NECESSARY.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 5-303.

15 In item (2) of this section, the reference to "the results" is substituted for
16 the former reference to "these findings and information" for brevity.

17 Defined term: "Commission" § 5-201

18 5-208. REVENUES.

19 (A) SOURCES; TYPES OF REVENUE.

20 (1) THE COMMISSION MAY SEEK MONEY FROM THE FEDERAL
21 GOVERNMENT, FOUNDATIONS, AND PRIVATE SOURCES IN ADDITION TO STATE
22 FINANCING.

23 (2) THE COMMISSION MAY ACCEPT GIFTS, GRANTS, DONATIONS,
24 BEQUESTS, OR ENDOWMENTS FOR ANY OF ITS PURPOSES.

25 (B) NONREVERSION OF MONEY.

26 MONEY RECEIVED UNDER SUBSECTION (A) OF THIS SECTION, INCOME FROM
27 THE OPERATION OF THE BANNEKER-DOUGLASS MUSEUM, AND MONEY FROM
28 EDUCATIONAL MATERIALS AND ACTIVITIES OF THE COMMISSION ARE NOT SUBJECT
29 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

30 (C) AUDIT.

31 MONEY MAINTAINED UNDER THIS SECTION IS SUBJECT TO AUDIT BY THE
32 STATE, INCLUDING THE LEGISLATIVE AUDITOR.

33 REVISOR'S NOTE: This section is new language derived without substantive
34 change from former Art. 83B, § 5-305.

35 In subsection (b) of this section, the reference to money and income that

1 "are not subject to § 7-302 of the State Finance and Procurement Article"
2 is standard language substituted for the former reference to the
3 requirement that, if "funds ... are unexpended at the end of the fiscal year,
4 the funds or income may not revert to the General Fund of the State, but
5 instead, shall be maintained as special funds available to the Commission
6 for carrying out the purposes of this subtitle".

7 Defined term: "Commission" § 5-201

8 GENERAL REVISOR'S NOTE TO SUBTITLE:

9 Former Art. 83B, § 5-304, which declared that the records, materials, personal
10 property, files, moneys, credits and other assets and liabilities and obligations of the
11 Maryland Commission on Negro History and Culture are transferred to the Maryland
12 Commission on African American History and Culture, is deleted as obsolete.
13 Transfer of the materials has already occurred.

14 SUBTITLE 3. COMMISSION ON INDIAN AFFAIRS.

15 5-301. DEFINITIONS.

16 (A) IN GENERAL.

17 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

18 REVISOR'S NOTE: This subsection is new language added as the standard
19 introductory language to a definition section.

20 (B) COMMISSION.

21 "COMMISSION" MEANS THE COMMISSION ON INDIAN AFFAIRS.

22 REVISOR'S NOTE: This subsection is new language derived without
23 substantive change from the second sentence of former Art. 83B, § 5-401.

24 (C) COMMUNITY.

25 "COMMUNITY" MEANS A TRIBE, BAND, GROUP, OR CLAN.

26 REVISOR'S NOTE: This subsection is new language added to provide a
27 convenient reference to a tribe, band, group, or clan.

28 (D) INDIAN.

29 (1) "INDIAN" MEANS AN INDIVIDUAL OR COMMUNITY THAT IS, OR
30 WHOSE MEMBERS ARE, DESCENDED FROM A TRIBE THAT INHABITED NORTH
31 AMERICA BEFORE EUROPEAN CONTACT.

32 (2) "INDIAN" INCLUDES A NATIVE AMERICAN INDIAN, A NORTH
33 AMERICAN INDIAN, AN AMERICAN INDIAN, AND AN ABORIGINAL AMERICAN.

1 REVISOR'S NOTE: This subsection is new language patterned after COMAR
2 05.08.06.02.B.(15), which states, "'Native American', 'North American
3 Indian', 'American Indian', 'Indian', or 'aboriginal' means an individual or
4 tribe, band, group, community, or clan that is, or whose members are,
5 descended from a tribe that inhabited North America before European
6 contact."

7 5-302. ESTABLISHED.

8 THERE IS A COMMISSION ON INDIAN AFFAIRS.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from the first sentence of former Art. 83B, § 5-401.

11 The former reference to the Commission being "an agency in the
12 Department" is deleted in light of § 2-201 of this article.

13 5-303. MEMBERSHIP.

14 (A) COMPOSITION; APPOINTMENT.

15 (1) THE COMMISSION CONSISTS OF NINE MEMBERS APPOINTED BY THE
16 GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

17 (2) OF THE NINE COMMISSION MEMBERS:

18 (I) A MAJORITY SHALL BE MEMBERS OF THE INDIAN
19 COMMUNITIES OF THE STATE; AND

20 (II) AT LEAST THREE SHALL BE MEMBERS OF THE INDIAN
21 COMMUNITIES THAT ARE INDIGENOUS TO THE STATE.

22 (B) QUALIFICATIONS.

23 EACH MEMBER SHALL:

24 (1) HAVE A DEMONSTRABLE KNOWLEDGE OF INDIAN CULTURE AND
25 HISTORY; AND

26 (2) BE SENSITIVE TO THE PROBLEMS OF INDIAN COMMUNITIES.

27 (C) APPLICATIONS.

28 (1) AN APPLICANT FOR MEMBERSHIP ON THE COMMISSION SHALL
29 SUBMIT UNDER OATH A LIST OF THE APPLICANT'S QUALIFICATIONS, INCLUDING:

30 (I) EDUCATIONAL HISTORY; AND

31 (II) EMPLOYMENT BACKGROUND OR OTHER RELEVANT
32 EXPERIENCE.

1 (2) AN APPLICANT FOR MEMBERSHIP ON THE COMMISSION AS AN
2 INDIAN MEMBER SHALL SUBMIT DOCUMENTATION OR PROOF OF INDIAN STATUS
3 UNDER THE SWORN AND NOTARIZED SIGNATURE OF THE CUSTODIAN OF RECORDS
4 OF THE MEMBERSHIP ROLLS OF THAT INDIAN'S COMMUNITY.

5 (3) THE GOVERNOR MAY REQUIRE THE PRODUCTION OF ANY OTHER
6 DOCUMENTS TO PROVE:

7 (I) THE QUALIFICATIONS OF THE APPLICANT; OR

8 (II) THE STANDING OR HISTORY OF THE INDIAN COMMUNITY TO
9 WHICH THE APPLICANT CLAIMS MEMBERSHIP.

10 (D) TENURE; VACANCIES.

11 (1) THE TERM OF A MEMBER IS 3 YEARS.

12 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
13 SUCCESSOR IS APPOINTED AND QUALIFIES.

14 (3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
15 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
16 QUALIFIES.

17 (4) A MEMBER MAY NOT SERVE MORE THAN 6 YEARS CONSECUTIVELY.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 5-402(a)(1) and (2).

20 In this section and throughout this subtitle, the defined term "Indian" is
21 substituted for the former references to "native American Indian",
22 "American Indian", and "North American Indian" in light of the definition
23 of "Indian" in § 5-301 of this subtitle. Correspondingly, in subsection
24 (a)(2)(i) of this section, the former reference to "native" American Indian
25 communities of this State is deleted.

26 In subsection (c)(1) of this section, the former reference to "or affirmation"
27 is deleted in light of Art. 1, § 9, which provides that the word "oath" also
28 means "affirmation".

29 Also in subsection (c)(1) of this section, the reference to an applicant "for
30 membership on the Commission" is added to clarify that this paragraph
31 refers to application for membership on the Commission and not to
32 application for Maryland Indian status.

33 In subsection (c)(2) of this section, the reference to "Indian status" is
34 substituted for the former reference to "Indian tribe, band, group, or clan
35 membership" for brevity.

36 Also in subsection (c)(2) of this section, the former reference to the

1 "authorized" custodian of the records is deleted as unnecessary.

2 In subsection (d) of this section, the former statement that a "member may
3 succeed himself" is deleted as implicit in the explicit authority to serve 6
4 years consecutively.

5 Defined terms: "Commission" § 5-301

6 "Community" § 5-301

7 "Indian" § 5-301

8 5-304. CHAIR; VICE CHAIR.

9 THE COMMISSION SHALL ELECT ANNUALLY A CHAIR AND A VICE CHAIR FROM
10 AMONG ITS MEMBERS.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 5-402(c).

13 In this section, the references to a "chair" and a "vice chair" are substituted
14 for the former references to a "chairman" and "vice-chairman" because SG
15 § 2-1238 requires the use of words that are neutral as to gender to the
16 extent practicable. *See* General Revisor's Note to article.

17 Defined term: "Commission" § 5-301

18 5-305. MEETINGS; COMPENSATION.

19 (A) MEETINGS.

20 THE COMMISSION SHALL MEET AT THE CALL OF THE CHAIR, A MAJORITY OF
21 THE MEMBERS, OR THE SECRETARY.

22 (B) COMPENSATION.

23 A MEMBER OF THE COMMISSION:

24 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
25 COMMISSION; BUT

26 (2) MAY RECEIVE REIMBURSEMENT FOR EXPENSES UNDER THE
27 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 5-402(b) and (d).

30 In subsection (a) of this section, the reference to the "chair" is substituted
31 for the former reference to the "chairman" because SG § 2-1238 requires
32 the use of words that are neutral as to gender to the extent practicable. *See*
33 General Revisor's Note to article.

34 In subsection (b)(1) of this section, the reference to compensation "as a

1 member of the Commission" is substituted for the former reference to
2 "their services" for clarity.

3 Subsection (b)(2) of this section is revised in standard language used to
4 allow for reimbursement for expenses.

5 Defined terms: "Commission" § 5-301

6 "Secretary" § 1-101

7 5-306. ADMINISTRATOR.

8 (A) APPOINTMENT.

9 (1) WITH THE APPROVAL OF THE SECRETARY, THE COMMISSION SHALL
10 APPOINT AN ADMINISTRATOR.

11 (2) THE ADMINISTRATOR MAY NOT BE A MEMBER OF THE COMMISSION.

12 (3) THE ADMINISTRATOR SERVES AT THE PLEASURE OF THE
13 COMMISSION, SUBJECT TO THE CONCURRENCE OF THE SECRETARY.

14 (B) CLASSIFICATION OF SERVICE.

15 THE ADMINISTRATOR IS A SPECIAL APPOINTMENT IN THE STATE PERSONNEL
16 MANAGEMENT SYSTEM.

17 (C) DUTIES.

18 SUBJECT TO THE RULES AND POLICIES OF THE COMMISSION AND THE
19 ADMINISTRATIVE SUPERVISION OF THE SECRETARY IN ACCORDANCE WITH TITLE 2
20 OF THIS ARTICLE, THE ADMINISTRATOR SHALL:

21 (1) ADMINISTER THE ACTIVITIES OF THE COMMISSION; AND

22 (2) SUPERVISE THE APPOINTMENT AND REMOVAL OF PERSONNEL
23 WHOM THE COMMISSION EMPLOYS.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 5-405.

26 In subsection (a)(2) of this section, the clause "[t]he administrator may not
27 be a member of the Commission" is substituted for the former requirement
28 that the administrator be appointed "from without their [Commission's]
29 number" for clarity.

30 In subsection (a) of this section, the former reference to the administrator
31 "of the Commission" is deleted as surplusage.

32 In subsection (c) of this section, the former phrase "[b]e the chief
33 administrative officer of the Commission" is deleted as implicit in the
34 duties of the administrator listed within this subsection.

1 Also in subsection (c) of this section, the reference to "Title 2" is substituted
2 for the former reference to "§§ 1-201, 1-202, and 1-205" to reflect the
3 organization of this revision.

4 In subsection (c)(1) of this section, the former references to "[d]irect" and
5 "supervise" are deleted as included in the reference to "administer".

6 Defined terms: "Commission" § 5-301

7 "Secretary" § 1-101

8 5-307. DUTIES OF COMMISSION.

9 THE COMMISSION SHALL:

10 (1) INITIATE, DIRECT, AND COORDINATE PROJECTS THAT FURTHER THE
11 UNDERSTANDING OF INDIAN HISTORY AND CULTURE;

12 (2) SURVEY HISTORIC BUILDINGS, SITES, ARTIFACTS, ARCHIVES, AND
13 REPOSITORIES AND PUBLISH AND DISSEMINATE THE RESULTS;

14 (3) MAKE A COMPREHENSIVE STUDY OF THE INFLUENCE OF
15 INDIGENOUS INDIAN TRIBES AND THEIR INFLUENCE ON MARYLAND HISTORY AND
16 CULTURE, INCLUDING AS SUBJECTS OF THE STUDY:

17 (I) CHEROKEES;

18 (II) CHIPPEWAS;

19 (III) CHOPTANKS;

20 (IV) CREEKS;

21 (V) CREES;

22 (VI) DELAWARES;

23 (VII) HALIWAS;

24 (VIII) LUMBEEES;

25 (IX) NANTICOKES;

26 (X) PISCATAWAYS;

27 (XI) POTOMACS;

28 (XII) RAPPAHANNOCKS;

29 (XIII) SEMINOLES;

30 (XIV) SUSQUEHANNAS; AND

1 (XV) WICOMICOS;

2 (4) STUDY THE STATUS OF ALL INDIAN COMMUNITIES IN THE STATE
3 AND ASSIST THEM IN OBTAINING RECOGNITION FROM THE FEDERAL GOVERNMENT;

4 (5) STUDY THE ECONOMIC AND SOCIAL NEEDS OF INDIANS IN THE
5 STATE AND MAKE RECOMMENDATIONS TO MEET THESE NEEDS;

6 (6) LOCATE, PRESERVE, AND DISSEMINATE TO THE PUBLIC
7 INFORMATION ABOUT SIGNIFICANT BUILDINGS AND SITES RELATING TO INDIAN
8 HISTORY AND CULTURE IN THE STATE; AND

9 (7) PUBLISH AN ANNUAL REPORT AND ANY OTHER MATERIAL THE
10 COMMISSION CONSIDERS NECESSARY.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 5-403.

13 In the introductory language of item (3) of this section, the former phrase
14 "but not limited to" is deleted in light of Art. 1, § 30, which provides that
15 the word "including" means "by way of illustration" and not "by way of
16 limitation".

17 Defined terms: "Commission" § 5-301

18 "Community" § 5-301

19 "Indian" § 5-301

20 5-308. REVENUES.

21 (A) SOURCES; TYPES OF REVENUE.

22 (1) THE COMMISSION MAY SEEK MONEY FROM THE FEDERAL
23 GOVERNMENT, FOUNDATIONS, AND PRIVATE SOURCES IN ADDITION TO STATE
24 FINANCING.

25 (2) THE COMMISSION MAY ACCEPT GIFTS, GRANTS, DONATIONS,
26 BEQUESTS, OR ENDOWMENTS FOR ANY OF ITS PURPOSES.

27 (B) NONREVERSION OF MONEY.

28 MONEY RECEIVED UNDER SUBSECTION (A) OF THIS SECTION, AND INCOME AND
29 FEES DERIVED FROM EDUCATIONAL MATERIALS AND ACTIVITIES OF THE
30 COMMISSION ARE NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
31 PROCUREMENT ARTICLE.

32 (C) AUDIT.

33 MONEY MAINTAINED UNDER THIS SECTION IS SUBJECT TO AUDIT BY THE
34 STATE, INCLUDING THE LEGISLATIVE AUDITOR.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 5-404.

3 In subsection (b) of this section, the reference to money and income and
4 fees that "are not subject to § 7-302 of the State Finance and Procurement
5 Article" is standard language substituted for the former reference to the
6 requirement that, if "funds ... are unexpended at the end of the fiscal year,
7 the funds or income may not revert to the General Fund of the State, but
8 instead, shall be maintained as special funds available to the Commission
9 for carrying out the purposes of this subtitle".

10 Defined term: "Commission" § 5-301

11 5-309. MARYLAND INDIAN STATUS.

12 (A) ESTABLISHMENT OF RECOGNITION PROCESS.

13 SUBJECT TO THE APPROVAL OF THE SECRETARY, THE COMMISSION MAY BY
14 REGULATION ESTABLISH A PROCESS FOR AN INDIAN COMMUNITY THAT IS
15 INDIGENOUS TO THE STATE TO APPLY TO THE COMMISSION FOR RECOGNITION OF
16 MARYLAND INDIAN STATUS.

17 (B) RECOMMENDATION TO GOVERNOR.

18 (1) IF THE COMMISSION FINDS THAT A PETITIONING GROUP MEETS THE
19 REQUIREMENTS FOR RECOGNITION, THE COMMISSION MAY RECOMMEND TO THE
20 GOVERNOR THAT IT BE GRANTED RECOGNITION OF MARYLAND INDIAN STATUS.

21 (2) A MEMBER OF THE COMMISSION MAY NOT VOTE OR PARTICIPATE IN
22 DELIBERATIONS ON AN APPLICATION FOR RECOGNITION OF MARYLAND INDIAN
23 STATUS MADE BY THE PETITIONING GROUP TO WHICH THE MEMBER BELONGS.

24 (C) EXECUTIVE ORDER.

25 (1) THE GOVERNOR MAY ISSUE AN EXECUTIVE ORDER PROVIDING
26 RECOGNITION OF MARYLAND INDIAN STATUS TO THE PETITIONING GROUP.

27 (2) THE EXECUTIVE ORDER:

28 (I) SHALL BE SUBMITTED TO THE JOINT COMMITTEE ON
29 ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW; AND

30 (II) SHALL TAKE EFFECT 30 DAYS AFTER IT IS SUBMITTED.

31 (D) EFFECT OF SECTION.

32 (1) THIS SECTION DOES NOT:

33 (I) CREATE A RIGHT OF OWNERSHIP OR ANY OTHER RIGHT TO
34 LAND;

1 (II) CREATE A BENEFIT OR ENTITLEMENT OF ANY KIND;

2 (III) IMPAIR EXISTING RIGHTS, BENEFITS, OR ENTITLEMENTS
3 BELONGING TO INDIANS LIVING IN THE STATE;

4 (IV) IMPAIR EXISTING JUDICIAL RULINGS OF THE STATE
5 REGARDING INDIANS OF THE STATE; OR

6 (V) GIVE THE COMMISSION THE POWER TO ESTABLISH STANDARDS
7 FOR MEMBERSHIP IN AN INDIAN COMMUNITY.

8 (2) THE POWER TO ESTABLISH STANDARDS FOR MEMBERSHIP IN AN
9 INDIAN COMMUNITY IS RESERVED TO THE COMMUNITY.

10 (3) AN ACT OR FAILURE TO ACT BY THE COMMISSION UNDER THIS
11 SECTION DOES NOT CREATE A PRIVATE CAUSE OF ACTION UNDER STATE LAW.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 5-406(a), (c), (d), (e)(1) and (2), (f), and (h).

14 In subsections (a), (b), and (c) of this section, the former references to
15 "formal" recognition of Maryland Indian status are deleted as included in
16 the reference to "recognition".

17 In subsection (a) of this section, the statement that the Commission may
18 "by regulation" establish an application process for recognition of
19 Maryland Indian status is substituted for the former reference to the
20 requirements for recognition set forth "in the regulations" for clarity.

21 In subsections (b) and (c)(1) of this section, the references to the
22 "petitioning group" are substituted for the former references to an "Indian
23 tribe, band, group, or clan" and a "particular tribe, band, group, or clan" for
24 brevity.

25 In subsections (b)(1) and (c)(1) of this section, the references to recognition
26 of "Maryland Indian status" are added for clarity.

27 In subsection (c)(1) of this section, the former phrase "[i]f the Governor
28 concurs with the Commission's recommendation" is deleted as implicit in
29 the discretion granted to the Governor.

30 In subsection (c)(2) of this section, the former reference to "review by the
31 members of the Committee" is deleted as implicit in the requirement that
32 the order be submitted to the Committee.

33 Defined terms: "Commission" § 5-301

34 "Community" § 5-301

35 "Indian" § 5-301

36 "Secretary" § 1-101

1 5-310. AFFIDAVIT.

2 BEFORE FORMAL RECOGNITION OF MARYLAND INDIAN STATUS, MEMBERS OF
3 THE PETITIONING GROUP SHALL SUBMIT AN AFFIDAVIT RENOUNCING ALL TRIBAL
4 RIGHTS OF OWNERSHIP OF LAND IN THE STATE.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 5-406(e)(3).

7 The Housing Article Review Committee notes, for consideration by the
8 General Assembly, that in a bill review letter regarding House Bill 126 and
9 Senate Bill 421 on May 23, 1988, the Attorney General stated that the
10 affidavit required under this section "would be of no force or effect". The
11 affidavit would be invalid because it would terminate rights of ownership
12 in land "by means other than a treaty or convention entered into pursuant
13 to the [United States] Constitution." The Attorney General also stated that
14 the issue "would appear to be completely academic, as the Department of
15 Housing and Community Development has researched this issue and
16 found that it is highly unlikely that an Indian group in Maryland could
17 successfully assert a land claim."

18 5-311. REGULATIONS.

19 (A) IN GENERAL.

20 (1) IN ACCORDANCE WITH TITLE 10, SUBTITLE 1 OF THE STATE
21 GOVERNMENT ARTICLE, THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY
22 OUT §§ 5-309 AND 5-310 OF THIS SUBTITLE.

23 (2) THE REGULATIONS SHALL:

24 (I) CREATE THE APPLICATION PROCESS;

25 (II) SET GENEALOGICAL STANDARDS; AND

26 (III) SPECIFY THE STANDARDS TO BE SATISFIED BY AN INDIAN
27 COMMUNITY APPLYING FOR FORMAL RECOGNITION OF MARYLAND INDIAN STATUS.

28 (B) STANDARDS.

29 (1) THE STANDARDS ADOPTED UNDER SUBSECTION (A) OF THIS
30 SECTION SHALL BE GENERALLY CONSISTENT WITH THE STANDARDS OF THE UNITED
31 STATES BUREAU OF INDIAN AFFAIRS FOR TRIBAL RECOGNITION BY THE UNITED
32 STATES.

33 (2) THE STANDARDS SHALL TAKE INTO ACCOUNT THE SPECIAL
34 CIRCUMSTANCES OF INDIANS INDIGENOUS TO THE STATE.

35 (3) THE STANDARDS SHALL REQUIRE:

1 (I) THAT THE PETITIONING GROUP BE IDENTIFIED FROM
2 HISTORICAL TIMES UNTIL THE PRESENT AS INDIAN;

3 (II) THAT THE MEMBERS OF THE PETITIONING GROUP BE
4 DESCENDANTS FROM AN INDIAN TRIBE THAT EXISTED HISTORICALLY AND IS
5 INDIGENOUS TO THE STATE OR DERIVED FROM HISTORICAL TRIBES THAT WERE
6 INDIGENOUS TO THE STATE BEFORE 1790;

7 (III) THAT THE MEMBERS OF THE PETITIONING GROUP BE
8 DESCENDANTS OF AN INDIAN TRIBE THAT HISTORICALLY INHABITED A SPECIFIC
9 AREA IN THE STATE BEFORE 1790; AND

10 (IV) THAT THE MEMBERSHIP OF THE PETITIONING GROUP BE
11 COMPOSED PRINCIPALLY OF INDIVIDUALS WHO ARE NOT MEMBERS OF ANY OTHER
12 INDIAN COMMUNITY.

13 (4) THE COMMISSION MAY ADOPT REGULATIONS TO ESTABLISH ANY
14 OTHER STANDARDS THAT THE COMMISSION CONSIDERS NECESSARY.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 5-406(b).

17 In subsection (a)(1) of this section, the reference to "§§ 5-309 and 5-310 of
18 this subtitle" is substituted for the former reference to "this section" to
19 reflect the organization of this revision.

20 In subsection (a)(2)(iii) of this section, the reference to formal recognition
21 "of Maryland Indian status" is added for clarity.

22 Defined terms: "Commission" § 5-301

23 "Community" § 5-301

24 "Indian" § 5-301

25 5-312. FALSE STATEMENTS OR REPRESENTATIONS.

26 (A) PROHIBITED.

27 IN A MATTER WITHIN THE SCOPE OF THIS SUBTITLE, A PERSON MAY NOT:

28 (1) KNOWINGLY AND WILLFULLY FALSIFY OR CONCEAL A MATERIAL
29 FACT BY TRICK, SCHEME, OR DEVICE;

30 (2) MAKE A FALSE, FICTITIOUS, OR FRAUDULENT STATEMENT OR
31 REPRESENTATION; OR

32 (3) MAKE OR USE A FALSE WRITING OR DOCUMENT KNOWING THE
33 WRITING OR DOCUMENT CONTAINS A FALSE, FICTITIOUS, OR FRAUDULENT
34 STATEMENT OR ENTRY.

35 (B) PENALTY.

1 EXCEPT AS OTHERWISE PROVIDED BY LAW, A PERSON WHO VIOLATES THIS
2 SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO
3 IMPRISONMENT NOT EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING \$1,000 OR
4 BOTH.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, §§ 5-402(a)(3) and 5-406(g).

7 This section is revised to apply throughout this subtitle for clarity, even
8 though Art. 83B, § 5-402(a)(3) formerly only applied to those provisions
9 now in § 5-303, and Art. 83B, § 5-406(g) formerly only applied to those
10 provisions now in §§ 5-309 and 5-310. The other revised sections in this
11 subtitle are unaffected by this change in scope. No substantive change is
12 intended.

13 The Housing Article Review Committee notes, for consideration by the
14 General Assembly, that in subsection (b) of this section, the meaning of the
15 phrase "[e]xcept as otherwise provided by law" is unclear. The phrase
16 seems to imply that other statutory provisions may provide other penalties
17 for violations of this section, but no other statutory provisions have been
18 found.

19 Defined term: "Person" § 1-101

20 SUBTITLE 4. MARYLAND HISTORICAL TRUST.

21 PART I. GENERAL PROVISIONS.

22 5-401. DEFINITIONS.

23 (A) IN GENERAL.

24 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

25 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(a).

26 No changes are made.

27 (B) DIRECTOR.

28 "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND HISTORICAL TRUST.

29 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(h).

30 No changes are made.

31 (C) FINANCIAL ASSISTANCE.

1 "FINANCIAL ASSISTANCE" MEANS ACTION BY THE STATE OR A STATE UNIT TO
2 AWARD GRANTS, LOANS, LOAN GUARANTEES, OR INSURANCE TO A PUBLIC OR
3 PRIVATE ENTITY TO FINANCE, WHOLLY OR PARTLY, AN UNDERTAKING.

4 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(j).

5 The only changes are in style.

6 Defined terms: "State unit" § 5-401

7 "Undertaking" § 5-401

8 (D) HISTORIC PROPERTY.

9 (1) "HISTORIC PROPERTY" MEANS A DISTRICT, SITE, BUILDING,
10 STRUCTURE, MONUMENT, OR OBJECT SIGNIFICANT TO:

11 (I) THE PREHISTORY OR HISTORY OF THE STATE; OR

12 (II) THE UPLAND AND UNDERWATER ARCHAEOLOGY,
13 ARCHITECTURE, ENGINEERING, OR CULTURE OF THE STATE.

14 (2) "HISTORIC PROPERTY" INCLUDES RELATED ARTIFACTS, RECORDS,
15 AND REMAINS.

16 REVISOR'S NOTE: This subsection is new language derived without
17 substantive change from former Art. 83B, § 5-601(l).

18 (E) PRESERVATION.

19 "PRESERVATION" MEANS THE IDENTIFICATION, EVALUATION, RECORDATION,
20 DOCUMENTATION, CURATION, ACQUISITION, PROTECTION, MANAGEMENT,
21 REHABILITATION, RESTORATION, STABILIZATION, MAINTENANCE, AND
22 RECONSTRUCTION OF A HISTORIC PROPERTY.

23 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(v).

24 No changes are made.

25 (F) STATE HISTORIC PRESERVATION OFFICER.

26 "STATE HISTORIC PRESERVATION OFFICER" MEANS THE INDIVIDUAL WHO
27 ADMINISTERS THE STATE HISTORIC PRESERVATION PROGRAM UNDER THE
28 NATIONAL HISTORIC PRESERVATION ACT OF 1966, 16 U.S.C. §§ 470-470MM.

29 REVISOR'S NOTE: This subsection is new language derived without
30 substantive change from former Art. 83B, § 5-601(w).

31 (G) STATE UNIT.

32 "STATE UNIT" HAS THE MEANING STATED IN § 11-101 OF THE STATE
33 GOVERNMENT ARTICLE.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from former Art. 83B, § 5-601(x).

3 (H) SUBMERGED.

4 "SUBMERGED" MEANS BENEATH OR SUBSTANTIALLY BENEATH WATER.

5 REVISOR'S NOTE: This subsection is new language derived without
6 substantive change from former Art. 83B, § 5-601(y).

7 The former reference to "territorial" waters "of the State" is deleted in light
8 of the context in which the defined term "submerged" is used in this
9 subtitle.

10 (I) TERRESTRIAL.

11 "TERRESTRIAL" MEANS RELATING TO LAND ABOVE THE MEAN HIGH TIDE LINE
12 AND ABOVE NONTIDAL WATERS.

13 REVISOR'S NOTE: This subsection is new language derived without
14 substantive change from former Art. 83B, § 5-601(aa).

15 (J) TRUST.

16 "TRUST" MEANS THE MARYLAND HISTORICAL TRUST.

17 REVISOR'S NOTE: This subsection is new language derived without
18 substantive change from former Art. 83B, §§ 5-601(bb) and 5-702(g).

19 The former references to "MHT" are deleted as surplusage.

20 (K) UNDERTAKING.

21 "UNDERTAKING" MEANS A PROJECT THAT INVOLVES OR MAY RESULT IN
22 BUILDING CONSTRUCTION, BUILDING ALTERATION, OR LAND DISTURBANCE.

23 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(cc).

24 The only changes are in style.

25 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 5-601(c), which defined
26 "business entity" to mean "for purposes of [§§ 5-422 and 5-423] of this
27 subtitle, a corporation, association, partnership, joint venture, or other
28 legally organized entity" is deleted because the definition is the normal
29 meaning of the term.

30 Former Art. 83B, § 5-601(n), which defined "local jurisdiction" to mean for
31 purposes of [§§ 5-422 and 5-423] of this subtitle, any of the 23 counties of
32 the State, the City of Baltimore, any municipal corporation in Maryland
33 subject to Article XI-E of the Maryland Constitution and any duly
34 authorized agency or instrumentality of the local jurisdiction, is deleted in

1 light of the defined terms "political subdivision" and "governmental unit".
2 See § 1-101 of this article and the General Revisor's Note to article.

3 5-402. FINDINGS.

4 THE GENERAL ASSEMBLY FINDS THAT:

5 (1) HISTORIC PROPERTIES SIGNIFICANT TO THE STATE'S HERITAGE ARE
6 BEING LOST OR SUBSTANTIALLY ALTERED, OFTEN INADVERTENTLY, WITH
7 INCREASING FREQUENCY;

8 (2) HISTORIC PROPERTIES ARE A VITAL PART OF OUR COMMUNITY LIFE
9 AND DEVELOPMENT AND CANNOT BE REPLACED IF LOST OR DESTROYED;

10 (3) IT IS IN THE PUBLIC INTEREST TO PRESERVE THE STATE'S HERITAGE
11 AND ENRICH PRESENT AND FUTURE GENERATIONS WITH THE CULTURAL,
12 EDUCATIONAL, INSPIRATIONAL, SOCIAL, AND ECONOMIC BENEFITS OF THE PAST;

13 (4) INCREASING KNOWLEDGE OF OUR HISTORIC RESOURCES,
14 ESTABLISHING BETTER MEANS OF IDENTIFYING AND ADMINISTERING THEM, AND
15 ENCOURAGING THEIR PRESERVATION WILL ASSIST THE ECONOMIC AND CULTURAL
16 GROWTH OF THE STATE; AND

17 (5) THE STATE'S HERITAGE HAS BEEN ENRICHED BY
18 ACCOMPLISHMENTS AND CONTRIBUTIONS OF THE STATE'S PRIVATE PRESERVATION
19 ORGANIZATIONS, AND THEIR CONTINUING ACTIVITIES ARE IN THE PUBLIC
20 INTEREST.

21 REVISOR'S NOTE: This section formerly was Art. 83B, § 5-602.

22 The only changes are in style.

23 Defined term: "Historic property" § 5-401

24 5-403. REHABILITATION TAX CREDITS.

25 (A) DEFINITIONS.

26 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (2) "BUSINESS ENTITY" MEANS:

29 (I) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS
30 IN THE STATE; OR

31 (II) AN ORGANIZATION OPERATING IN MARYLAND THAT IS EXEMPT
32 FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

1 (3) "CERTIFIED HERITAGE AREA" HAS THE MEANING STATED IN §
2 13-1101 OF THE FINANCIAL INSTITUTIONS ARTICLE.

3 (4) (I) "CERTIFIED HERITAGE STRUCTURE" MEANS A STRUCTURE
4 THAT IS LOCATED IN THE STATE AND IS:

5 1. LISTED IN THE NATIONAL REGISTER OF HISTORIC
6 PLACES;

7 2. DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL
8 LAW AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE
9 NATIONAL REGISTER OF HISTORIC PLACES;

10 3. A. LOCATED IN A HISTORIC DISTRICT LISTED ON THE
11 NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT THAT
12 THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER
13 OF HISTORIC PLACES; AND

14 B. CERTIFIED BY THE DIRECTOR AS CONTRIBUTING TO THE
15 SIGNIFICANCE OF THE DISTRICT; OR

16 4. LOCATED IN A CERTIFIED HERITAGE AREA AND
17 CERTIFIED BY THE MARYLAND HERITAGE AREAS AUTHORITY AS CONTRIBUTING TO
18 THE SIGNIFICANCE OF THE CERTIFIED HERITAGE AREA.

19 (II) "CERTIFIED HERITAGE STRUCTURE" DOES NOT INCLUDE A
20 STRUCTURE THAT IS OWNED BY THE STATE, A POLITICAL SUBDIVISION OF THE
21 STATE, OR THE FEDERAL GOVERNMENT.

22 (5) "CERTIFIED REHABILITATION" MEANS A COMPLETED
23 REHABILITATION OF A CERTIFIED HERITAGE STRUCTURE THAT THE DIRECTOR
24 CERTIFIES IS A SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE
25 REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE
26 INTERIOR.

27 (6) "COMMERCIAL REHABILITATION" MEANS A REHABILITATION OF A
28 STRUCTURE OTHER THAN A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE.

29 (7) "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND HISTORICAL
30 TRUST.

31 (8) "LOCAL HISTORIC DISTRICT" MEANS A DISTRICT THAT THE
32 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION, OR THE MAYOR AND
33 CITY COUNCIL OF BALTIMORE, HAS DESIGNATED UNDER LOCAL LAW AS HISTORIC.

34 (9) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT
35 THAT:

36 (I) IS PROPERLY CHARGEABLE TO A CAPITAL ACCOUNT;

1 (II) IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT
2 BY THE END OF THE CALENDAR YEAR IN WHICH THE CERTIFIED REHABILITATION IS
3 COMPLETED IS A CERTIFIED HERITAGE STRUCTURE;

4 (III) IS EXPENDED IN COMPLIANCE WITH A PLAN OF PROPOSED
5 REHABILITATION THAT HAS BEEN APPROVED BY THE DIRECTOR; AND

6 (IV) IS NOT FUNDED, FINANCED, OR OTHERWISE REIMBURSED BY
7 ANY:

8 1. STATE OR LOCAL GRANT;

9 2. GRANT MADE FROM THE PROCEEDS OF TAX-EXEMPT
10 BONDS ISSUED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR AN
11 INSTRUMENTALITY OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE STATE;

12 3. STATE TAX CREDIT OTHER THAN THE TAX CREDIT UNDER
13 THIS SECTION; OR

14 4. OTHER FINANCIAL ASSISTANCE FROM THE STATE OR A
15 POLITICAL SUBDIVISION OF THE STATE, OTHER THAN A LOAN THAT MUST BE REPAYED
16 AT AN INTEREST RATE THAT IS GREATER THAN THE INTEREST RATE ON GENERAL
17 OBLIGATION BONDS ISSUED BY THE STATE AT THE MOST RECENT BOND SALE PRIOR
18 TO THE TIME THE LOAN IS MADE.

19 (10) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION OF A
20 STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES, DURING
21 THE 24-MONTH PERIOD SELECTED BY THE INDIVIDUAL OR BUSINESS ENTITY
22 ENDING WITH OR WITHIN THE TAXABLE YEAR, EXCEED:

23 (I) FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY, \$5,000; OR

24 (II) FOR ALL OTHER PROPERTY, THE GREATER OF:

25 1. THE ADJUSTED BASIS OF THE STRUCTURE; OR

26 2. \$5,000.

27 (B) DIRECTOR TO ESTABLISH CERTIFICATION PROCESS.

28 (1) THE DIRECTOR SHALL ADOPT REGULATIONS TO:

29 (I) ESTABLISH PROCEDURES AND STANDARDS FOR CERTIFYING
30 HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

31 (II) FOR COMMERCIAL REHABILITATIONS, ESTABLISH AN
32 APPLICATION PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR
33 MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS CONSISTENT
34 WITH THE REQUIREMENTS OF THIS SUBSECTION; AND

1 (III) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A
2 COMPETITIVE AWARD PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES
3 FOR MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS THAT:

4 1. ENSURES TAX CREDITS ARE AWARDED IN A MANNER
5 THAT REFLECTS THE GEOGRAPHIC DIVERSITY OF THE STATE;

6 2. FAVORS THE AWARD OF TAX CREDITS FOR
7 REHABILITATION PROJECTS THAT ARE CONSISTENT WITH AND PROMOTE CURRENT
8 GROWTH AND DEVELOPMENT POLICIES AND PROGRAMS OF THE STATE; AND

9 3. A. FAVORS THE AWARD OF TAX CREDITS FOR
10 STRUCTURES THAT ARE LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES
11 OR ARE DESIGNATED AS HISTORIC PROPERTIES UNDER LOCAL LAW AND
12 DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING IN THE NATIONAL
13 REGISTER OF HISTORIC PLACES; OR

14 B. FAVORS THE AWARD OF TAX CREDITS FOR STRUCTURES
15 THAT ARE CONTRIBUTING BUILDINGS WITH HISTORIC SIGNIFICANCE AND ARE
16 LOCATED IN HISTORIC DISTRICTS LISTED IN THE NATIONAL REGISTER OF HISTORIC
17 PLACES.

18 (2) THE DIRECTOR MAY NOT CERTIFY THAT A REHABILITATION IS A
19 CERTIFIED REHABILITATION ELIGIBLE FOR A TAX CREDIT PROVIDED UNDER THIS
20 SECTION UNLESS THE INDIVIDUAL OR BUSINESS ENTITY SEEKING CERTIFICATION
21 STATES UNDER OATH THE AMOUNT OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S
22 QUALIFIED REHABILITATION EXPENDITURES.

23 (3) BETWEEN JANUARY 1 AND MARCH 31 EACH YEAR, THE DIRECTOR
24 MAY ACCEPT APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED COMMERCIAL
25 REHABILITATIONS AND FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR THE
26 FISCAL YEAR THAT BEGINS JULY 1 OF THAT YEAR.

27 (4) FOR COMMERCIAL REHABILITATIONS, THE DIRECTOR MAY NOT
28 ACCEPT AN APPLICATION FOR APPROVAL OF PLANS OF PROPOSED REHABILITATION
29 IF:

30 (I) ANY SUBSTANTIAL PART OF THE PROPOSED REHABILITATION
31 WORK HAS BEGUN; OR

32 (II) THE APPLICANT FOR A COMMERCIAL REHABILITATION HAS
33 PREVIOUSLY SUBMITTED THREE OR MORE APPLICATIONS FOR COMMERCIAL
34 REHABILITATIONS WITH TOTAL PROPOSED REHABILITATIONS EXCEEDING \$500,000
35 IN THAT YEAR.

36 (5) NOT MORE THAN 50% OF THE TOTAL CREDIT AMOUNTS UNDER
37 INITIAL CREDIT CERTIFICATES ISSUED FOR ANY FISCAL YEAR MAY BE ISSUED FOR
38 PROJECTS IN A SINGLE COUNTY OR BALTIMORE CITY.

1 (6) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
2 PARAGRAPH, AT LEAST 10% OF THE TOTAL CREDIT AMOUNTS UNDER INITIAL CREDIT
3 CERTIFICATES ISSUED FOR ANY FISCAL YEAR SHALL BE ISSUED FOR PROPOSED
4 REHABILITATION PROJECTS SUBMITTED BY ORGANIZATIONS EXEMPT FROM
5 TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

6 (II) FOR ANY FISCAL YEAR, SUBPARAGRAPH (I) OF THIS PARAGRAPH
7 DOES NOT APPLY TO THE EXTENT THAT THE TOTAL CREDIT AMOUNTS APPLIED FOR
8 BY ORGANIZATIONS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL
9 REVENUE CODE FOR QUALIFYING PROJECTS IS LESS THAN 10% OF THE MAXIMUM
10 AUTHORIZED AGGREGATE CREDIT AMOUNTS FOR THE FISCAL YEAR UNDER
11 SUBSECTION (D) OF THIS SECTION.

12 (C) TAX CREDIT LIMITATIONS.

13 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR THE
14 TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED, AN
15 INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL
16 TO 20% OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S QUALIFIED REHABILITATION
17 EXPENDITURES FOR THE REHABILITATION.

18 (2) (I) FOR ANY COMMERCIAL REHABILITATION, THE STATE TAX
19 CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

20 1. \$3,000,000; OR

21 2. THE MAXIMUM AMOUNT SPECIFIED UNDER THE INITIAL
22 CREDIT CERTIFICATE ISSUED FOR THE REHABILITATION.

23 (II) FOR A REHABILITATION OTHER THAN A COMMERCIAL
24 REHABILITATION, THE STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT
25 EXCEED \$50,000.

26 (III) FOR THE PURPOSES OF THE LIMITATION UNDER
27 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE FOLLOWING SHALL BE TREATED AS A
28 SINGLE COMMERCIAL REHABILITATION:

29 1. THE PHASED REHABILITATION OF THE SAME STRUCTURE
30 OR PROPERTY;

31 2. THE SEPARATE REHABILITATION OF DIFFERENT
32 COMPONENTS OF THE SAME STRUCTURE OR PROPERTY; OR

33 3. THE REHABILITATION OF MULTIPLE STRUCTURES THAT
34 ARE FUNCTIONALLY RELATED TO SERVE AN OVERALL PURPOSE.

35 (3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
36 INITIAL CREDIT CERTIFICATE FOR A PROPOSED COMMERCIAL REHABILITATION
37 SHALL EXPIRE AND THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED IF THE
38 COMMERCIAL REHABILITATION IS NOT COMPLETED BY THE END OF THE FISCAL

1 YEAR FOLLOWING THE FISCAL YEAR FOR WHICH THE INITIAL CREDIT CERTIFICATE
2 WAS ISSUED.

3 (II) FOR REASONABLE CAUSE, THE DIRECTOR MAY POSTPONE THE
4 EXPIRATION DATE FOR AN INITIAL CREDIT CERTIFICATE FOR A COMMERCIAL
5 REHABILITATION.

6 (4) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY
7 TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS
8 ENTITY OR THE INDIVIDUAL FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR
9 BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

10 (D) HERITAGE STRUCTURE REHABILITATION TAX CREDIT RESERVE FUND.

11 (1) IN THIS SUBSECTION, "RESERVE FUND" MEANS THE HERITAGE
12 STRUCTURE REHABILITATION TAX CREDIT RESERVE FUND ESTABLISHED UNDER
13 PARAGRAPH (2) OF THIS SUBSECTION.

14 (2) (I) THERE IS A HERITAGE STRUCTURE REHABILITATION TAX
15 CREDIT RESERVE FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
16 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

17 (II) THE MONEY IN THE FUND SHALL BE INVESTED AND
18 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL BE
19 CREDITED TO THE GENERAL FUND.

20 (3) (I) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE
21 DIRECTOR SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR EACH COMMERCIAL
22 REHABILITATION FOR WHICH A PLAN OF PROPOSED REHABILITATION IS APPROVED.

23 (II) AN INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS
24 SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF CREDIT UNDER THIS
25 SECTION FOR WHICH THE COMMERCIAL REHABILITATION MAY QUALIFY.

26 (III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS
27 SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE DIRECTOR MAY NOT ISSUE INITIAL
28 CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE
29 THAN THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR
30 IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

31 2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL
32 CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR TOTAL LESS THAN THE AMOUNT
33 APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR, ANY EXCESS
34 AMOUNT SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER INITIAL
35 CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

36 3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED
37 FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW
38 OTHER THAN PARAGRAPH (4) OF THIS SUBSECTION, THE MAXIMUM CREDIT

1 AMOUNTS IN THE AGGREGATE FOR WHICH THE DIRECTOR MAY ISSUE INITIAL
2 CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

3 (IV) 1. FOR FISCAL YEAR 2006, THE GOVERNOR SHALL INCLUDE
4 IN THE BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND IN AN AMOUNT
5 EQUAL TO AT LEAST \$20,000,000.

6 2. FOR EACH OF FISCAL YEARS 2007 AND 2008, THE
7 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE
8 RESERVE FUND IN AN AMOUNT EQUAL TO AT LEAST \$30,000,000.

9 (V) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE
10 FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN
11 APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY
12 THE GENERAL ASSEMBLY.

13 (VI) THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT
14 CERTIFICATE FOR ANY FISCAL YEAR AFTER FISCAL YEAR 2008.

15 (4) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY
16 APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

17 (II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR
18 QUARTER, THE TRUST SHALL NOTIFY THE COMPTROLLER AS TO EACH COMMERCIAL
19 REHABILITATION COMPLETED AND CERTIFIED DURING THE QUARTER:

20 A. THE MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL
21 CREDIT CERTIFICATE FOR THE PROJECT; AND

22 B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE
23 PROJECT.

24 2. ON NOTIFICATION THAT A PROJECT HAS BEEN
25 CERTIFIED, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE
26 MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL CREDIT CERTIFICATE FOR THE
27 PROJECT FROM THE RESERVE FUND TO THE GENERAL FUND.

28 (III) 1. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE TRUST
29 SHALL NOTIFY THE COMPTROLLER AS TO THE MAXIMUM CREDIT AMOUNT STATED
30 IN THE INITIAL CREDIT CERTIFICATE FOR EACH COMMERCIAL REHABILITATION FOR
31 WHICH THE INITIAL CREDIT CERTIFICATE HAS EXPIRED UNDER SUBSECTION (C)(3)
32 OF THIS SECTION AS OF THE END OF THE PRIOR FISCAL YEAR.

33 2. ON NOTIFICATION THAT THE INITIAL CREDIT
34 CERTIFICATE FOR A PROJECT HAS EXPIRED UNDER SUBSECTION (C)(3) OF THIS
35 SECTION, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE
36 MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL CREDIT CERTIFICATE FOR THE
37 PROJECT FROM THE RESERVE FUND TO THE GENERAL FUND.

38 (E) DISQUALIFYING WORK.

1 (1) IN THIS SUBSECTION, "DISQUALIFYING WORK" MEANS WORK THAT:

2 (I) IS PERFORMED ON A CERTIFIED HERITAGE STRUCTURE FOR
3 WHICH A REHABILITATION HAS BEEN CERTIFIED UNDER THIS SECTION; AND

4 (II) IF PERFORMED AS PART OF THE REHABILITATION CERTIFIED
5 UNDER THIS SECTION, WOULD HAVE MADE THE REHABILITATION INELIGIBLE FOR
6 CERTIFICATION.

7 (2) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE
8 RECAPTURED AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION IF, DURING THE
9 TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED OR ANY OF
10 THE 4 TAXABLE YEARS SUCCEEDING THE TAXABLE YEAR IN WHICH THE CERTIFIED
11 REHABILITATION IS COMPLETED, ANY DISQUALIFYING WORK IS PERFORMED ON THE
12 CERTIFIED HERITAGE STRUCTURE FOR WHICH THE CERTIFIED REHABILITATION
13 HAS BEEN COMPLETED.

14 (3) (I) 1. IF THE DISQUALIFYING WORK IS PERFORMED DURING
15 THE TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION WAS COMPLETED,
16 100% OF THE CREDIT SHALL BE RECAPTURED.

17 2. IF THE DISQUALIFYING WORK IS PERFORMED DURING
18 THE FIRST FULL YEAR SUCCEEDING THE TAXABLE YEAR IN WHICH THE CERTIFIED
19 REHABILITATION WAS COMPLETED, 80% OF THE CREDIT SHALL BE RECAPTURED.

20 3. IF THE DISQUALIFYING WORK IS PERFORMED DURING
21 THE SECOND FULL YEAR SUCCEEDING THE TAXABLE YEAR IN WHICH THE
22 CERTIFIED REHABILITATION WAS COMPLETED, 60% OF THE CREDIT SHALL BE
23 RECAPTURED.

24 4. IF THE DISQUALIFYING WORK IS PERFORMED DURING
25 THE THIRD FULL YEAR SUCCEEDING THE TAXABLE YEAR IN WHICH THE CERTIFIED
26 REHABILITATION WAS COMPLETED, 40% OF THE CREDIT SHALL BE RECAPTURED.

27 5. IF THE DISQUALIFYING WORK IS PERFORMED DURING
28 THE FOURTH FULL YEAR SUCCEEDING THE TAXABLE YEAR IN WHICH THE
29 CERTIFIED REHABILITATION WAS COMPLETED, 20% OF THE CREDIT SHALL BE
30 RECAPTURED.

31 (II) THE INDIVIDUAL OR BUSINESS ENTITY THAT CLAIMED THE
32 TAX CREDIT SHALL PAY THE AMOUNT TO BE RECAPTURED AS DETERMINED UNDER
33 SUBPARAGRAPH (I) OF THIS PARAGRAPH AS TAXES PAYABLE TO THE STATE FOR THE
34 TAXABLE YEAR IN WHICH THE DISQUALIFYING WORK IS PERFORMED.

35 (F) AUTHORITY OF COMPTROLLER.

36 (1) THE COMPTROLLER MAY DETERMINE, UNDER THE PROCESS FOR
37 RETURN EXAMINATION AND AUDIT UNDER §§ 13-301 AND 13-302 OF THE TAX -
38 GENERAL ARTICLE:

1 (I) THE AMOUNT OF REHABILITATION EXPENDITURES USED IN
2 CALCULATING THE CREDIT;

3 (II) WHETHER SUCH EXPENDITURES ARE QUALIFIED
4 REHABILITATION EXPENDITURES UNDER THIS SECTION; AND

5 (III) WHETHER THE CREDIT IS ALLOWABLE AS CLAIMED.

6 (2) THE AUTHORITY OF THE COMPTROLLER TO EXAMINE AND AUDIT A
7 TAX RETURN DOES NOT LIMIT THE AUTHORITY OF THE DIRECTOR TO DETERMINE
8 WHETHER A REHABILITATION QUALIFIES AS A CERTIFIED REHABILITATION OR
9 WHETHER A CERTIFICATE OF CERTIFIED REHABILITATION HAS BEEN PROPERLY
10 ISSUED.

11 (3) THE COMPTROLLER MAY ADOPT REGULATIONS TO REQUIRE THAT
12 AN ENTITY OTHER THAN A CORPORATION CLAIM THE TAX CREDIT ON THE TAX
13 RETURN FILED BY THAT ENTITY.

14 (4) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, THE
15 CREDIT UNDER THIS SECTION MAY BE CLAIMED FOR THE YEAR A CERTIFIED
16 REHABILITATION IS COMPLETED, ONLY IF THE DIRECTOR HAS, BY THE TIME THE
17 RETURN IS FILED, ISSUED A CERTIFICATE OF COMPLETION FOR THE CERTIFIED
18 REHABILITATION.

19 (II) A TAXPAYER CLAIMING THE CREDIT MAY AMEND A RETURN
20 FOR THE YEAR THE CERTIFIED REHABILITATION WAS COMPLETED TO ACCOUNT FOR
21 A CERTIFICATE ISSUED SUBSEQUENT TO THE FILING OF THE ORIGINAL RETURN.

22 (III) AN AMENDED RETURN SHALL BE FILED WITHIN THE PERIOD
23 ALLOWED UNDER THE TAX - GENERAL ARTICLE FOR FILING REFUND CLAIMS.

24 (IV) THE PROVISIONS OF THIS PARAGRAPH DO NOT EXTEND THE
25 PERIOD IN WHICH A CERTIFIED REHABILITATION MUST BE COMPLETED TO BE
26 ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION.

27 (V) AN AMENDED RETURN MAY ACCOUNT FOR AN AMENDED
28 CERTIFICATION ISSUED BY THE DIRECTOR FOR A CERTIFIED REHABILITATION.

29 (G) REFUNDS.

30 A REFUND PAYABLE UNDER SUBSECTION (C) OF THIS SECTION:

31 (1) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM
32 CORPORATIONS IF THE PERSON ENTITLED TO THE REFUND IS A CORPORATION
33 SUBJECT TO THE INCOME TAX UNDER TITLE 10 OF THE TAX - GENERAL ARTICLE;

34 (2) OPERATES TO REDUCE INSURANCE PREMIUM TAX REVENUES IF THE
35 PERSON ENTITLED TO THE REFUND IS SUBJECT TO TAXATION UNDER TITLE 6 OF
36 THE INSURANCE ARTICLE; AND

1 (3) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM
2 INDIVIDUALS IF THE PERSON ENTITLED TO THE REFUND IS:

3 (I) AN INDIVIDUAL SUBJECT TO THE INCOME TAX UNDER TITLE 10
4 OF THE TAX - GENERAL ARTICLE; OR

5 (II) AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3)
6 OF THE INTERNAL REVENUE CODE.

7 (H) ANNUAL REPORT.

8 (1) ON OR BEFORE DECEMBER 15 OF EACH FISCAL YEAR, THE DIRECTOR
9 SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE
10 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON:

11 (I) THE INITIAL CREDIT CERTIFICATES AWARDED FOR
12 COMMERCIAL REHABILITATIONS UNDER THIS SECTION FOR THAT FISCAL YEAR; AND

13 (II) THE TAX CREDITS AWARDED FOR CERTIFIED
14 REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR.

15 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
16 SUBSECTION SHALL INCLUDE FOR EACH INITIAL CREDIT CERTIFICATE AWARDED
17 FOR THE FISCAL YEAR FOR A COMMERCIAL REHABILITATION:

18 (I) THE NAME OF THE OWNER OR DEVELOPER OF THE
19 COMMERCIAL REHABILITATION;

20 (II) THE NAME AND ADDRESS OF THE PROPOSED OR CERTIFIED
21 REHABILITATION AND THE COUNTY WHERE THE PROJECT IS LOCATED;

22 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
23 ALL APPLICATIONS REGARDING THE PROJECT, INCLUDING APPLICATIONS:

24 1. FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY
25 WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE; AND

26 2. FOR APPROVAL OF THE PROPOSED REHABILITATION; AND

27 (IV) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE
28 INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED
29 REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL OF
30 THE PLAN OF PROPOSED REHABILITATION.

31 (3) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
32 SUBSECTION SHALL INCLUDE FOR EACH CERTIFIED COMMERCIAL REHABILITATION
33 COMPLETED DURING THE PRECEDING FISCAL YEAR:

34 (I) THE NAME OF THE OWNER OR DEVELOPER OF THE
35 COMMERCIAL REHABILITATION;

1 (II) THE NAME AND ADDRESS OF THE CERTIFIED REHABILITATION
2 AND THE COUNTY WHERE THE PROJECT IS LOCATED;

3 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
4 ALL APPLICATIONS REGARDING THE PROJECT; AND

5 (IV) 1. THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE
6 INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED
7 REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL OF
8 THE PLAN OF PROPOSED REHABILITATION; AND

9 2. THE ACTUAL QUALIFIED REHABILITATION
10 EXPENDITURES AND THE FINAL AMOUNT OF THE CREDIT FOR WHICH THE PROJECT
11 QUALIFIED.

12 (4) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
13 SUBSECTION SHALL SUMMARIZE FOR EACH CATEGORY OF CERTIFIED
14 REHABILITATIONS:

15 (I) THE TOTAL NUMBER OF APPLICANTS FOR:

16 1. CERTIFICATION THAT A STRUCTURE OR PROPERTY WILL
17 QUALIFY AS A CERTIFIED HERITAGE STRUCTURE;

18 2. APPROVAL OF PLANS OF PROPOSED REHABILITATIONS;
19 OR

20 3. CERTIFICATION OF THE COMPLETED REHABILITATIONS;

21 (II) THE NUMBER OF PROPOSED PROJECTS FOR WHICH PLANS OF
22 PROPOSED REHABILITATION WERE APPROVED; AND

23 (III) THE TOTAL ESTIMATED REHABILITATION EXPENDITURES
24 STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED
25 REHABILITATION AND THE TOTAL QUALIFIED REHABILITATION EXPENDITURES FOR
26 COMPLETED REHABILITATIONS CERTIFIED.

27 (5) THE INFORMATION REQUIRED UNDER PARAGRAPH (4) OF THIS
28 SUBSECTION SHALL BE PROVIDED IN THE AGGREGATE AND SEPARATELY FOR EACH
29 OF THE FOLLOWING CATEGORIES OF CERTIFIED REHABILITATIONS:

30 (I) OWNER-OCCUPIED SINGLE FAMILY RESIDENTIAL
31 STRUCTURES; AND

32 (II) COMMERCIAL REHABILITATIONS.

33 (I) TERMINATION; EFFECT.

34 (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE
35 PROVISIONS OF THIS SECTION AND THE TAX CREDIT AUTHORIZED UNDER THIS
36 SECTION SHALL TERMINATE AS OF JULY 1, 2008.

1 (2) ON AND AFTER JULY 1, 2008:

2 (I) THE TAX CREDIT AUTHORIZED UNDER THIS SECTION MAY BE
3 CLAIMED FOR:

4 1. A REHABILITATION PROJECT, OTHER THAN A
5 COMMERCIAL REHABILITATION, FOR WHICH AN APPLICATION FOR APPROVAL OF A
6 PLAN OF PROPOSED REHABILITATION WAS RECEIVED BY THE DIRECTOR ON OR
7 BEFORE JUNE 30, 2008; OR

8 2. A COMMERCIAL REHABILITATION FOR WHICH AN INITIAL
9 CREDIT CERTIFICATE HAS BEEN AWARDED UNDER SUBSECTION (D) OF THIS
10 SECTION; AND

11 (II) THE DIRECTOR SHALL CONTINUE TO REPORT TO THE
12 GOVERNOR AND THE GENERAL ASSEMBLY AS REQUIRED UNDER SUBSECTION (H) OF
13 THIS SECTION FOR AS LONG AS ANY REHABILITATION PROJECT FOR WHICH THE TAX
14 CREDIT MAY BE CLAIMED REMAINS INCOMPLETE.

15 REVISOR'S NOTE: This section formerly was Art. 83B, § 5-801.

16 No changes are made.

17 Defined terms: "County" § 1-101

18 "Financial assistance" § 1-101

19 "Person" § 1-101

20 "Political subdivision" § 1-101

21 "Trust" § 5-401

22 5-404. BOARD OF PUBLIC WORKS -- ACQUISITION OF HISTORIC LANDMARKS.

23 (A) IN GENERAL.

24 (1) ON REQUEST BY THE TRUST, THE BOARD OF PUBLIC WORKS MAY
25 ACQUIRE PART OR ALL OF ANY PROPERTY THAT THE TRUST FINDS IS A HISTORIC
26 LANDMARK WORTHY OF PUBLIC CARE AND PRESERVATION.

27 (2) THE PROPERTY MAY BE ACQUIRED BY GIFT OR BY PURCHASE WITH
28 ANY AVAILABLE MONEY.

29 (B) TRUST TO CONTROL AND ADMINISTER PROPERTY.

30 (1) UNDER § 5-418 OF THIS SUBTITLE, THE BOARD OF PUBLIC WORKS
31 MAY SELECT THE TRUST AS THE STATE UNIT TO CONTROL AND ADMINISTER ANY
32 PROPERTY ACQUIRED.

33 (2) FOR THESE PURPOSES THE BOARD OF PUBLIC WORKS MAY
34 TRANSFER TITLE TO OR AN INTEREST IN THE PROPERTY TO THE TRUST OR TO AN
35 APPROPRIATE GOVERNMENTAL UNIT, PRIVATE AGENCY, OR CORPORATION, SUBJECT
36 TO COVENANTS AND CONDITIONS THAT CALL FOR THE PROPERTY TO:

1 (I) BE PROPERLY MAINTAINED AND CONTROLLED; AND

2 (II) REVERT TO THE BOARD OF PUBLIC WORKS ON BREACH OF ANY
3 OF THESE CONDITIONS OR COVENANTS.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 78A, § 14B.

6 Throughout this section, former references to "premises" are deleted in
7 light of the references to "property".

8 Defined terms: "Governmental unit" § 1-101

9 "Preservation" § 5-401

10 "Trust" § 5-401

11 5-405. SAME -- ARCHITECTURAL EASEMENTS IN ANNAPOLIS.

12 (A) IN GENERAL.

13 (1) TO PRESERVE THE ARCHITECTURAL AND SCENIC INTEGRITY AND
14 BEAUTY OF THE STATE HOUSE AND OTHER NEARBY REAL PROPERTIES OWNED OR
15 USED BY THE STATE OR A STATE UNIT, THE BOARD OF PUBLIC WORKS MAY ACQUIRE
16 ARCHITECTURAL EASEMENTS IN THE FOLLOWING AREAS IN THE CITY OF
17 ANNAPOLIS:

18 (I) AROUND STATE CIRCLE;

19 (II) ON SCHOOL STREET OPPOSITE THE EXECUTIVE MANSION; AND

20 (III) ON THE EASTERLY SIDE OF NORTH STREET, BETWEEN STATE
21 CIRCLE AND COLLEGE AVENUE.

22 (2) THE AREAS LISTED IN PARAGRAPH (1) OF THIS SUBSECTION
23 INCLUDE:

24 (I) THE BED OF THE STREET AND OUTER SIDEWALK AREAS TO THE
25 BUILDING LINE ON THE OUTER PERIMETER; AND

26 (II) AN AREA EXTENDING OUTWARD 50 FEET FROM THAT BUILDING
27 LINE.

28 (B) METHODS OF ACQUISITION.

29 THE BOARD OF PUBLIC WORKS MAY ACQUIRE ARCHITECTURAL EASEMENTS BY
30 PURCHASE, GIFT, EXCHANGE, OR CONDEMNATION UNDER TITLE 12 OF THE REAL
31 PROPERTY ARTICLE, WITH ANY AVAILABLE MONEY.

32 (C) POWERS OF BOARD OF PUBLIC WORKS.

33 THE BOARD OF PUBLIC WORKS MAY:

1 (1) AGREE OR CONTRACT WITH THE OWNER OR USER OF REAL
2 PROPERTY IN THE SPECIFIED AREA TO PROHIBIT THE OWNER OR USER FROM
3 MAKING ANY STRUCTURAL OR OTHER PHYSICAL CHANGE IN THE PROPERTY THAT
4 THE BOARD OF PUBLIC WORKS DETERMINES WOULD HARM THE ARCHITECTURAL
5 AND SCENIC INTEGRITY AND BEAUTY OF THE PROPERTY AND THE SPECIFIED AREA;
6 AND

7 (2) GIVE THE OWNER OR USER CASH OR OTHER CONSIDERATION,
8 INCLUDING A PROMISE NOT TO ACQUIRE AN ARCHITECTURAL EASEMENT BY
9 CONDEMNATION OVER PART OR ALL OF THE PROPERTY WHILE THE OWNER OR USER
10 COMPLIES WITH THE AGREEMENT OR CONTRACT.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 78A, § 14C.

13 In subsection (a)(1)(i) of this section, the former phrase "surrounding the
14 State House" is deleted in light of the phrase "[a]round State Circle".

15 Defined term: "State unit" § 5-401

16 5-406. EFFECT OF SUBTITLE.

17 THIS SUBTITLE DOES NOT ABROGATE OR SUPPLANT ANY POWER OF THE STATE
18 HIGHWAY ADMINISTRATION.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from the second sentence of former Art. 83B, § 5-620(b).

21 5-407. RESERVED.

22 5-408. RESERVED.

23 PART II. ESTABLISHMENT AND ORGANIZATION.

24 5-409. DEFINITIONS.

25 (A) IN GENERAL.

26 IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

27 REVISOR'S NOTE: This subsection is new language added as the standard
28 introductory language to a definition section.

29 (B) BOARD.

30 "BOARD" MEANS THE BOARD OF TRUSTEES OF THE MARYLAND HISTORICAL
31 TRUST.

32 REVISOR'S NOTE: This subsection is new language added to provide a concise
33 reference to the Board of Trustees of the Maryland Historical Trust.

1 (C) TRUSTEE.

2 "TRUSTEE" MEANS A MEMBER OF THE BOARD.

3 REVISOR'S NOTE: This subsection is new language added to provide a concise
4 reference to a trustee of the Board of Trustees of the Maryland Historical
5 Trust.

6 5-410. MARYLAND HISTORICAL TRUST -- IN GENERAL.

7 (A) ESTABLISHED.

8 THERE IS A MARYLAND HISTORICAL TRUST.

9 (B) STATUS.

10 (1) THE TRUST IS AN INSTRUMENTALITY OF THE STATE, IS A BODY
11 CORPORATE, AND HAS PERPETUAL EXISTENCE.

12 (2) THE GENERAL ASSEMBLY MAY TERMINATE THE TRUST IF THE
13 PURPOSES OF THE TRUST END.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from the second sentence of former Art. 83B, § 5-604, except as it
16 referred to modification by the General Assembly, and, as it related to the
17 establishment of the Trust, § 5-603.

18 In subsection (a) of this section, the former phrase "as part of the
19 Department" is deleted in light of § 2-201 of this article.

20 Defined terms: "Department" § 1-101

21 "Trust" § 5-401

22 5-411. PURPOSES OF TRUST.

23 (A) IN GENERAL.

24 THE PURPOSES OF THE TRUST ARE TO:

25 (1) PRESERVE, PROTECT, AND ENHANCE DISTRICTS, SITES, BUILDINGS,
26 STRUCTURES, AND OBJECTS OF SIGNIFICANCE IN THE PREHISTORY, HISTORY,
27 UPLAND AND UNDERWATER ARCHEOLOGY, ARCHITECTURE, ENGINEERING, AND
28 CULTURE OF THE STATE;

29 (2) ENCOURAGE OTHERS TO DO THE SAME; AND

30 (3) PROMOTE INTEREST IN AND STUDY OF THOSE THINGS LISTED IN
31 ITEM (1) OF THIS SUBSECTION.

32 (B) NATURE OF TRUST.

1 THE TRUST IS CHARITABLE AND IS INTENDED TO BENEFIT THE RESIDENTS OF
2 THE STATE.

3 (C) MODIFICATION OF TRUST.

4 THE GENERAL ASSEMBLY MAY MODIFY THE TRUST TO CARRY OUT THE
5 PURPOSES OF THE TRUST.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from the first sentence of former Art. 83B, § 5-604, the second
8 sentence of former Art. 83B, § 5-604, as it related to modification by the
9 General Assembly, and, as it related to the purpose of the Trust, § 5-603.

10 In subsection (b) of this section, the reference to "residents" of the State is
11 substituted for the former reference to "citizens" of the State to conform to
12 the terminology used throughout this article. *See* General Revisor's Note to
13 article.

14 Defined term: "Trust" § 5-401

15 5-412. BOARD ESTABLISHED.

16 THERE IS A BOARD OF TRUSTEES OF THE TRUST.

17 REVISOR'S NOTE: This section is new language added to state expressly what
18 was formerly only implied - that the Board of Trustees exists.

19 Defined term: "Trust" § 5-401

20 5-413. MEMBERSHIP.

21 (A) COMPOSITION; APPOINTMENT.

22 (1) THE BOARD CONSISTS OF 15 TRUSTEES.

23 (2) THE GOVERNOR, THE PRESIDENT OF THE SENATE, AND THE
24 SPEAKER OF THE HOUSE OF DELEGATES ARE EX OFFICIO TRUSTEES.

25 (3) WITH THE ADVICE AND CONSENT OF THE SENATE, THE GOVERNOR
26 SHALL APPOINT THE OTHER 12 TRUSTEES.

27 (B) DELEGATION OF POWERS OR DUTIES.

28 (1) THE GOVERNOR MAY DELEGATE ANY OR ALL OF THE GOVERNOR'S
29 POWERS OR DUTIES AS TRUSTEE TO A MEMBER OF THE EXECUTIVE DEPARTMENT OF
30 THE STATE.

31 (2) THE PRESIDENT OF THE SENATE MAY DELEGATE ANY OR ALL OF
32 THE PRESIDENT'S POWERS OR DUTIES AS TRUSTEE TO A MEMBER OF THE SENATE.

1 (3) THE SPEAKER OF THE HOUSE OF DELEGATES MAY DELEGATE ANY
2 OR ALL OF THE SPEAKER'S POWERS OR DUTIES AS TRUSTEE TO A MEMBER OF THE
3 HOUSE OF DELEGATES.

4 (C) QUALIFICATION.

5 (1) AT LEAST TWO OF THE TRUSTEES APPOINTED BY THE GOVERNOR
6 SHALL HAVE:

7 (I) AN ADVANCED DEGREE IN ARCHAEOLOGY OR A CLOSELY
8 RELATED FIELD; AND

9 (II) EXPERIENCE IN ARCHAEOLOGY.

10 (2) OF THE TRUSTEES WHO QUALIFY UNDER PARAGRAPH (1) OF THIS
11 SUBSECTION:

12 (I) AT LEAST ONE SHALL HAVE EXPERIENCE IN SUBMERGED
13 ARCHAEOLOGY; AND

14 (II) AT LEAST ONE SHALL HAVE EXPERIENCE IN TERRESTRIAL
15 ARCHAEOLOGY.

16 (3) THE SECRETARY SHALL ADVISE THE GOVERNOR ON THE
17 APPOINTMENT OF TRUSTEES QUALIFIED UNDER PARAGRAPH (1) OF THIS
18 SUBSECTION AFTER CONSULTING WITH THE ADVISORY COMMITTEE ON
19 ARCHAEOLOGY ESTABLISHED UNDER § 5-436 OF THIS SUBTITLE.

20 (D) TENURE; VACANCIES.

21 (1) THE TERM OF AN APPOINTED TRUSTEE IS 4 YEARS.

22 (2) THE TERMS OF APPOINTED TRUSTEES ARE STAGGERED AS
23 REQUIRED BY THE TERMS PROVIDED FOR TRUSTEES ON OCTOBER 1, 2005.

24 (3) IF AN APPOINTED TRUSTEE FAILS TO SERVE OR TO COMPLETE A
25 TERM, THE GOVERNOR SHALL APPOINT A SUCCESSOR FOR THE REST OF THE TERM.

26 (E) GEOGRAPHIC DISTRIBUTION OF TRUSTEES.

27 TO THE EXTENT PRACTICABLE AND CONSISTENT WITH THE PURPOSES OF THE
28 TRUST, TRUSTEES SHALL BE CHOSEN, WHETHER BY DELEGATION OR APPOINTMENT,
29 TO ACHIEVE A BROAD GEOGRAPHIC DISTRIBUTION OF TRUSTEES THROUGHOUT THE
30 STATE.

31 REVISOR'S NOTE: Subsection (a)(1) of this section is new language added to
32 state explicitly what was only implied in the former law - that the Board
33 consists of 15 members.

34 Subsections (a)(2) through (e) of this section are new language derived
35 without substantive change from former Art. 83B, §§ 5-624(e) and the

1 second through tenth sentences of 5-605.

2 In subsection (a)(1) of this section, the defined term "Board" is added for
3 clarity.

4 In subsection (a) of this section, the former reference to the Governor,
5 President, and Speaker having "the same powers and duties as the other
6 trustees as hereafter set forth" is deleted as surplusage.

7 In subsection (b) of this section, the references to the "Governor,"
8 "President of the Senate," and "Speaker of the House of Delegates" are
9 substituted for the former reference to "[t]he three ex officio trustees" for
10 clarity.

11 In subsection (d)(2) of this section, the reference to terms being staggered
12 as required by the terms provided for trustees on "October 1, 2005" is
13 substituted for the former obsolete reference to terms being staggered as
14 required by the terms provided on "July 1, 1985". This substitution is not
15 intended to alter the terms of any trustee. *See* § ____ of Ch. ____, Acts of
16 2005. The terms of the trustees serving on October 1, 2005, end as follows:
17 (1) three on June 30, 2006; (2) three on June 30, 2007; (3) three on June 30,
18 2008; and (4) three on June 30, 2009.

19 In subsection (d)(3) of this section, the former phrase "for any reason" is
20 deleted as surplusage.

21 Also in subsection (d)(3) of this section, the former reference to a trustee
22 being "elected" is deleted as obsolete in light of Ch. 500, Acts of 1985, which
23 abolished the practice of electing trustees by majority vote of a quorum of
24 sitting trustees.

25 In subsection (e) of this section, the former reference to "the advice and
26 consent of the Senate" is deleted as unnecessary in light of subsection
27 (a)(3) of this section to the same effect.

28 Also in subsection (e) of this section, the phrase "[t]o the extent" is
29 substituted for the former phrase "insofar as is" for clarity.

30 Defined terms: "Board" § 5-409

31 "Secretary" § 1-101

32 "Submerged" § 5-401

33 "Terrestrial" § 5-401

34 "Trust" § 5-401

35 "Trustee" § 5-409

36 5-414. OFFICERS.

37 (A) IN GENERAL.

1 THE BOARD SHALL ELECT ANNUALLY A CHAIR, A VICE CHAIR, AND A
2 TREASURER FROM AMONG ITS TRUSTEES.

3 (B) METHOD OF ELECTING OFFICERS.

4 THE BOARD SHALL DETERMINE HOW ITS OFFICERS ARE TO BE ELECTED.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from the first two sentences of former Art. 83B, § 5-608.

7 In subsection (a) of this section, the references to a "chair" and a "vice
8 chair" are substituted for the former references to a "chairman" and a "vice
9 chairman" because SG § 2-1238 requires the use of words that are neutral
10 as to gender to the extent practicable. *See* General Revisor's Note to
11 article.

12 Defined terms: "Board" § 5-409

13 "Trustee" § 5-409

14 5-415. QUORUM; MEETINGS; COMPENSATION.

15 (A) QUORUM.

16 EIGHT TRUSTEES ARE A QUORUM.

17 (B) MEETINGS.

18 (1) THE BOARD SHALL MEET AT LEAST TWICE A YEAR AT THE TIMES
19 AND PLACES THAT IT SETS.

20 (2) THE DIRECTOR APPOINTED UNDER § 5-416 OF THIS SUBTITLE SHALL
21 CALL A SPECIAL MEETING:

22 (I) ON ORDER OF THE CHAIR, ON THE CHAIR'S OWN INITIATIVE; OR

23 (II) AT THE REQUEST OF FOUR OR MORE TRUSTEES.

24 (3) (I) THE DIRECTOR SHALL NOTIFY EACH TRUSTEE IN WRITING OF
25 THE TIME AND PLACE OF A MEETING AT LEAST 7 DAYS BEFORE THE MEETING.

26 (II) THE TRUSTEES MAY HOLD A MEETING ON LESS THAN 7 DAYS'
27 NOTICE IF ALL TRUSTEES AGREE.

28 (C) COMPENSATION.

29 A TRUSTEE:

30 (1) MAY NOT RECEIVE COMPENSATION FOR DUTIES PERFORMED AS A
31 TRUSTEE; BUT

1 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
2 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, §§ 5-606 and, as it related to meetings,
5 quorum, and compensation, 5-608.

6 In subsection (b)(2)(i) of this section, the references to the "chair" and the
7 "chair's" initiative are substituted for the former references to the
8 "chairman" and "chairman's" initiative because SG § 2-1238 requires the
9 use of words that are neutral as to gender to the extent practicable. *See*
10 General Revisor's Note to article.

11 In subsection (c)(2) of this section, the former reference to expenses
12 "incurred while actually engaged in the performance of their [trustees']
13 duties" is deleted as implicit in the reference to expenses "under the
14 Standard State Travel Regulations".

15 Defined terms: "Board" § 5-409

16 "Director" § 5-401

17 "Trustee" § 5-409

18 5-416. DIRECTOR.

19 (A) APPOINTMENT; OFFICE.

20 (1) THE TRUSTEES SHALL APPOINT A DIRECTOR, WITH THE APPROVAL
21 OF THE GOVERNOR.

22 (2) THE DIRECTOR IS THE CHIEF ADMINISTRATIVE OFFICER OF THE
23 TRUST.

24 (B) QUALIFICATIONS.

25 THE DIRECTOR SHALL HAVE:

26 (1) KNOWLEDGE IN ARCHITECTURE, HISTORY, ARCHEOLOGY, OR
27 ANOTHER APPROPRIATE DISCIPLINE RELATING TO HISTORIC PRESERVATION; AND

28 (2) EXPERIENCE IN HISTORIC PRESERVATION OR RELATED FIELDS.

29 (C) TENURE.

30 THE DIRECTOR SERVES AT THE PLEASURE OF THE BOARD AND MAY BE
31 REMOVED WITH THE CONCURRENCE OF THE GOVERNOR.

32 (D) SALARY; STAFF.

33 (1) THE DIRECTOR IS ENTITLED TO THE SALARY PROVIDED IN THE
34 STATE BUDGET.

1 (2) THE DIRECTOR MAY EMPLOY A STAFF IN ACCORDANCE WITH THE
2 STATE BUDGET.

3 (E) CLASSIFICATION OF SERVICE.

4 EACH POSITION WITH THE TRUST IS A SPECIAL APPOINTMENT IN THE STATE
5 PERSONNEL MANAGEMENT SYSTEM.

6 (F) DUTIES AND FUNCTIONS.

7 UNDER THE DIRECTION OF THE BOARD, THE DIRECTOR SHALL PERFORM THE
8 DUTIES AND FUNCTIONS THAT THE BOARD PRESCRIBES.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 5-609.

11 Defined terms: "Board" § 5-409

12 "Director" § 5-401

13 "Trust" § 5-401

14 "Trustee" § 5-409

15 5-417. LEGAL COUNSEL.

16 ON REQUEST, THE BOARD SHALL RECEIVE LEGAL COUNSEL AND SERVICES
17 FROM THE ATTORNEY GENERAL TO CARRY OUT THE PURPOSES OF THE TRUST.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 5-610.

20 Defined terms: "Board" § 5-409

21 "Trust" § 5-401

22 5-418. POWERS AND DUTIES.

23 (A) IN GENERAL.

24 THE BOARD SHALL EXERCISE THE POWERS AND DUTIES OF THE TRUST.

25 (B) POWERS.

26 THE TRUST MAY:

27 (1) ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE;

28 (2) TAKE LEGAL ACTION TO ENFORCE THIS SUBTITLE;

29 (3) ADOPT AND USE AN OFFICIAL SEAL;

30 (4) CONTRACT FOR CONSULTANT OR OTHER SERVICES;

1 (5) APPLY FOR AND ACCEPT MONEY, GRANTS, OR LOANS FROM
2 FEDERAL, STATE, LOCAL, OR PRIVATE SOURCES;

3 (6) AGREE WITH A PROSPECTIVE MORTGAGOR OR GRANTEE TO PROVIDE
4 FINANCIAL ASSISTANCE TO A HISTORIC PRESERVATION PROJECT;

5 (7) ACQUIRE AND HOLD REAL AND PERSONAL HISTORIC PROPERTY BY
6 GIFT, PURCHASE, DEVISE, BEQUEST, OR ANY OTHER MEANS;

7 (8) ACQUIRE OR TAKE ASSIGNMENT OF A NOTE, MORTGAGE, OR OTHER
8 SECURITY OR EVIDENCE OF INDEBTEDNESS;

9 (9) ACQUIRE, ATTACH, ACCEPT, OR TAKE TITLE TO AN HISTORIC
10 PROPERTY BY CONVEYANCE OR, IF A MORTGAGE IS IN DEFAULT, BY FORECLOSURE;

11 (10) SELL, CONVEY, ASSIGN, LEASE, OR OTHERWISE TRANSFER OR
12 DISPOSE OF ANY PROPERTY HELD BY THE TRUST;

13 (11) MAKE CONTRACTS, LEASES, OR OTHER AGREEMENTS NECESSARY OR
14 INCIDENTAL TO THE PERFORMANCE OF THE DUTIES OF THE TRUST;

15 (12) PRESERVE, RESTORE, REHABILITATE, RECONSTRUCT, PROTECT,
16 DOCUMENT, EXCAVATE, SALVAGE, EXHIBIT, AND INTERPRET HISTORIC PROPERTIES;

17 (13) ACCEPT A GIFT OR BEQUEST FOR ANY PURPOSE OF THE TRUST AND,
18 UNLESS THE DONOR SPECIFIES OTHERWISE, USE THE PRINCIPAL AND INCOME OF
19 THE GIFT OR BEQUEST BY:

20 (I) SPENDING ALL OR PART OF THEM TO FURTHER THE TRUST; OR

21 (II) INVESTING THEM, WITH THE CONSENT OF THE STATE
22 TREASURER, IN GENERAL OBLIGATIONS OF THE STATE OR OTHER SECURITIES;

23 (14) APPLY TO TRUST PURPOSES ANY MONEY, ASSET, PROPERTY, OR
24 OTHER THING OF VALUE THE TRUST RECEIVES INCIDENT TO ITS OPERATION; OR

25 (15) DELEGATE ANY OF THE POWERS OF THE TRUST TO ONE OR MORE
26 TRUSTEES OR THE DIRECTOR.

27 (C) DUTIES.

28 THE TRUST SHALL:

29 (1) DIRECT AND CONDUCT A COMPREHENSIVE STATEWIDE SURVEY OF
30 HISTORIC PROPERTIES IN COOPERATION WITH:

31 (I) UNITS OF THE FEDERAL GOVERNMENT;

32 (II) STATE UNITS, INCLUDING THE DEPARTMENT OF NATURAL
33 RESOURCES;

- 1 (III) POLITICAL SUBDIVISIONS;
- 2 (IV) PRIVATE ORGANIZATIONS; AND
- 3 (V) INDIVIDUALS;
- 4 (2) MAINTAIN AN INVENTORY AND REGISTER OF HISTORIC PROPERTIES;
- 5 (3) DOCUMENT, RESEARCH, RECORD, AND EVALUATE THE
6 SIGNIFICANCE OF HISTORIC PROPERTIES;
- 7 (4) PREPARE AND IMPLEMENT COMPREHENSIVE STATEWIDE AND
8 REGIONAL HISTORIC PRESERVATION PLANS;
- 9 (5) HELP POLITICAL SUBDIVISIONS TO DEVELOP LOCAL HISTORIC
10 PRESERVATION PLANS AND PROGRAMS;
- 11 (6) CARRY OUT PROGRAMS AND ACTIVITIES TO PROTECT, PRESERVE,
12 AND ENCOURAGE THE PRESERVATION OF HISTORIC PROPERTIES;
- 13 (7) PRESERVE AND ADMINISTER HISTORIC PROPERTIES HELD BY THE
14 TRUST;
- 15 (8) COOPERATE WITH UNITS OF FEDERAL GOVERNMENT, STATE UNITS,
16 POLITICAL SUBDIVISIONS, AND PRIVATE ENTITIES TO ENSURE THAT HISTORIC
17 PROPERTIES ARE CONSIDERED AT ALL LEVELS OF PLANNING AND DEVELOPMENT;
- 18 (9) REVIEW THE POLICIES AND PROGRAMS OF EACH STATE UNIT THAT
19 AFFECT HISTORIC PROPERTIES, AND RECOMMEND WAYS TO IMPROVE THE
20 EFFECTIVENESS AND COORDINATION OF THESE POLICIES AND PROGRAMS,
21 CONSISTENT WITH THIS SUBTITLE;
- 22 (10) ADMINISTER PROGRAMS OF FINANCIAL AND TECHNICAL
23 ASSISTANCE FOR HISTORIC PRESERVATION PROJECTS;
- 24 (11) MAKE RECOMMENDATIONS ON THE CERTIFICATION AND
25 ELIGIBILITY OF HISTORIC PROPERTIES FOR TAX INCENTIVES AND OTHER PROGRAMS
26 OF PUBLIC ASSISTANCE;
- 27 (12) PROVIDE PUBLIC INFORMATION, EDUCATION, AND TRAINING
28 RELATING TO HISTORIC PRESERVATION;
- 29 (13) ENCOURAGE PUBLIC INTEREST AND PARTICIPATION IN HISTORIC
30 PRESERVATION;
- 31 (14) ADVISE AND ASSIST THE STATE HISTORIC PRESERVATION OFFICER
32 IN IMPLEMENTING THE STATE HISTORIC PRESERVATION OFFICER'S
33 RESPONSIBILITIES;
- 34 (15) ADVISE THE GOVERNOR AND THE GENERAL ASSEMBLY ON HISTORIC
35 PRESERVATION; AND

1 (16) SUBMIT ANNUALLY TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF
2 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY A REPORT OF THE
3 ACTIVITIES OF THE TRUST DURING THE PRECEDING YEAR AND ANY
4 RECOMMENDATIONS FOR ACTIONS APPROPRIATE TO FURTHER ITS PURPOSES.

5 (D) NONREVERSION OF MONEY.

6 INCOME AND FEES RECEIVED BY THE TRUST, INCLUDING FEES AUTHORIZED
7 UNDER THIS SUBTITLE AND INCOME FROM EDUCATIONAL AND OTHER
8 PRESERVATION MATERIALS, ACTIVITIES, AND SERVICES OF THE TRUST, ARE NOT
9 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (E) AUDIT.

11 MONEY MAINTAINED UNDER THIS SECTION IS SUBJECT TO AUDIT BY THE
12 STATE, INCLUDING THE LEGISLATIVE AUDITOR.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 5-607 and the first sentence of § 5-605.

15 In the introductory language of subsections (b) and (c) of this section, the
16 former phrase "[i]n addition to the powers set forth elsewhere in this
17 subtitle" is deleted as surplusage.

18 In subsection (b)(1) of this section, the former reference to "rules" is deleted
19 in light of the reference to "regulations". *See* General Revisor's Note to
20 article.

21 In the introductory language of subsection (b)(13) of this section, the word
22 "or" is substituted for the former word "and" to clarify that the Trust may
23 accept any of the listed items for the benefit of the Trust.

24 Also in the introductory language of subsection (b)(13) of this section, the
25 former reference to "legacy" is deleted in light of the references to
26 "bequest". Similarly, the former reference to "endowment" is deleted in
27 light of the reference to "gift or bequest".

28 In subsection (b)(14) of this section, the former reference to the "general"
29 purposes of the Trust is deleted as surplusage.

30 In subsection (c)(1)(ii) and (8) of this section, the defined term "State units"
31 is substituted for the former phrase "State agencies" for consistency.

32 In subsection (c)(1)(iii) of this section, the defined term "political
33 subdivision[s]" is substituted for the former reference to "local
34 governments" to conform to the terminology used throughout this article.

35 In subsection (c)(6) of this section, the former reference to historic
36 properties "in the State" is deleted as included in the defined term "historic
37 property".

1 In subsection (c)(10) of this section, the former word "necessary" is deleted
2 in light of the word "appropriate".

3 In subsection (d) of this section, the reference to income and fees that "are
4 not subject to § 7-302 of the State Finance and Procurement Article" is
5 standard language substituted for the former reference to the requirement
6 that "any income and fees received by the Trust that are unexpended at the
7 end of a fiscal year may not revert to the General Fund of the State, but
8 instead, shall be maintained as special funds available to the Trust for
9 carrying out the purposes of this subtitle".

10 Defined terms: "Director" § 5-401

11 "Financial assistance" § 5-401

12 "Historic property" § 5-401

13 "Political subdivision" § 1-101

14 "State Historic Preservation Officer" § 5-401

15 "State unit" § 5-401

16 "Trust" § 5-401

17 "Trustee" § 5-409

18 5-419. RESTRICTIONS ON PROPERTY TRANSFER, SALE, AND CONVEYANCE.

19 (A) TRANSFERS FROM THE STATE.

20 UNLESS THE BOARD OF PUBLIC WORKS APPROVES, THE TRUST MAY NOT
21 DISPOSE OF ANY PROPERTY TRANSFERRED TO IT BY THE STATE OR PURCHASED
22 WITH STATE MONEY.

23 (B) TRANSFER OF HISTORIC PROPERTY SOLELY FOR INVESTMENT
24 PROHIBITED.

25 THE TRUST MAY NOT SELL, CONVEY, ASSIGN, OR LEASE OUT ANY HISTORIC
26 PROPERTY SOLELY FOR INVESTMENT.

27 (C) TRANSACTIONS INVOLVING PROPERTIES ON OR ELIGIBLE FOR MARYLAND
28 REGISTER OF HISTORIC PROPERTIES.

29 BEFORE SELLING OR CONVEYING REAL OR PERSONAL PROPERTY LISTED IN OR
30 ELIGIBLE TO BE LISTED IN THE MARYLAND REGISTER OF HISTORIC PROPERTIES,
31 THE TRUST SHALL:

32 (1) ENSURE THAT THE PROPOSED SALE OR CONVEYANCE PROVIDES FOR
33 THE PRESERVATION OR ENHANCEMENT OF THE PROPERTY;

34 (2) GIVE PREFERENCE TO ACQUISITION PROPOSALS THAT:

35 (I) ARE MADE BY POLITICAL SUBDIVISIONS OR CAPABLE PRIVATE
36 NONPROFIT ORGANIZATIONS QUALIFYING UNDER § 501(C)(3) OF THE INTERNAL
37 REVENUE CODE;

1 (II) PROVIDE FOR USES MOST COMPATIBLE WITH THE HISTORIC OR
2 ARCHITECTURAL VALUE OF THE PROPERTY; AND

3 (III) PROVIDE THE GREATEST OPPORTUNITY FOR PUBLIC
4 INVOLVEMENT, PARTICIPATION, EDUCATION, AND ENJOYMENT; AND

5 (3) PROVIDE A 6-MONTH OPTION TO PURCHASE TO ENTITIES THAT:

6 (I) MEET THE REQUIREMENTS OF ITEM (2) OF THIS SUBSECTION;
7 AND

8 (II) PROPOSE TO PURCHASE AT THE STATE-ESTABLISHED
9 APPRAISED FAIR MARKET VALUE.

10 (D) REDEMPTION BY TENANT.

11 THE REVERSION UNDER A LEASE MADE BY THE TRUST MAY NOT BE REDEEMED
12 AT THE OPTION OF THE TENANT UNLESS THE LEASE EXPRESSLY PROVIDES THAT
13 THE REVERSION MAY BE REDEEMED AT THE OPTION OF THE TENANT.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 5-611.

16 In subsection (c)(1) of this section, the reference to a "sale or conveyance" is
17 substituted for the former word "disposition" for consistency with the
18 introductory language of subsection (c) of this section.

19 In subsection (c)(2) of this section, the defined term "political
20 subdivision[s]" is substituted for the former reference to "local
21 governments" to conform to the terminology used throughout this title.

22 In subsection (d) of this section, the reference to "the reversion under a
23 lease made by the Trust may not be redeemed" is substituted for the
24 former reference to "a lease made by the Trust may not be subject to
25 redemption" to reflect the terminology of RP § 8-110, in which a reversion,
26 not a lease, is redeemable.

27 The Housing Article Review Committee notes, for consideration by the
28 General Assembly, that, in subsection (b) of this section, the prohibition
29 against the Trust's selling, conveying, assigning, or leasing solely for
30 investment is restricted to historic property in light of § 5-418(b)(13) of
31 this subtitle.

32 Defined terms: "Historic property" § 5-401

33 "Nonprofit organization" § 1-101

34 "Political subdivision" § 1-101

35 "Trust" § 5-401

1 5-420. RESERVED.

2 5-421. RESERVED.

3 PART III. HISTORIC FUNDS AND CAPITAL PROJECTS.

4 5-422. DEFINITIONS.

5 (A) IN GENERAL.

6 IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

7 REVISOR'S NOTE: This subsection is new language added as the standard
8 introductory language to a definition section.

9 (B) COUNCIL.

10 "COUNCIL" MEANS THE MARYLAND ADVISORY COUNCIL ON HISTORIC
11 PRESERVATION.

12 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(g).

13 No changes are made.

14 (C) HISTORIC REGISTER.

15 "HISTORIC REGISTER" MEANS THE MARYLAND REGISTER OF HISTORIC
16 PROPERTIES.

17 REVISOR'S NOTE: This subsection is new language added to provide a
18 convenient reference to the Maryland Register of Historic Properties.

19 (D) PREPARATION COSTS.

20 "PREPARATION COSTS" MEANS THE COSTS OF STUDIES, SURVEYS, PLANS AND
21 SPECIFICATIONS, OR ARCHITECTURAL, ENGINEERING, AND OTHER SPECIAL
22 SERVICES.

23 REVISOR'S NOTE: This subsection is new language derived without
24 substantive change from former Art. 83B, §§ 5-612(d)(1)(ii) and (4) and
25 5-613(d)(2) and (5), as they related to the costs of studies, surveys, plans
26 and specifications, and architectural, engineering, or other special
27 services.

28 It is revised as a defined term for brevity.

29 5-423. IDENTIFICATION OF HISTORIC PROPERTIES.

30 (A) MARYLAND INVENTORY OF HISTORIC PROPERTIES.

1 THE TRUST SHALL COMPILE A MARYLAND INVENTORY OF HISTORIC
2 PROPERTIES THAT CONSISTS OF DISTRICTS, SITES, BUILDINGS, STRUCTURES, AND
3 OTHER OBJECTS OF KNOWN OR POTENTIAL VALUE TO THE PREHISTORY, HISTORY,
4 UPLAND AND UNDERWATER ARCHEOLOGY, ARCHITECTURE, ENGINEERING, AND
5 CULTURE OF THE STATE.

6 (B) MARYLAND REGISTER OF HISTORIC PROPERTIES.

7 (1) THE TRUST SHALL COMPILE A HISTORIC REGISTER TO INCLUDE ALL
8 PROPERTIES IN THE STATE THAT ARE LISTED IN OR ELIGIBLE FOR LISTING IN THE
9 NATIONAL REGISTER OF HISTORIC PLACES OF THE UNITED STATES DEPARTMENT OF
10 THE INTERIOR.

11 (2) THE TRUST SHALL ADOPT REGULATIONS SPECIFYING PROCEDURES
12 AND ELIGIBILITY STANDARDS FOR INCLUDING PROPERTIES IN THE HISTORIC
13 REGISTER.

14 (3) THE DIRECTOR SHALL DETERMINE WHETHER A PROPERTY IS
15 ELIGIBLE TO BE LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES.

16 (4) (I) THE DIRECTOR'S DETERMINATION MAY BE APPEALED TO THE
17 GOVERNOR'S CONSULTING COMMITTEE ON THE NATIONAL REGISTER OF HISTORIC
18 PLACES, WHICH REVIEWS NOMINATIONS TO THE NATIONAL REGISTER UNDER THE
19 NATIONAL HISTORIC PRESERVATION ACT.

20 (II) THE DETERMINATION OF THE GOVERNOR'S CONSULTING
21 COMMITTEE IS FINAL.

22 (C) CONFIDENTIALITY.

23 THE LOCATION AND CHARACTER OF A HISTORIC PROPERTY INCLUDED IN THE
24 MARYLAND INVENTORY OF HISTORIC PROPERTIES OR THE HISTORIC REGISTER
25 SHALL BE CONFIDENTIAL IF THE DIRECTOR DETERMINES THAT DISCLOSURE
26 WOULD CREATE A SUBSTANTIAL RISK OF THEFT OF THE PROPERTY OR DAMAGE TO
27 THE PROPERTY OR TO THE AREA WHERE THE PROPERTY IS LOCATED.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, §§ 5-615 and 5-601(k).

30 In subsection (c) of this section, the reference to "damage" is substituted for
31 the former references to "harm" and "destruction" for brevity.

32 Also in subsection (c) of this section, the former reference to a "place" is
33 deleted as implicit in the reference to an area.

34 The Housing Article Review Committee notes, for consideration by the
35 General Assembly, that in subsection (b)(4)(ii) of this section, it is unclear
36 what, if any, right of appeal exists after the Governor's Consulting
37 Committee renders a final determination.

1 Defined terms: "Director" § 5-401

2 "Historic property" § 5-401

3 "Historic Register" § 5-417

4 "Trust" § 5-401

5 5-424. ADVISORY COUNCIL ON HISTORIC PRESERVATION.

6 (A) ESTABLISHED.

7 THERE IS A MARYLAND ADVISORY COUNCIL ON HISTORIC PRESERVATION.

8 (B) MEMBERSHIP -- EX OFFICIO AND APPOINTED MEMBERS.

9 (1) THE COUNCIL CONSISTS OF SEVEN VOTING MEMBERS.

10 (2) THE EX OFFICIO MEMBERS ARE:

11 (I) THE SECRETARY OF GENERAL SERVICES;

12 (II) THE SECRETARY OF HOUSING AND COMMUNITY
13 DEVELOPMENT;

14 (III) THE SECRETARY OF PLANNING; AND

15 (IV) THE SECRETARY OF TRANSPORTATION.

16 (3) THE GOVERNOR SHALL APPOINT THE OTHER THREE MEMBERS, OF
17 WHOM:

18 (I) TWO SHALL BE INDIVIDUALS WITH EXPERTISE IN
19 ARCHITECTURE, HISTORY, ARCHAEOLOGY, OR ANOTHER APPROPRIATE DISCIPLINE
20 THAT RELATES TO HISTORIC PRESERVATION; AND

21 (II) ONE SHALL BE A MEMBER OF THE GENERAL PUBLIC.

22 (4) AN EX OFFICIO MEMBER MAY DESIGNATE A DEPUTY SECRETARY
23 FROM THE MEMBER'S DEPARTMENT TO ACT IN THE MEMBER'S ABSENCE.

24 (C) CHAIR.

25 THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT SERVES AS
26 CHAIR.

27 (D) TENURE; VACANCIES.

28 (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

29 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS
30 REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COUNCIL ON OCTOBER
31 1, 2005.

1 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
2 SUCCESSOR IS APPOINTED AND QUALIFIES.

3 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
4 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
5 QUALIFIES.

6 (E) QUORUM; MEETINGS.

7 (1) A MAJORITY OF THE AUTHORIZED MEMBERSHIP OF THE COUNCIL IS
8 A QUORUM.

9 (2) THE COUNCIL SHALL SET THE TIMES AND PLACES OF ITS MEETINGS.

10 (F) COMPENSATION.

11 A MEMBER OF THE COUNCIL:

12 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER; BUT

13 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
14 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

15 (G) STAFF.

16 THE DIRECTOR OF THE TRUST IS THE SECRETARY AND STAFF TO THE COUNCIL.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 5-616(a) through (f).

19 In subsection (b)(2)(iii) of this section, the reference to the "Secretary" of
20 Planning is substituted for the former reference to the "Director" of
21 Planning to reflect the current title of the official.

22 Also in subsection (b)(2)(iii) of this section, the statement that the
23 Secretary of Planning is one of the "ex officio" members is added for clarity.

24 In subsection (b)(3) of this section, the former requirement that the
25 Governor appoint all members of the Council is revised to apply only to
26 members that do not serve ex officio, for clarity.

27 In subsection (b)(4) of this section, the reference to an "ex officio" member
28 is substituted for the former reference to a "cabinet member on the
29 Council" for clarity and consistency.

30 In subsection (c) of this section, the reference to "chair" is substituted for
31 the former reference to "[c]hairman" because SG § 2-1238 requires the use
32 of words that are neutral as to gender to the extent practicable. *See*
33 General Revisor's Note to article.

34 Also in subsection (c) of this section, the former reference that the

1 Secretary is "ex officio" is deleted as surplusage.

2 In subsection (d)(2) of this section, the reference to "appointed" members is
3 substituted for the former reference to "public" members to clarify that
4 these members include individuals with expertise in historic preservation
5 as well as the individual who is designated as the member of the public.

6 In subsection (e)(1) of this section, the former reference to the "full"
7 authorized membership is deleted as surplusage.

8 Former Art. 83B, § 5-616(g) which required the Council to "review and
9 comment on State undertakings as provided in [former Art. 83B] § 5-617 of
10 this subtitle" is deleted as redundant in light of § 5-425(d)(4) of this
11 subtitle.

12 Defined terms: "Council" § 5-422

13 "Director" § 5-401

14 "Trust" § 5-401

15 5-425. CAPITAL PROJECTS AFFECTING HISTORIC PROPERTIES.

16 (A) DUTY TO CONSULT WITH TRUST ON STATE-FINANCED CAPITAL PROJECTS.

17 (1) TO THE EXTENT FEASIBLE, A STATE UNIT THAT SUBMITS A REQUEST
18 OR IS OTHERWISE RESPONSIBLE FOR A CAPITAL PROJECT SHALL CONSULT WITH
19 THE TRUST TO DETERMINE WHETHER THE PROJECT WILL ADVERSELY AFFECT ANY
20 PROPERTY LISTED IN OR ELIGIBLE FOR LISTING IN THE HISTORIC REGISTER.

21 (2) THE CONSULTATION SHALL OCCUR:

22 (I) BEFORE THE STATE UNIT SUBMITS A REQUEST FOR THE
23 CAPITAL PROJECT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT UNDER §
24 3-602 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

25 (II) BEFORE OR AS PART OF THE FINAL PROJECT PLANNING PHASE
26 FOR A MAJOR TRANSPORTATION CAPITAL PROJECT AS DEFINED IN § 2-103.1 OF THE
27 TRANSPORTATION ARTICLE; OR

28 (III) AS EARLY IN THE PLANNING PROCESS AS POSSIBLE FOR A
29 CAPITAL PROJECT THAT USES NONBUDGETED MONEY AND IS SUBJECT TO THE
30 REPORTING REQUIREMENTS OF § 3-602 OF THE STATE FINANCE AND PROCUREMENT
31 ARTICLE.

32 (B) CAPITAL PROJECTS UNDER PLAN OR INTERAGENCY AGREEMENT.

33 (1) STATE UNITS THAT OWN OR CONTROL PROPERTIES MAY CONSULT
34 WITH THE TRUST TO DEVELOP PLANS OR INTERAGENCY AGREEMENTS TO IDENTIFY,
35 EVALUATE, AND MANAGE ANY OF THOSE PROPERTIES THAT ARE LISTED IN OR
36 ELIGIBLE TO BE LISTED IN THE HISTORIC REGISTER.

1 (2) CAPITAL PROJECTS UNDERTAKEN IN ACCORDANCE WITH A PLAN
2 APPROVED BY THE TRUST OR AN INTERAGENCY AGREEMENT ARE NOT SUBJECT TO
3 FURTHER REVIEW UNDER THIS SECTION.

4 (C) NONSTATE CAPITAL PROJECTS FINANCED WITH GENERAL OBLIGATION
5 BONDS.

6 (1) THIS SUBSECTION APPLIES TO A CAPITAL PROJECT THAT:

7 (I) IS NOT BEING CARRIED OUT BY A STATE UNIT;

8 (II) USES THE PROCEEDS OF STATE GENERAL OBLIGATION BONDS;
9 AND

10 (III) IS NOT OTHERWISE REVIEWED BY THE TRUST UNDER THIS
11 SECTION.

12 (2) BEFORE THE BOARD OF PUBLIC WORKS MAY APPROVE THE USE OF
13 BOND PROCEEDS FOR THE PROJECT, THE DEPARTMENT OF BUDGET AND
14 MANAGEMENT OR ANOTHER STATE UNIT RESPONSIBLE FOR THE PROJECT SHALL
15 CONSULT WITH THE TRUST TO DETERMINE WHETHER THE PROJECT WILL
16 ADVERSELY AFFECT ANY PROPERTY LISTED IN OR ELIGIBLE TO BE LISTED IN THE
17 HISTORIC REGISTER.

18 (D) DETERMINATION OF ADVERSE EFFECT.

19 (1) WITHIN 30 DAYS AFTER A STATE UNIT NOTIFIES THE DIRECTOR OF A
20 PROPOSED CAPITAL PROJECT UNDER THIS SECTION, THE DIRECTOR SHALL
21 DETERMINE WHETHER THE PROJECT WOULD ADVERSELY AFFECT ANY PROPERTY
22 LISTED IN OR ELIGIBLE TO BE LISTED IN THE HISTORIC REGISTER.

23 (2) IF THE DIRECTOR FINDS THAT THE PROPOSED CAPITAL PROJECT
24 WOULD HAVE A SIGNIFICANT ADVERSE EFFECT ON A LISTED OR ELIGIBLE
25 PROPERTY, THE DIRECTOR AND THE STATE UNIT SHALL CONSULT TO DETERMINE
26 WHETHER A PRACTICABLE PLAN EXISTS TO AVOID, MITIGATE, OR SATISFACTORILY
27 REDUCE THE ADVERSE EFFECT.

28 (3) IF THE DIRECTOR AND THE STATE UNIT CANNOT AGREE ON A PLAN,
29 THE STATE UNIT SHALL SUBMIT TO THE COUNCIL A REPORT OF THE
30 CONSULTATIONS AND THE FINDINGS AND RECOMMENDATIONS OF THE STATE UNIT.

31 (4) WITHIN 30 DAYS AFTER RECEIVING THE REPORT, THE COUNCIL
32 SHALL SUBMIT TO THE STATE UNIT COMMENTS:

33 (I) ACCEPTING THE ADVERSE EFFECT; OR

34 (II) RECOMMENDING PRACTICABLE ALTERNATIVES TO AVOID,
35 MITIGATE, OR SATISFACTORILY REDUCE THE ADVERSE EFFECT.

36 (5) THE STATE UNIT MAY:

1 (I) INCORPORATE IN THE PROJECT THE ALTERNATIVES
2 RECOMMENDED BY THE COUNCIL; OR

3 (II) DISAGREE WITH THE COMMENTS OF THE COUNCIL.

4 (6) IF THE STATE UNIT DISAGREES WITH THE COMMENTS OF THE
5 COUNCIL, THE STATE UNIT:

6 (I) SHALL RESPOND IN WRITING TO THE COUNCIL, EXPLAINING
7 WHY THE STATE UNIT REFUSES TO ADOPT THE MEASURES INCLUDED IN THE
8 COMMENTS OF THE COUNCIL; AND

9 (II) MAY NOT PROCEED WITH THE PROJECT FOR AT LEAST 10
10 WORKING DAYS AFTER RESPONDING.

11 (E) INCLUSION OF CAPITAL COSTS.

12 EXCEPT FOR THE COST OF STUDIES AND SURVEYS, A STATE UNIT MAY INCLUDE
13 THE CAPITAL COSTS OF PRESERVATION ACTIVITIES REQUIRED UNDER THIS
14 SUBTITLE AS ELIGIBLE PROJECT COSTS OF ANY PROJECT UNDERTAKEN OR
15 FINANCED BY THE STATE UNIT.

16 (F) REGULATIONS.

17 THE TRUST SHALL ADOPT REGULATIONS THAT ESTABLISH PROCEDURES AND
18 STANDARDS FOR:

19 (1) ADMINISTRATIVE REVIEW AND COMMENT UNDER THIS SECTION,
20 INCLUDING TIME FRAMES FOR TRUST ACTION ON SPECIFIC CATEGORIES OF
21 PROJECTS;

22 (2) EXEMPTING SPECIFIC PROJECTS, CATEGORIES OF PROJECTS, OR
23 CATEGORIES OF PROGRAMS FROM ANY REQUIREMENT OF THIS SECTION, IF THE
24 EXEMPTION IS FOUND TO BE CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE
25 AND THE BEST INTERESTS OF THE STATE, CONSIDERING THE MAGNITUDE OF THE
26 EXEMPTION AND THE RISK OF IMPAIRING HISTORIC PROPERTIES; AND

27 (3) PARTICIPATION BY STATE UNITS, POLITICAL SUBDIVISIONS,
28 PRIVATE ORGANIZATIONS, AND OTHER ENTITIES IN PROCEEDINGS UNDER THIS
29 SECTION THAT MAY AFFECT THEIR INTERESTS.

30 (G) NATIONAL HISTORIC PRESERVATION ACT.

31 IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER SUBSECTION (F) OF
32 THIS SECTION, THIS SECTION MAY BE APPLIED TO ANY UNDERTAKING THAT IS
33 SUBJECT TO § 106 OF THE NATIONAL HISTORIC PRESERVATION ACT, 16 U.S.C. § 470F.

34 (H) FAILURE TO COMPLY.

35 FAILURE BY A STATE UNIT TO COMPLY WITH THIS SECTION DOES NOT CREATE
36 A PRIVATE CAUSE OF ACTION UNDER STATE LAW.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 5-617, § 5-618(e)(1), and, as it applied to
3 former § 5-617, § 5-619(a).

4 In subsection (c)(1)(i) of this section, the reference to a capital project that
5 "is not being carried out by a State unit" is substituted for the former
6 reference to a "nonstate capital project" for clarity.

7 In subsection (d)(1) of this section, the phrase "[w]ithin 30 days after" is
8 substituted for the former phrase "on or before 30 days from the date of
9 notification" to conform to the terminology used in subsection (d)(4) of this
10 section.

11 Also in subsection (d)(1) of this section, the phrase "of a proposed capital
12 project" is added for clarity.

13 In subsection (d)(2) and (4)(ii) of this section, the former references to a
14 "feasible" plan and "feasible" alternatives are deleted in light of the
15 references to a "practicable" plan and "practicable" alternatives.

16 In subsection (d)(3) of this section, the former reference to a plan "to avoid,
17 mitigate, or satisfactorily reduce the adverse effect" is deleted as
18 surplusage.

19 In the introductory language of subsection (f) of this section, the former
20 reference to "rules" is deleted in light of the reference to "regulation". *See*
21 *General Revisor's Note to article.*

22 In subsection (f)(3) of this section, the references to "political subdivisions"
23 are substituted for the former reference to "local governments" to conform
24 to the terminology used throughout this article.

25 Defined terms: "Council" § 5-422

26 "Director" § 5-401

27 "Historic property" § 5-401

28 "Historic Register" § 5-422

29 "Political subdivision" § 1-101

30 "State unit" § 5-401

31 "Trust" § 5-401

32 5-426. PROTECTION AND USE OF HISTORIC PROPERTIES.

33 (A) IN GENERAL.

34 IN COOPERATION WITH THE TRUST AND SUBJECT TO AVAILABLE RESOURCES,
35 EACH STATE UNIT SHALL:

36 (1) ESTABLISH A PROGRAM TO IDENTIFY, DOCUMENT, AND NOMINATE
37 TO THE TRUST EACH PROPERTY OWNED OR CONTROLLED BY THE STATE UNIT THAT
38 APPEARS TO QUALIFY FOR THE HISTORIC REGISTER;

1 (2) ENSURE THAT NO PROPERTY LISTED IN OR ELIGIBLE TO BE LISTED
2 IN THE HISTORIC REGISTER IS INADVERTENTLY TRANSFERRED, SOLD, DEMOLISHED,
3 DESTROYED, SUBSTANTIALLY ALTERED, OR ALLOWED TO DETERIORATE
4 SIGNIFICANTLY; AND

5 (3) USE ANY AVAILABLE HISTORIC BUILDING UNDER ITS CONTROL TO
6 THE EXTENT PRUDENT AND PRACTICABLE BEFORE ACQUIRING, CONSTRUCTING, OR
7 LEASING A BUILDING TO CARRY OUT ITS RESPONSIBILITIES.

8 (B) TRANSFER OF HISTORIC PROPERTIES.

9 IF IT IS PRUDENT, PRACTICABLE, AND IN THE STATE'S BEST INTEREST TO DO
10 SO, A STATE UNIT THAT TRANSFERS A SURPLUS PROPERTY LISTED IN OR ELIGIBLE
11 TO BE LISTED IN THE HISTORIC REGISTER SHALL ENSURE THAT THE TRANSFER
12 PROVIDES FOR THE PRESERVATION OR ENHANCEMENT OF THE PROPERTY.

13 (C) ALTERATION OR DESTRUCTION OF HISTORIC PROPERTIES.

14 IF A HISTORIC PROPERTY IS TO BE ALTERED SUBSTANTIALLY OR DESTROYED
15 BY STATE ACTION OR WITH FINANCIAL ASSISTANCE FROM A STATE UNIT, THE STATE
16 UNIT SHALL CAUSE TIMELY STEPS TO BE TAKEN TO:

17 (1) MAKE APPROPRIATE INVESTIGATIONS AND RECORDS;

18 (2) SALVAGE APPROPRIATE OBJECTS AND MATERIALS; AND

19 (3) DEPOSIT WITH THE TRUST THE RESULTS OF THE INVESTIGATIONS,
20 THE RECORDS, AND THE RECOVERED OBJECTS AND MATERIALS.

21 (D) PERMITS, LICENSES, AND FINANCIAL ASSISTANCE -- APPLICATIONS.

22 A STATE UNIT THAT ISSUES PERMITS OR LICENSES OR PROVIDES FINANCIAL
23 ASSISTANCE SHALL COOPERATE WITH THE TRUST BY:

24 (1) GIVING NOTICE TO THE TRUST, ON REQUEST, OF EACH APPLICATION
25 FOR A PERMIT, A LICENSE, OR FINANCIAL ASSISTANCE; AND

26 (2) REQUIRING THAT, WHERE APPROPRIATE, AN APPLICANT FOR A
27 PERMIT, A LICENSE, OR FINANCIAL ASSISTANCE CONSULT WITH THE TRUST BEFORE
28 THE STATE UNIT TAKES FINAL ACTION ON THE APPLICATION.

29 (E) SAME -- CONDITIONS.

30 (1) AFTER CONSULTING WITH THE TRUST, AND TO AVOID, MITIGATE, OR
31 SATISFACTORILY REDUCE ANY SIGNIFICANT ADVERSE EFFECT ON A PROPERTY
32 LISTED IN OR ELIGIBLE TO BE LISTED IN THE HISTORIC REGISTER, A STATE UNIT
33 MAY PUT REASONABLE CONDITIONS ON A LICENSE, PERMIT, OR AWARD OF
34 FINANCIAL ASSISTANCE.

1 (2) A STATE UNIT MAY SEEK GUIDANCE FROM THE COUNCIL BEFORE
2 IMPOSING CONDITIONS ON A LICENSE, PERMIT, OR AWARD OF FINANCIAL
3 ASSISTANCE.

4 (3) A PERSON MAY APPEAL THE REASONABLENESS OF A CONDITION
5 IMPOSED ON A LICENSE OR PERMIT IN ACCORDANCE WITH THE ADMINISTRATIVE
6 PROCEDURE ACT.

7 (F) REGULATIONS.

8 BY REGULATION, THE TRUST SHALL ESTABLISH PROFESSIONAL STANDARDS,
9 GUIDELINES, AND PROCEDURES TO PRESERVE HISTORIC PROPERTIES OWNED,
10 CONTROLLED, REGULATED, OR ASSISTED BY STATE UNITS, TO MINIMIZE THE NEED
11 FOR TRUST REVIEW, AND TO AVOID DUPLICATION AND DELAYS.

12 (G) NATIONAL HISTORIC PRESERVATION ACT.

13 THIS SECTION MAY BE APPLIED TO ANY UNDERTAKING THAT IS SUBJECT TO §
14 106 OF THE NATIONAL HISTORIC PRESERVATION ACT, 16 U.S.C. § 470F.

15 (H) FAILURE TO COMPLY.

16 FAILURE BY A STATE UNIT TO COMPLY WITH THIS SECTION DOES NOT CREATE
17 A PRIVATE CAUSE OF ACTION UNDER STATE LAW.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, §§ 5-618, 5-619(b), and, as it applied to §
20 5-618, § 5-619(a).

21 In subsection (a)(2) of this section, the former reference to "exercise caution
22 to" ensure is deleted as surplusage.

23 In the introductory language of subsection (e)(2) of this section, reference
24 to a State unit's seeking guidance from the Council "before imposing
25 conditions on a license, permit, or award of financial assistance" is
26 substituted for the former phrase "under subsection (e)(2) of this section"
27 for clarity.

28 In subsection (f) of this section, the former reference to "rules" is deleted in
29 light of the reference to "regulation". *See* General Revisor's Note to article.

30 In subsection (g) of this section, the former phrase "[i]n accordance with
31 the regulations to be adopted by the Trust under subsection (g) of this
32 section" is deleted as surplusage.

33 Defined terms: "Council" § 5-422

34 "Financial assistance" § 1-101

35 "Historic property" § 5-401

36 "Historic Register" § 5-422

37 "Person" § 1-101

1 "State unit" § 5-401

2 "Trust" § 5-401

3 "Undertaking" § 5-401

4 5-427. MHT LOAN PROGRAM AND MHT LOAN FUND.

5 (A) DEFINITIONS.

6 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (2) "MHT LOAN FUND" MEANS THE HISTORIC PRESERVATION LOAN
9 FUND OF THE TRUST.

10 (3) "MHT LOAN PROGRAM" MEANS THE HISTORIC PRESERVATION LOAN
11 PROGRAM OF THE TRUST.

12 (B) MHT LOAN PROGRAM.

13 (1) THERE IS A MHT LOAN PROGRAM IN THE TRUST.

14 (2) THE PURPOSE OF THE MHT LOAN PROGRAM IS TO IMPLEMENT AND
15 ENCOURAGE THE PRESERVATION OF HISTORIC PROPERTIES.

16 (3) THE TRUST SHALL ADMINISTER THE MHT LOAN PROGRAM AND
17 COORDINATE THE MHT LOAN PROGRAM WITH FEDERAL AND STATE PROGRAMS THAT
18 COMPLEMENT OR FACILITATE CARRYING OUT THE MHT LOAN PROGRAM.

19 (C) FUND ESTABLISHED.

20 THERE IS AN MHT LOAN FUND IN THE TRUST.

21 (D) PURPOSE OF FUND.

22 THE MHT LOAN FUND MAY BE USED:

23 (1) TO PAY ADMINISTRATIVE COSTS DIRECTLY RELATED TO THE MHT
24 LOAN PROGRAM;

25 (2) TO PAY FOR THE TRUST TO ACQUIRE HISTORIC PROPERTIES OR
26 INTERESTS IN HISTORIC PROPERTIES FOR ITS AUTHORIZED PURPOSES OR FOR
27 RESALE OR LEASE SUBJECT TO APPROPRIATE PRESERVATION COVENANTS;

28 (3) TO PAY COSTS, INCLUDING PREPARATION COSTS, TO RESTORE OR
29 REHABILITATE HISTORIC PROPERTIES OWNED BY THE TRUST FOR:

30 (I) THE TRUST'S AUTHORIZED PURPOSES; OR

31 (II) RESALE OR LEASE SUBJECT TO APPROPRIATE PRESERVATION
32 COVENANTS; OR

1 (4) TO MAKE LOANS TO NONPROFIT ORGANIZATIONS, POLITICAL
2 SUBDIVISIONS, BUSINESS ENTITIES, AND INDIVIDUALS TO:

3 (I) ACQUIRE, REHABILITATE, RESTORE, OR REFINANCE HISTORIC
4 PROPERTIES; OR

5 (II) PROVIDE SHORT-TERM FINANCING FOR COSTS, INCLUDING
6 PREPARATION COSTS, DIRECTLY RELATED TO WORK THAT THE TRUST OR THE STATE
7 HISTORIC PRESERVATION OFFICER REQUIRES OR RECOMMENDS TO BE
8 UNDERTAKEN BEFORE A CONSTRUCTION PROJECT FINANCED WITH FEDERAL OR
9 STATE MONEY IS BEGUN OR CONTINUED.

10 (E) STATUS.

11 (1) THE MHT LOAN FUND IS A CONTINUING, NONLAPSING SPECIAL
12 FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT
13 ARTICLE.

14 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
15 SHALL ACCOUNT FOR THE MHT LOAN FUND.

16 (F) COMPOSITION.

17 THE MHT LOAN FUND CONSISTS OF:

18 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE MHT LOAN
19 PROGRAM;

20 (2) MONEY RECEIVED AS INTEREST OR REPAYMENT OF PRINCIPAL ON
21 LOANS MADE UNDER THE MHT LOAN PROGRAM OR THE CAPITAL REVOLVING FUND
22 FOR HISTORIC PRESERVATION;

23 (3) THE PROCEEDS FROM THE RESALE OR LEASE OF PROPERTY
24 ORIGINALLY ACQUIRED BY THE TRUST WITH MONEY FROM THE MHT LOAN FUND OR
25 THE CAPITAL REVOLVING FUND FOR HISTORIC PRESERVATION;

26 (4) MONEY RECEIVED FROM OTHER PUBLIC OR PRIVATE SOURCES FOR
27 THE BENEFIT OF THE MHT LOAN FUND; AND

28 (5) MONEY RECEIVED FROM THE SALE OF GENERAL OBLIGATION
29 BONDS.

30 (G) INVESTMENTS.

31 MONEY IN THE MHT LOAN FUND SHALL BE INVESTED IN THE SAME MANNER AS
32 OTHER STATE MONEY.

33 (H) REGULATIONS.

34 (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE
35 PURPOSES OF THE MHT LOAN PROGRAM.

- 1 (2) THE REGULATIONS SHALL INCLUDE:
- 2 (I) APPLICATION PROCEDURES;
- 3 (II) PROCEDURES TO GIVE ADEQUATE NOTICE TO THE PUBLIC OF
4 ASSISTANCE AVAILABLE UNDER THE MHT LOAN PROGRAM;
- 5 (III) PROVISIONS FOR THE REVIEW OF PLANS AND SPECIFICATIONS;
- 6 (IV) PROVISIONS FOR THE INSPECTION OF PROJECTS DURING
7 CONSTRUCTION; AND
- 8 (V) SELECTION CRITERIA THE TRUST MUST CONSIDER IN
9 EVALUATING LOAN APPLICATIONS, INCLUDING:
- 10 1. THE RELATIVE HISTORICAL OR CULTURAL SIGNIFICANCE
11 OF, AND THE URGENCY OF NEED FOR, THE PROJECT TO BE FINANCED BY THE LOAN;
- 12 2. ANY PROPOSED CONTRIBUTION BY THE APPROPRIATE
13 POLITICAL SUBDIVISION TO THE PROJECT;
- 14 3. THE GEOGRAPHIC DISTRIBUTION OF LOAN ASSISTANCE
15 FROM THE MHT LOAN FUND; AND
- 16 4. OTHER RELEVANT FACTORS.
- 17 (I) LOANS FROM THE MHT LOAN FUND.
- 18 (1) WITH THE APPROVAL OF THE SECRETARY, FOR EACH LOAN THE
19 TRUST MAY SET:
- 20 (I) THE PRINCIPAL AMOUNT;
- 21 (II) THE MATURITY;
- 22 (III) THE REPAYMENT TERMS; AND
- 23 (IV) AN INTEREST RATE THAT COMPLIES WITH APPLICABLE
24 FEDERAL REGULATIONS GOVERNING STATE BORROWING.
- 25 (2) A LOAN FROM THE MHT LOAN FUND MAY BE GRANTED AT AN
26 INTEREST RATE LOWER THAN RATES ON OTHER LOANS FROM THE MHT LOAN FUND
27 IF:
- 28 (I) THE LOAN RECIPIENT IS A NONPROFIT ORGANIZATION OR A
29 POLITICAL SUBDIVISION; OR
- 30 (II) THE SECRETARY DETERMINES UNDER § 4-212 OF THIS ARTICLE
31 THAT AFTER RESTORATION OR REHABILITATION, THE HISTORIC PROPERTY WILL BE
32 WHOLLY OR PARTLY OCCUPIED BY INDIVIDUALS OR FAMILIES OF LIMITED INCOME.

1 (3) A LOAN FROM THE MHT LOAN PROGRAM MAY BE SECURED BY:

2 (I) A MORTGAGE LIEN, WHICH MAY BE SUBORDINATE TO OTHER
3 MORTGAGE LIENS;

4 (II) A GUARANTEE OF REPAYMENT; OR

5 (III) ANOTHER FORM OF COLLATERAL ACCEPTABLE TO THE TRUST.

6 (4) WITHOUT APPROVAL OR EXECUTION BY THE BOARD OF PUBLIC
7 WORKS, THE TRUST MAY TAKE TITLE TO A MORTGAGED PROPERTY BY FORECLOSURE
8 OR BY DEED IN LIEU OF FORECLOSURE AND:

9 (I) CONVEY TITLE TO A BUYER; AND

10 (II) OBTAIN AND SEEK ENFORCEMENT OF A DEFICIENCY
11 JUDGMENT.

12 (5) AN INDIVIDUAL OR BUSINESS ENTITY MAY RECEIVE A LOAN ONLY IF
13 THE RECIPIENT CAN DOCUMENT THAT PRIVATE FINANCING IS UNAVAILABLE.

14 (6) THE TRUST SHALL ENSURE THAT NO LOAN IS MADE UNDER THE MHT
15 LOAN PROGRAM TO ACQUIRE, RESTORE, OR REHABILITATE A HISTORIC PROPERTY
16 UNLESS THE HISTORIC PROPERTY IS LISTED IN OR ELIGIBLE TO BE LISTED IN THE
17 HISTORIC REGISTER.

18 (J) AGREEMENTS TO PRESERVE AND MAINTAIN PROPERTY.

19 (1) THE TRUST SHALL REQUIRE THE RECIPIENT OF A LOAN FROM THE
20 MHT LOAN PROGRAM TO ENTER INTO AN AGREEMENT TO PRESERVE AND MAINTAIN
21 THE PROPERTY.

22 (2) IF THE PROPERTY IS REAL PROPERTY, THE AGREEMENT SHALL BE A
23 RECORDABLE HISTORIC PRESERVATION EASEMENT.

24 (3) THE SECRETARY MAY WAIVE THE AGREEMENT REQUIREMENT IF
25 THE SECRETARY FINDS THAT AN AGREEMENT IS IMPRACTICABLE.

26 (K) TRUSTEES TO MAKE RECOMMENDATIONS TO SECRETARY.

27 THE TRUSTEES SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE
28 SECRETARY ABOUT LOANS AND EXPENDITURES FROM THE MHT LOAN FUND, AND
29 THE SECRETARY SHALL APPROVE EACH LOAN AND EXPENDITURE FROM THE MHT
30 LOAN FUND.

31 (L) BOARD OF PUBLIC WORKS APPROVAL.

32 (1) TO THE EXTENT REQUIRED BY REGULATIONS ADOPTED BY THE
33 SECRETARY AND APPROVED BY THE BOARD OF PUBLIC WORKS, THE SECRETARY
34 SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS FOR APPROVAL A PROPOSED LOAN

1 OR EXPENDITURE FROM THE MHT LOAN FUND THAT WILL BE FINANCED THROUGH
2 THE SALE OF STATE GENERAL OBLIGATION BONDS.

3 (2) EXCEPT FOR AN EXPENDITURE UNDER SUBSECTION (D)(2) OR (3) OF
4 THIS SECTION, A LOAN OR EXPENDITURE FROM THE MHT LOAN FUND IS NOT
5 SUBJECT TO TITLES 4 AND 5 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6 (M) REPORT.

7 ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE TRUST SHALL REPORT TO
8 THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT
9 ARTICLE, TO THE GENERAL ASSEMBLY ON THE FINANCIAL STATUS AND THE
10 ACTIVITIES OF THE MHT LOAN PROGRAM FOR THE PRECEDING FISCAL YEAR.

11 (N) FALSE STATEMENTS.

12 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
13 MATERIAL FALSE STATEMENT OF FACT, INCLUDING AN UNDERSTATEMENT OR
14 OVERSTATEMENT OF FINANCIAL CONDITION, IN A STATEMENT OR REPORT IN OR
15 REGARDING AN APPLICATION FOR A LOAN OR AFFECTING AN EXISTING LOAN.

16 (2) A PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A
17 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
18 EXCEEDING 2 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

19 REVISOR'S NOTE: Subsection (a)(1) of this section is new language added as
20 the standard introductory language to a definition section.

21 Subsections (a)(2) through (b) of this section are new language derived
22 without substantive change from former Art. 83B, §§ 5-601(q) and (r) and
23 5-612(a) through (c), and as it related to the MHT Loan Fund, (j)(1).

24 Subsection (c) of this section is new language added to state expressly what
25 was only implied in the former law -- that the MHT Loan Fund exists in
26 the Trust.

27 Subsections (d) through (m) of this section are new language derived
28 without substantive change from former Art. 83B, § 5-612(d) through (i),
29 (j)(1)(i) through (iv) and (vi), (2), (3), and (4) and (k).

30 In subsection (b) of this section, the former reference to the MHT Loan
31 Program "operat[ing] as a fund ... known as the MHT Loan Fund" is
32 deleted as surplusage.

33 In subsection (b)(3) of this section, the former references to "[m]anag[ing]"
34 and "supervis[ing]" are deleted as included in the reference to
35 "administer[ing]".

36 In subsection (d)(4) of this section, the reference to "political subdivisions"
37 is substituted for the former references to a "local jurisdiction" to conform

- 1 to the terminology used throughout this article. Similarly, in subsections
2 (h)(2)(v)2 and (i)(2)(i) of this section, references to "political subdivision"
3 are substituted for the former reference to "local jurisdiction".
- 4 In subsection (e)(1) of this section, the reference that the Fund is "not
5 subject to § 7-302 of the State Finance and Procurement Article" is
6 substituted for the former phrase "within the meaning of § 10-306 of the
7 State Finance and Procurement Article of the Code" to conform to the
8 terminology used throughout this article.
- 9 In subsection (f)(1) of this section, the reference to money appropriated "in
10 the State budget" is substituted for the former reference to money
11 appropriated "by the State" for clarity.
- 12 In subsection (f)(2) and (3) of this section, the former references to "July 1,
13 1989" are deleted as obsolete.
- 14 In subsection (f)(4) of this section, the reference to money received "for the
15 benefit of the MHT Loan Fund" is added for clarity.
- 16 In subsection (g) of this section, the former reference to money being
17 "reinvested" is deleted as included in the reference to money being
18 "invested".
- 19 In the introductory language of subsection (h)(2) of this section, the former
20 phrase "[i]n addition to provisions otherwise required by this section" is
21 deleted as surplusage.
- 22 In subsection (i) of this section, the former reference to the authority of the
23 Trust to set certain terms of each loan with the approval of the Secretary
24 and "in accordance with the regulations" is deleted as surplusage.
- 25 In subsection (j)(1) of this section, the former phrase "under the
26 circumstances in accordance with the regulations" is deleted as
27 surplusage.
- 28 In subsection (j)(2) of this section, the former reference to "historic" real
29 property is deleted as surplusage.
- 30 In subsection (j)(3) of this section, the former reference to "infeasible" is
31 deleted in light of the reference to "impracticable".
- 32 Subsection (l)(1) of this section is revised to clarify that the Board of Public
33 Works must approve loans and expenditures before they are made.
- 34 Former Art. 83B, § 5-612(j)(1)(v), which stated that "moneys contained in
35 the Capital Revolving Fund for Historic Preservation which shall be
36 transferred to the MHT Loan Fund as of June 30, 1989" is deleted as
37 obsolete.

- 1 Defined terms: "Department" § 1-101
2 "Historic property" § 5-401
3 "Historic Register" § 5-422
4 "Nonprofit organization" § 1-101
5 "Person" § 1-101
6 "Political subdivision" § 1-101
7 "Preparation costs" § 5-422
8 "Secretary" § 1-101
9 "State Historic Preservation Officer" § 5-401
10 "Trust" § 5-401

11 5-428. MHT GRANT PROGRAM AND MHT GRANT FUND.

12 (A) DEFINITIONS.

13 (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (2) "MHT GRANT FUND" MEANS THE HISTORIC PRESERVATION AND
16 HISTORICAL AND CULTURAL MUSEUM ASSISTANCE GRANT FUND OF THE TRUST.

17 (3) "MHT GRANT PROGRAM" MEANS THE HISTORIC PRESERVATION
18 GRANT PROGRAM OF THE TRUST.

19 (B) MHT GRANT PROGRAM -- ESTABLISHED; PURPOSES OF PROGRAM.

20 (1) THERE IS A MHT GRANT PROGRAM IN THE TRUST.

21 (2) THE PURPOSES OF THE MHT GRANT PROGRAM ARE TO:

22 (I) IMPLEMENT AND ENCOURAGE THE PRESERVATION OF
23 HISTORIC PROPERTIES; AND

24 (II) PROMOTE INTEREST IN AND STUDY OF HISTORIC PROPERTIES
25 AND THEIR PRESERVATION.

26 (C) SAME -- DUTIES OF TRUST.

27 (1) THE TRUST SHALL ADMINISTER THE MHT GRANT PROGRAM AND
28 COORDINATE THE MHT GRANT PROGRAM WITH FEDERAL AND STATE PROGRAMS
29 THAT COMPLEMENT OR FACILITATE THE MHT GRANT PROGRAM.

30 (2) THE TRUST SHALL ENSURE THAT NO GRANT AWARDED UNDER THE
31 MHT GRANT PROGRAM TO ACQUIRE, RESTORE, OR REHABILITATE A HISTORIC
32 PROPERTY IS USED ONLY IF THE HISTORIC PROPERTY IS LISTED IN OR IS ELIGIBLE
33 TO BE LISTED IN THE HISTORIC REGISTER.

34 (3) (I) THE TRUST SHALL REQUIRE A GRANTEE UNDER THE MHT
35 GRANT PROGRAM TO ENTER INTO AN AGREEMENT TO PRESERVE AND MAINTAIN THE
36 PROPERTY.

1 (II) IF THE PROPERTY IS REAL PROPERTY, THE AGREEMENT SHALL
2 BE A RECORDABLE HISTORIC PRESERVATION EASEMENT.

3 (III) THE SECRETARY MAY WAIVE THE AGREEMENT REQUIREMENT
4 IF THE SECRETARY DETERMINES THAT AN AGREEMENT IS IMPRACTICABLE.

5 (D) SAME -- REGULATIONS.

6 (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE
7 PURPOSES OF THE MHT GRANT PROGRAM.

8 (2) THE REGULATIONS SHALL INCLUDE:

9 (I) APPLICATION PROCEDURES;

10 (II) PROCEDURES TO GIVE ADEQUATE NOTICE TO THE PUBLIC OF
11 ASSISTANCE AVAILABLE UNDER THE MHT GRANT PROGRAM;

12 (III) PROVISIONS FOR THE REVIEW OF PLANS AND SPECIFICATIONS;

13 (IV) PROVISIONS FOR THE INSPECTION OF PROJECTS DURING
14 CONSTRUCTION; AND

15 (V) SELECTION CRITERIA THE TRUST MUST CONSIDER WHEN
16 EVALUATING APPLICATIONS FOR GRANTS, INCLUDING:

17 1. THE RELATIVE HISTORICAL OR CULTURAL SIGNIFICANCE
18 OF, AND THE URGENCY OF NEED FOR, THE PROJECT TO BE FINANCED BY THE
19 GRANT;

20 2. ANY PROPOSED CONTRIBUTION BY THE APPROPRIATE
21 POLITICAL SUBDIVISION TO THE PROJECT;

22 3. THE GEOGRAPHIC DISTRIBUTION OF GRANT ASSISTANCE
23 FROM THE MHT GRANT FUND UNDER SUBSECTION (E) OF THIS SECTION; AND

24 4. OTHER RELEVANT FACTORS.

25 (E) MHT GRANT FUND -- ESTABLISHED; PURPOSES OF FUND.

26 (1) THERE IS A MHT GRANT FUND IN THE TRUST.

27 (2) THE MHT GRANT FUND MAY BE USED:

28 (I) FOR THE PURPOSES SET FORTH IN § 5-453 OF THIS SUBTITLE;

29 (II) TO MAKE GRANTS TO NONPROFIT ORGANIZATIONS, POLITICAL
30 SUBDIVISIONS, BUSINESS ENTITIES, AND INDIVIDUALS TO ACQUIRE, REHABILITATE,
31 OR RESTORE HISTORIC PROPERTIES;

1 (III) TO MAKE GRANTS TO NONPROFIT ORGANIZATIONS AND
2 POLITICAL SUBDIVISIONS TO PAY COSTS, INCLUDING PREPARATION COSTS, THAT
3 ARE DIRECTLY RELATED TO A REHABILITATION OR RESTORATION PROJECT;

4 (IV) TO MAKE GRANTS TO NONPROFIT ORGANIZATIONS AND
5 POLITICAL SUBDIVISIONS FOR HISTORIC PRESERVATION EDUCATION AND
6 PROMOTION, INCLUDING THE RESEARCH, SURVEY, AND EVALUATION OF HISTORIC
7 PROPERTIES AND THE PREPARATION OF HISTORIC PRESERVATION PLANNING
8 DOCUMENTS AND EDUCATIONAL MATERIALS;

9 (V) TO PURCHASE OR ACQUIRE HISTORIC PROPERTIES OR
10 INTERESTS IN HISTORIC PROPERTIES FOR THE TRUST'S AUTHORIZED PURPOSES OR
11 FOR RESALE OR LEASE WITH APPROPRIATE PRESERVATION COVENANTS;

12 (VI) TO PAY COSTS, INCLUDING PREPARATION COSTS, THAT ARE
13 DIRECTLY RELATED TO RESTORING OR REHABILITATING HISTORIC PROPERTIES
14 THAT THE TRUST OWNS FOR USE IN ACCORDANCE WITH THE TRUST'S AUTHORIZED
15 PURPOSES OR FOR RESALE OR LEASE SUBJECT TO APPROPRIATE PRESERVATION
16 COVENANTS; AND

17 (VII) TO PAY FOR HISTORIC PRESERVATION EDUCATION AND
18 PROMOTION CONDUCTED BY THE TRUST, AND FOR THE RESEARCH, SURVEY, AND
19 EVALUATION OF HISTORIC PROPERTIES AND THE PREPARATION OF HISTORIC
20 PRESERVATION PLANNING DOCUMENTS AND EDUCATIONAL MATERIALS.

21 (F) SAME -- ADMINISTRATION.

22 THE TRUST SHALL ADMINISTER THE MHT GRANT FUND.

23 (G) SAME -- STATUS.

24 (1) THE MHT GRANT FUND IS A CONTINUING, NONLAPSING SPECIAL
25 FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT
26 ARTICLE.

27 (2) THE TREASURER SHALL HOLD AND THE COMPTROLLER SHALL
28 ACCOUNT FOR THE MHT GRANT FUND.

29 (H) SAME -- COMPOSITION.

30 THE MHT GRANT FUND CONSISTS OF:

31 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE MHT GRANT
32 PROGRAM OR THE HISTORICAL AND CULTURAL MUSEUM ASSISTANCE PROGRAM
33 UNDER § 5-452 OF THIS SUBTITLE;

34 (2) THE PROCEEDS FROM THE RESALE OR LEASE OF ANY PROPERTIES
35 ORIGINALLY ACQUIRED BY THE TRUST FROM THE MHT GRANT FUND OR THE
36 CAPITAL GRANT FUND FOR HISTORIC PRESERVATION;

1 (3) MONEY RECEIVED FROM OTHER PUBLIC OR PRIVATE SOURCES FOR
2 THE BENEFIT OF THE MHT GRANT FUND; AND

3 (4) MONEY RECEIVED FROM THE SALE OF STATE GENERAL OBLIGATION
4 BONDS.

5 (I) SAME -- INVESTMENTS.

6 MONEY IN THE MHT GRANT FUND SHALL BE INVESTED IN THE SAME MANNER
7 AS OTHER STATE MONEY.

8 (J) SAME -- DUTIES OF TRUSTEES.

9 (1) THE TRUSTEES SHALL REVIEW AND MAKE RECOMMENDATIONS TO
10 THE SECRETARY ABOUT GRANT APPLICATIONS AND EXPENDITURE REQUESTS FROM
11 THE MHT GRANT FUND.

12 (2) THE TRUSTEES SHALL BASE THEIR GRANT RECOMMENDATIONS ON
13 A COMPETITIVE SELECTION PROCESS.

14 (3) IN ANY FISCAL YEAR, THE SECRETARY MAY HOLD UP TO 20% OF THE
15 MONEY IN THE MHT GRANT FUND IN RESERVE FOR EMERGENCY USE IN
16 ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION.

17 (4) GRANTS TO BUSINESS ENTITIES MAY NOT EXCEED 10% OF ALL
18 GRANTS AWARDED FROM THE MHT GRANT FUND UNDER THIS SECTION.

19 (K) SAME -- BOARD OF PUBLIC WORKS APPROVAL.

20 (1) TO THE EXTENT REQUIRED BY REGULATIONS ADOPTED BY THE
21 SECRETARY AND APPROVED BY THE BOARD OF PUBLIC WORKS, THE SECRETARY
22 SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS FOR APPROVAL GRANTS OR
23 EXPENDITURES FROM THE MHT GRANT FUND TO BE FINANCED THROUGH THE SALE
24 OF STATE GENERAL OBLIGATION BONDS.

25 (2) EXCEPT FOR AN EXPENDITURE UNDER SUBSECTION (E)(2)(V) AND (VI)
26 OF THIS SECTION, GRANTS AND EXPENDITURES FROM THE MHT GRANT FUND ARE
27 NOT SUBJECT TO TITLES 4 AND 5 OF THE STATE FINANCE AND PROCUREMENT
28 ARTICLE.

29 (L) REPORT.

30 ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE TRUST SHALL REPORT TO
31 THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO
32 THE GENERAL ASSEMBLY ON THE FINANCIAL STATUS AND THE ACTIVITIES OF THE
33 MHT GRANT PROGRAM AND THE MHT GRANT FUND FOR THE PRECEDING FISCAL
34 YEAR.

35 (M) FALSE STATEMENTS PROHIBITED.

1 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
2 MATERIAL FALSE STATEMENT OF FACT, INCLUDING AN UNDERSTATEMENT OR
3 OVERSTATEMENT OF FINANCIAL CONDITION, IN A STATEMENT OR REPORT IN OR
4 REGARDING AN APPLICATION FOR A GRANT OR AFFECTING AN EXISTING GRANT.

5 (2) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A
6 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
7 EXCEEDING 2 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

8 REVISOR'S NOTE: Subsection (a)(1) of this section is new language added as
9 the standard introductory language to a definition section.

10 Subsections (a)(2) through (e) and (g) through (m) of this section are new
11 language derived without substantive change from former Art. 83B, §§
12 5-601(o) and (p) and 5-613(a) through (c), (f), (g), (j), and (i)(1)(i), (ii), (iii),
13 and (v), (2), and as it applied to the MHT Grant Program, (3).

14 Subsection (f) of this section is new language added to clarify that the
15 Trust administers the MHT Grant Fund.

16 In subsection (b)(1) of this section, the phrase "in the Trust" is added for
17 clarity.

18 In subsection (c)(1) of this section, the former references to "[m]anag[ing]"
19 and "supervis[ing]" are deleted as included in the reference to
20 "administer[ing] the MHT Grant Program".

21 In subsection (c)(3)(ii) of this section, the former reference to "historic"
22 property is deleted as surplusage.

23 In subsection (c)(3)(iii) of this section, the former reference to "infeasible" is
24 deleted in light of the reference to "impracticable".

25 Also in subsection (c)(3)(iii) of this section, the former phrase "under the
26 circumstances in accordance with the regulations" is deleted as
27 surplusage.

28 In subsection (d)(2)(v)3 of this section, the reference to the MHT Grant
29 Fund "under subsection (e) of this section" is added for clarity.

30 In subsection (e)(2)(iii) of this section, the reference to "political
31 subdivisions" is substituted for the former reference to "local jurisdictions"
32 to conform to the terminology used throughout this title.

33 In subsection (g)(1) of this section, the phrase that the MHT Grant Fund is
34 not subject to "§ 7-302 of the State Finance and Procurement Article" is
35 substituted for the former phrase "within the meaning of § 10-306 of the
36 State Finance and Procurement Article of the Code" to conform to the
37 terminology used throughout this article.

1 In subsection (h)(1) of this section, the reference to money appropriated "in
2 the State budget" is substituted for the reference to an appropriation "by
3 the State" for clarity.

4 Also in subsection (h)(1) of this section, the reference to the MHT Grant
5 Program "under § 5-452 of this subtitle" is added for clarity.

6 In subsection (h)(2) of this section, the former reference to "July 1, 1989" is
7 deleted because the Capital Grant Fund for Historic Preservation ceased to
8 exist on that date.

9 In subsection (h)(3) of this section, the phrase "for the benefit of the MHT
10 Grant Fund" is added for clarity.

11 In subsection (i) of this section, the former reference to money being
12 "reinvested" is deleted as included in the reference to money being
13 "invested".

14 In subsection (j)(2) of this section, the former phrase "to nonprofit
15 organizations, local jurisdictions, business entities, and individuals" is
16 deleted as unnecessary because those entities are the only permissible
17 grant recipients.

18 Former Art. 83B, § 5-613(i)(1)(iv), which referred to "moneys contained in
19 the Capital Grant Fund for Historic Preservation which shall be
20 transferred to the MHT Grant Fund as of June 30, 1989" is deleted as
21 obsolete.

22 Defined terms: "Department" § 1-101

23 "Historic property" § 5-401

24 "Historic Register" § 5-422

25 "Nonprofit organization" § 1-101

26 "Person" § 1-101

27 "Political subdivision" § 1-101

28 "Preparation costs" § 5-422

29 "Secretary" § 1-101

30 "Trust" § 5-401

31 5-429. HISTORIC MARKER PROGRAM FUND.

32 (A) "FUND" DEFINED.

33 IN THIS SECTION, "FUND" MEANS THE HISTORIC MARKER PROGRAM FUND.

34 (B) ESTABLISHED.

35 THERE IS A HISTORIC MARKER PROGRAM FUND IN THE TRUST.

36 (C) PURPOSE OF FUND.

1 THE PURPOSE OF THE FUND IS TO PRODUCE AND INSTALL HISTORIC MARKERS
2 AT SITES OF STATEWIDE HISTORICAL SIGNIFICANCE.

3 (D) ADMINISTRATION.

4 THE TRUST SHALL ADMINISTER THE FUND.

5 (E) STATUS.

6 (1) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS
7 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

8 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
9 SHALL ACCOUNT FOR THE FUND.

10 (F) COMPOSITION.

11 THE FUND CONSISTS OF:

12 (1) MONEY APPROPRIATED TO THE FUND IN THE STATE BUDGET;

13 (2) MONEY RECOVERED BY THE STATE TO REPLACE DAMAGED OR
14 DESTROYED HISTORIC MARKERS; AND

15 (3) MONEY FROM ANY OTHER SOURCE RECEIVED FOR THE BENEFIT OF
16 THE FUND.

17 (G) USE OF FUND.

18 THE TRUST MAY USE MONEY FROM THE FUND TO PRODUCE AND INSTALL A
19 HISTORIC MARKER AT A SITE THAT THE TRUST DETERMINES TO HAVE STATEWIDE
20 HISTORICAL SIGNIFICANCE:

21 (1) IF THE SITE IS ON STATE-OWNED LAND; OR

22 (2) IF THE SITE IS NOT ON STATE-OWNED LAND AND AT LEAST
23 ONE-HALF OF THE COST OF PRODUCING AND INSTALLING THE HISTORIC MARKER IS
24 PROVIDED FROM SOURCES OTHER THAN THE STATE.

25 (H) INVESTMENTS.

26 MONEY IN THE FUND SHALL BE INVESTED IN THE SAME MANNER AS OTHER
27 STATE MONEY.

28 (I) APPROVALS.

29 (1) THE TRUST SHALL APPROVE THE FORM AND TEXT OF HISTORIC
30 MARKERS PRODUCED AND INSTALLED UNDER THIS SECTION.

31 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE
32 TRUST SHALL APPROVE THE LOCATION OF A HISTORIC MARKER.

1 (3) IF A HISTORIC MARKER IS TO BE PLACED WITHIN THE
2 RIGHT-OF-WAY OF A PUBLIC HIGHWAY OR STREET, THE UNIT OF THE STATE OR THE
3 POLITICAL SUBDIVISION THAT MAINTAINS THE PUBLIC HIGHWAY OR STREET SHALL
4 APPROVE THE LOCATION AND MANNER OF INSTALLATION OF THE HISTORIC
5 MARKER.

6 (J) OWNERSHIP OF HISTORIC MARKERS.

7 THE STATE OWNS THE HISTORIC MARKERS PRODUCED AND INSTALLED UNDER
8 THIS SECTION.

9 REVISOR'S NOTE: Subsections (a) through (d), (f), (g), and (j) of this section
10 are new language derived without substantive change from former Art.
11 83B, § 5-614.

12 Subsection (e) of this section is standard language added to clarify that
13 unspent money remains in the Fund and does not revert to the State
14 General Fund at the end of the fiscal year.

15 Subsection (h) of this section is standard language added to ensure that
16 the Fund investments are treated like investments of other State money.

17 In subsection (f)(1) of this section, the phrase "money appropriated to the
18 Fund" is substituted for the former phrase "[f]unds authorized" for clarity.

19 In subsection (f)(3) of this section, the phrase "received for the benefit of
20 the Fund" is added for clarity.

21 In subsection (g)(2) of this section, the reference to "at least" one-half of
22 the cost is added for clarity.

23 In subsection (i)(1) of this section, the phrase "produced and installed" is
24 substituted for the former word "established" for consistency with
25 subsection (g) of this section.

26 In subsection (i)(3) of this section, the reference to the unit of "a political
27 subdivision" is substituted for the former reference to the unit of a "local
28 government" to conform to the terminology used throughout this title.

29 Defined terms: "Political subdivision" § 1-101

30 "Trust" § 5-401

31 5-430. LIGHTHOUSE PRESERVATION SPECIAL FUND.

32 (A) "FUND" DEFINED.

33 IN THIS SECTION, "FUND" MEANS THE LIGHTHOUSE PRESERVATION SPECIAL
34 FUND.

35 (B) ESTABLISHED.

1 THERE IS A LIGHTHOUSE PRESERVATION SPECIAL FUND.

2 (C) PURPOSE OF FUND.

3 WITH THE ADVICE OF A LIGHTHOUSE PRESERVATION ADVISOR, THE TRUST MAY
4 USE THE FUND ONLY:

5 (1) TO PRESERVE A LIGHTHOUSE IN THE STATE THAT IS PUBLICLY
6 OWNED OR OWNED BY A NONPROFIT ENTITY;

7 (2) FOR EDUCATION ABOUT OR PRESERVATION OR PROMOTION OF
8 LIGHTHOUSES IN THE STATE; AND

9 (3) TO COMPENSATE STAFF EMPLOYED BY THE TRUST TO ADMINISTER
10 THE FUND.

11 (D) ADMINISTRATION.

12 THE TRUST MAY EMPLOY STAFF TO ADMINISTER THE FUND.

13 (E) STATUS.

14 (1) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS
15 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
17 SHALL ACCOUNT FOR THE FUND.

18 (F) COMPOSITION.

19 THE FUND CONSISTS OF:

20 (1) PROCEEDS FROM ITEMS THE TRUST SELLS THAT RELATE TO
21 LIGHTHOUSE PRESERVATION;

22 (2) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND;

23 (3) MONEY RECEIVED AS CONSIDERATION FOR THE DISPOSITION OF A
24 CAPITAL ASSET PURCHASED WITH MONEY FROM THE FUND, AS PROVIDED IN §
25 10-306(C)(2) OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

26 (4) MONEY OR GRANTS ACCEPTED UNDER SUBSECTION (H)(1) OF THIS
27 SECTION.

28 (G) INVESTMENTS.

29 MONEY IN THE FUND SHALL BE INVESTED IN THE SAME MANNER AS OTHER
30 STATE MONEY.

31 (H) AUTHORITY OF TRUST.

1 THE TRUST MAY:

2 (1) APPLY FOR AND ACCEPT MONEY OR A GRANT FROM A FEDERAL,
3 STATE, LOCAL, OR PRIVATE SOURCE TO HELP PRESERVE LIGHTHOUSES IN THE
4 STATE THAT ARE PUBLICLY OWNED OR OWNED BY NONPROFIT ORGANIZATIONS;
5 AND

6 (2) CONTRACT FOR AND SELL BY ANY METHOD ANY ITEM RELATING TO
7 LIGHTHOUSE PRESERVATION.

8 (I) LIGHTHOUSE PRESERVATION ADVISOR.

9 (1) THE SECRETARY SHALL APPOINT A LIGHTHOUSE PRESERVATION
10 ADVISOR.

11 (2) THE LIGHTHOUSE PRESERVATION ADVISOR SHALL SERVE WITHOUT
12 COMPENSATION.

13 (J) REPORT.

14 ON OR BEFORE JANUARY 30 OF EACH YEAR, THE TRUST SHALL REPORT TO THE
15 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
16 SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS
17 COMMITTEE OF THE GENERAL ASSEMBLY ON THE FINANCIAL STATUS OF THE FUND
18 FOR THE PRECEDING FISCAL YEAR.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 5-614.1.

21 In subsection (e)(1) of this section, the statement that the Fund is exempt
22 from "§ 7-302 of the State Finance and Procurement Article" is added as
23 standard language to clarify that unexpended money remains in the Fund
24 and does not revert to the General Fund at the end of the fiscal year.

25 Also in subsection (e)(1) of this section, reference to a "special" fund is
26 substituted for the former reference to a "revolving" fund to conform to the
27 terminology used throughout this article.

28 In subsection (f)(4) of this section, the reference to "money or grants
29 accepted under subsection (h)(1) of this section" is added to state expressly
30 what was only implied in the former law, that money and grants that the
31 Fund accepts are part of the Fund.

32 In subsection (g) of this section, the former reference to money being
33 "reinvested" is deleted as included in the reference to money being
34 "invested".

35 In subsection (j) of this section, the phrase "Senate Budget and Taxation
36 Committee and the House Appropriations Committee" is substituted for
37 the former reference to "budget committees" for clarity.

1 Defined terms: "Department" § 1-101

2 "Nonprofit organization" § 1-101

3 "Secretary" § 1-101

4 "Trust" § 5-401

5 5-431. RESERVED.

6 5-432. RESERVED.

7 PART IV. ARCHAEOLOGICAL PROPERTY.

8 5-433. DEFINITIONS.

9 (A) IN GENERAL.

10 IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

11 REVISOR'S NOTE: Subsection (a) of this section is new language added as the
12 standard introductory language to a definition section.

13 (B) ARCHAEOLOGY OFFICE.

14 "ARCHAEOLOGY OFFICE" MEANS THE ARCHAEOLOGY OFFICE ESTABLISHED
15 UNDER § 5-434 OF THIS SUBTITLE.

16 REVISOR'S NOTE: This subsection is new language added to allow concise and
17 consistent reference to the Archaeology Office.

18 (C) ASSOCIATED FUNERARY OBJECTS.

19 "ASSOCIATED FUNERARY OBJECTS" MEANS OBJECTS THAT ARE REASONABLY
20 BELIEVED TO HAVE BEEN PLACED WITH INDIVIDUAL HUMAN REMAINS AS A PART OF
21 THE DEATH RITE OR CEREMONY OF A CULTURE.

22 REVISOR'S NOTE: This subsection is new language derived without
23 substantive change from former Art. 83B, § 5-601(b).

24 The former reference to "at the time of death or later" is deleted as
25 surplusage.

26 The Housing Article Review Committee notes, for consideration by the
27 General Assembly, that the significance of the reference to "individual"
28 human remains is unclear.

29 Defined term: "Human remains" § 5-433

30 (D) CAVE.

31 (1) "CAVE" HAS THE MEANING STATED IN § 5-1401 OF THE NATURAL
32 RESOURCES ARTICLE.

1 (2) "CAVE" INCLUDES:

2 (I) ANY NATURALLY OCCURRING VOID, CAVITY, RECESS, CAVERN,
3 SINKHOLE, GROTTO, ROCK SHELTER, OR SYSTEM OF INTERCONNECTING PASSAGES
4 BENEATH THE SURFACE OF THE EARTH OR WITHIN A CLIFF OR LEDGE; AND

5 (II) NATURAL SUBSURFACE WATER AND DRAINAGE SYSTEMS.

6 REVISOR'S NOTE: This subsection is new language derived without
7 substantive change from former Art. 83B, § 5-601(d).

8 (E) COMMITTEE.

9 "COMMITTEE" MEANS THE ADVISORY COMMITTEE ON ARCHAEOLOGY.

10 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(e).

11 No changes are made.

12 (F) HUMAN REMAINS.

13 "HUMAN REMAINS" MEANS ANY PART OF THE BODY OF A DECEASED HUMAN
14 BEING IN ANY STATE OF DECOMPOSITION.

15 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-601(m).

16 No changes are made.

17 (G) NATIVE AMERICAN.

18 "NATIVE AMERICAN" MEANS AN INDIVIDUAL OR A DESCENDANT OF AN
19 INDIVIDUAL WHO INHABITED NORTH AMERICA BEFORE EUROPEAN CONTACT.

20 REVISOR'S NOTE: This subsection is new language derived without
21 substantive change from former Art. 83B, § 5-601(s).

22 (H) SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY.

23 "SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY" MEANS ANY
24 UNDERWATER STRUCTURE, REMAINS, OR OBJECT THAT:

25 (1) YIELDS OR IS LIKELY TO YIELD INFORMATION SIGNIFICANT TO THE
26 STUDY OF HUMAN PREHISTORY, HISTORY, OR CULTURE; AND

27 (2) (I) IS SO EMBEDDED IN UNDERWATER LAND THAT EXCAVATING
28 TOOLS ARE NEEDED TO MOVE THE BOTTOM SEDIMENTS TO REACH ALL OR PART OF
29 IT AND HAS REMAINED UNCLAIMED FOR AT LEAST 100 YEARS; OR

30 (II) IS INCLUDED OR IS ELIGIBLE TO BE INCLUDED IN THE
31 NATIONAL REGISTER OF HISTORIC PLACES.

1 REVISOR'S NOTE: This subsection is new language derived without
2 substantive change from former Art. 83B, § 5-601(i) and (z).

3 In the introductory language of this subsection, the reference to any
4 "underwater" structure is added for clarity.

5 In item (1) of this subsection, the former reference to the "scientific" study
6 is deleted as surplusage.

7 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 5-601(u), which defined
8 "permittee" to mean any person or entity authorized and given the
9 exclusive right by the Maryland Historical Trust to excavate or disturb a
10 submerged archaeological historic property under the provisions of former
11 Art. 83B, § 5-620, is deleted because it is not used in this revision.

12 5-434. ARCHAEOLOGY OFFICE -- IN GENERAL.

13 (A) ESTABLISHED.

14 THERE IS AN ARCHAEOLOGY OFFICE IN THE TRUST.

15 (B) RESEARCH UNIT.

16 (1) THE ARCHAEOLOGY OFFICE INCLUDES A RESEARCH UNIT.

17 (2) THE RESEARCH UNIT SHALL:

18 (I) ENGAGE IN AND DIRECT FUNDAMENTAL ARCHAEOLOGICAL
19 RESEARCH;

20 (II) SYNTHESIZE EXISTING RESEARCH INFORMATION; AND

21 (III) ENCOURAGE ARCHAEOLOGICAL RESEARCH AND
22 INVESTIGATION BY MUSEUMS, INSTITUTIONS OF HIGHER EDUCATION, AND
23 SCIENTIFIC AND HISTORICAL INSTITUTIONS AND ORGANIZATIONS IN THE STATE.

24 (C) CHIEF ARCHAEOLOGIST, STATE TERRESTRIAL ARCHAEOLOGIST, AND
25 STATE UNDERWATER ARCHAEOLOGIST.

26 (1) THE DIRECTOR SHALL EMPLOY A CHIEF ARCHAEOLOGIST, A STATE
27 TERRESTRIAL ARCHAEOLOGIST, AND A STATE UNDERWATER ARCHAEOLOGIST IN
28 ACCORDANCE WITH § 5-416 OF THIS SUBTITLE.

29 (2) (I) EACH ARCHAEOLOGIST EMPLOYED UNDER THIS SUBSECTION
30 SHALL HAVE AN ADVANCED DEGREE IN ARCHAEOLOGY OR A CLOSELY RELATED
31 FIELD FROM AN ACCREDITED COLLEGE OR UNIVERSITY.

32 (II) THE CHIEF ARCHAEOLOGIST SHALL BE A PROFESSIONAL
33 ARCHAEOLOGIST.

1 (3) THE CHIEF ARCHAEOLOGIST IS THE ADMINISTRATIVE HEAD OF THE
2 ARCHAEOLOGY OFFICE.

3 (D) STAFF.

4 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
5 ARCHAEOLOGY OFFICE INCLUDES ALL STAFF MEMBERS OF THE TRUST WHO ARE
6 ARCHAEOLOGISTS OR HIRED TO PERFORM ARCHAEOLOGICAL WORK, INCLUDING
7 THOSE WHO MAY BE ASSIGNED ARCHAEOLOGICAL-RELATED FUNCTIONS IN OTHER
8 UNITS OF THE TRUST.

9 (2) THE ARCHAEOLOGY OFFICE DOES NOT INCLUDE INDIVIDUALS
10 SPECIFICALLY ASSIGNED TO A PARK, MUSEUM, OR OTHER SITE-SPECIFIC FACILITY
11 UNDER THE JURISDICTION OF THE TRUST.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, §§ 5-622 and 5-623(a)(1).

14 In subsection (d)(2) of this section, the reference to "individuals" is
15 substituted for the former reference to "persons" because only human
16 beings, and not the other entities included in the defined term "person",
17 can be staff members of a park, museum, or other site-specific facility. *See*
18 § 1-101 of this article.

19 Defined terms: "Archaeology Office" § 5-433

20 "Director" § 5-401

21 "Trust" § 5-401

22 5-435. SAME -- DUTIES.

23 (A) EXCAVATION AND PRESERVATION.

24 THE ARCHAEOLOGY OFFICE SHALL:

25 (1) COOPERATE IN EXCAVATING HISTORICALLY OR
26 ARCHAEOLOGICALLY SIGNIFICANT SITES IN THE CUSTODY OR CONTROL OF ANY
27 OTHER STATE UNIT;

28 (2) ENCOURAGE THE PRESERVATION OF PREHISTORIC OR HISTORIC
29 SITES ON PRIVATELY OWNED LAND IN THE STATE;

30 (3) COORDINATE THE WORK OF RETRIEVING AND PRESERVING
31 ARCHAEOLOGICALLY SIGNIFICANT OBJECTS AND MATERIALS FOUND DURING
32 PUBLIC CONSTRUCTION IN THE STATE;

33 (4) COOPERATE WITH AND HELP MUSEUMS, INSTITUTIONS OF HIGHER
34 EDUCATION, AND OTHER SCIENTIFIC OR HISTORICAL INSTITUTIONS AND
35 ORGANIZATIONS IN PRESERVING AND PROTECTING OBJECTS AND MATERIALS OF
36 ARCHAEOLOGICAL NATURE IN THEIR CUSTODY OR CONTROL;

1 (5) COOPERATE WITH SIMILAR UNITS OF OTHER STATES IN PRESERVING
2 ARCHAEOLOGICALLY SIGNIFICANT SITES, OBJECTS, AND MATERIALS; AND

3 (6) KEEP INSTITUTIONS OR UNITS OF OTHER STATES FROM EXPLOITING
4 ARCHAEOLOGICALLY SIGNIFICANT SITES, OBJECTS, AND MATERIALS IN THIS STATE.

5 (B) EDUCATION AND DISSEMINATION OF INFORMATION.

6 THE ARCHAEOLOGY OFFICE ALSO SHALL:

7 (1) MAKE AVAILABLE TO MUSEUMS, INSTITUTIONS OF HIGHER
8 EDUCATION, AND OTHER SCIENTIFIC OR HISTORICAL INSTITUTIONS AND
9 ORGANIZATIONS OBJECTS AND MATERIALS SUITABLE FOR DEMONSTRATING THE
10 ARCHAEOLOGICAL HISTORY OF THE STATE;

11 (2) MAKE AVAILABLE TO PUBLIC AND PRIVATE SCHOOLS IN THE STATE
12 EXHIBITS ON, AND HELP TO TEACH STUDENTS ABOUT, THE LIFE OF THE EARLY
13 SETTLERS AND NATIVE AMERICANS OF THE STATE;

14 (3) DISSEMINATE ARCHAEOLOGICAL INFORMATION BY PUBLISHING
15 REPORTS OF ARCHAEOLOGICAL RESEARCH AND INVESTIGATION; AND

16 (4) ESTABLISH AN EDUCATIONAL PROGRAM TO TRAIN INTERESTED
17 MEMBERS OF THE PUBLIC TO IDENTIFY, INVESTIGATE, AND REGISTER TERRESTRIAL
18 ARCHAEOLOGICAL HISTORIC PROPERTY.

19 (C) GOALS, OBJECTIVES, POLICY, AND REPORTING REQUIREMENTS.

20 THE ARCHAEOLOGY OFFICE ALSO SHALL:

21 (1) PREPARE A LIST OF PRIORITIZED RESEARCH GOALS AND
22 OBJECTIVES TO GUIDE THE TRUST AND THE DEPARTMENT'S DIVISION OF
23 HISTORICAL AND CULTURAL PROGRAMS IN CHOOSING ARCHAEOLOGICAL RESEARCH
24 PROJECTS TO PERFORM;

25 (2) DEVELOP, IN CONSULTATION WITH THE COMMITTEE, A POLICY THAT
26 SPECIFIES THE CIRCUMSTANCES UNDER WHICH THE TRUST MAY DIRECTLY
27 PERFORM ARCHAEOLOGICAL INVESTIGATIONS TO COMPLY WITH STATE OR FEDERAL
28 LAW THAT THE TRUST OR THE STATE HISTORIC PRESERVATION OFFICER
29 ADMINISTERS; AND

30 (3) PROVIDE TO THE COMMITTEE EACH YEAR A COPY OF THE PART OF
31 THE TRUST'S ANNUAL REPORT TO THE GOVERNOR, REQUIRED BY § 5-418(C)(16) OF
32 THIS SUBTITLE, THAT RELATES TO THE TRUST'S ARCHAEOLOGICAL ACTIVITIES.

33 (D) ADHERENCE TO ARCHAEOLOGICAL GOALS OR OBJECTIVES.

34 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN
35 ARCHAEOLOGIST WHO IS NOT WORKING FOR THE TRUST NEED NOT ADHERE TO THE

1 ARCHAEOLOGICAL RESEARCH GOALS AND OBJECTIVES DEVELOPED BY THE
2 ARCHAEOLOGY OFFICE UNDER THIS SECTION.

3 (2) AN ARCHAEOLOGIST WHO PERFORMS A PROJECT GOVERNED BY ANY
4 STATE OR FEDERAL LAW THAT THE TRUST OR THE STATE HISTORIC PRESERVATION
5 OFFICER ADMINISTERS SHALL ADHERE TO THOSE GOALS AND OBJECTIVES TO THE
6 EXTENT REQUIRED BY LAW.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, § 5-623(b) and (a)(2) through (13).

9 In subsection (a)(3) of this section, the reference to objects "and materials"
10 of archaeological significance is added for consistency with subsection
11 (a)(4), (5), and (6) of this section.

12 Also in subsection (a)(3) of this section, the former reference to materials
13 discovered during "the course of" public construction is deleted as
14 surplusage.

15 In subsection (a)(5) and (6) of this section, the references to "units" of other
16 states are substituted for the former references to "agencies" of other
17 states for consistency throughout this article. *See* General Revisor's Note
18 to article.

19 In subsection (b)(2) of this section, the defined term "Native American[s]"
20 is substituted for the former reference to "natives" to conform to the
21 terminology used throughout this part.

22 In subsection (c)(1) of this section, the reference to projects "to" perform is
23 substituted for the former reference to projects "that they will" perform for
24 brevity.

25 In subsection (c)(2) and (3) of this section, the former references to the
26 Advisory Committee on Archaeology "established by § 5-624 of this
27 subtitle" are deleted in light of the use of the defined term "Committee".

28 In subsection (c)(2) of this section, the reference to State or federal "law" is
29 substituted for the former reference to State or federal "statutes or
30 regulations" for brevity.

31 In subsection (d)(1) of this section, the provision that "an archaeologist who
32 is not working for the Trust need not" adhere to the archaeological
33 research goals and objectives is substituted for the former provision that
34 "nothing in this subtitle shall be deemed to require that archaeologists,
35 other than those employed or hired by the Trust" adhere to the goals or
36 objectives, for brevity.

37 The Housing Article Review Committee notes, for consideration by the
38 General Assembly, that the Archaeology Office has the duty to establish
39 the educational program for terrestrial archaeological property under

1 subsection (b)(4) of this section, but the Trust has the duty to establish a
2 similar program for submerged archaeological historic property under §
3 5-440(d) of this subtitle. Further, this program for terrestrial
4 archaeological property does not have a certification component like that
5 in § 5-440(d).

6 Defined terms: "Archaeology Office" § 5-433

7 "Committee" § 5-433

8 "Department" § 1-101

9 "Historic property" § 5-401

10 "Native American" § 5-433

11 "Preservation" § 5-401

12 "State Historic Preservation Officer" § 5-401

13 "State unit" § 5-401

14 "Terrestrial" § 5-401

15 "Trust" § 5-401

16 5-436. ADVISORY COMMITTEE ON ARCHAEOLOGY.

17 (A) ESTABLISHED.

18 THERE IS AN ADVISORY COMMITTEE ON ARCHAEOLOGY.

19 (B) COMPOSITION; APPOINTMENT OF MEMBERS.

20 (1) THE COMMITTEE CONSISTS OF SEVEN MEMBERS APPOINTED BY THE
21 GOVERNOR ON RECOMMENDATION OF THE SECRETARY AND WITH THE ADVICE AND
22 CONSENT OF THE SENATE.

23 (2) THE COMMITTEE SHALL INCLUDE REPRESENTATIVES OF
24 REPUTABLE MUSEUMS, INSTITUTIONS OF HIGHER EDUCATION, OTHER RECOGNIZED
25 SCIENTIFIC OR HISTORICAL INSTITUTIONS OR ORGANIZATIONS, AND QUALIFIED
26 PRIVATE FIRMS THAT PROVIDE ARCHAEOLOGICAL SERVICES.

27 (C) QUALIFICATIONS OF MEMBERS.

28 EACH MEMBER OF THE COMMITTEE SHALL HAVE SKILL AND KNOWLEDGE IN
29 ARCHAEOLOGICAL MATTERS.

30 (D) TENURE; VACANCIES.

31 (1) THE TERM OF A MEMBER IS 3 YEARS AND BEGINS ON JULY 1.

32 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE
33 TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON OCTOBER 1, 2005.

34 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
35 SUCCESSOR IS APPOINTED AND QUALIFIES.

1 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
2 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
3 QUALIFIES.

4 (E) CHAIR.

5 THE COMMITTEE SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

6 (F) MEETINGS.

7 (1) THE COMMITTEE SHALL MEET AT LEAST FOUR TIMES A YEAR AT THE
8 TIMES AND PLACES THAT THE CHAIR SETS.

9 (2) AT EVERY MEETING AT LEAST ONE OF THE FOLLOWING OFFICERS
10 SHALL ATTEND:

11 (I) THE CHIEF ARCHAEOLOGIST;

12 (II) THE STATE TERRESTRIAL ARCHAEOLOGIST; OR

13 (III) THE STATE UNDERWATER ARCHAEOLOGIST.

14 (G) COMPENSATION AND REIMBURSEMENT FOR EXPENSES.

15 A MEMBER OF THE COMMITTEE:

16 (1) MAY NOT RECEIVE COMPENSATION FOR DUTIES PERFORMED AS A
17 MEMBER; BUT

18 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
19 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

20 (H) DUTIES.

21 THE COMMITTEE SHALL:

22 (1) ADVISE AND ASSIST THE ARCHAEOLOGY OFFICE ON
23 ARCHAEOLOGICAL MATTERS; AND

24 (2) REVIEW POLICIES, PLANS, AND REGULATIONS RELATING TO
25 ARCHAEOLOGICAL MATTERS.

26 REVISOR'S NOTE: Subsections (a), (b), (c), (d)(1), (2), (4), and (5), and (e)
27 through (h) of this section are new language derived without substantive
28 change from former Art. 83B, § 5-624(a), (c), (d), and (b)(1) through (3).

29 Subsection (d)(3) and the clause "and until a successor is appointed and
30 qualifies" in subsection (d)(4) of this section are standard language added
31 to avoid gaps in membership by indicating that a member serves until a
32 successor takes office. These additions are supported by the cases of
33 *Benson v. Mellor*, 152 Md. 481 (1927) and *Grooms v. LaVale Zoning Board*,

1 27 Md. App. (1975).

2 In subsection (b)(2) of this section, the reference to scientific or historical
3 "organizations" is substituted for the former reference to scientific or
4 historical "societies" to conform to the terminology used throughout this
5 part.

6 In subsection (d)(1) of this section, the reference to a Committee member's
7 term "begin[ning] on July 1" is added to conform to the practice of the
8 Committee.

9 In subsection (d)(2) of this section, the reference to terms being staggered
10 as required by the terms provided for Committee members on "October 1,
11 2005" is substituted for the former obsolete reference to staggering as
12 required by the terms provided for Committee members on "July 1, 1990".
13 This substitution is not intended to alter the term of any member of the
14 Committee. *See* § ___ of Ch. ___, Acts of 2005. The terms of the members
15 serving on October 1, 2005, end as follows: (1) one on July 1, 2006; (2) three
16 on July 1, 2007; and (3) three on July 1, 2008.

17 In subsection (d)(4) of this section, the reference to a member appointed
18 "after a term has begun" is substituted for the former reference to a
19 member appointed "to fill a vacancy in an unexpired term or to succeed a
20 member who is holding over" for brevity and consistency with language
21 used in other revised articles of the Code.

22 In subsection (e) of this section, the reference to "chair" is substituted for
23 the former reference to "chairman" because SG § 2-1238 requires the use
24 of words that are neutral as to gender to the extent practicable. *See*
25 General Revisor's Note to article.

26 Also in subsection (e) of this section, the reference to the Committee
27 electing a chair "from among its members" is added to state expressly what
28 was only implied in the former law - that the chair must be a member of
29 the Committee.

30 Also in subsection (e) of this section, the requirement that the Committee
31 "elect" a chair is substituted for the former requirement that the
32 Committee "choose" a chair for clarity.

33 Subsection (f)(1) of this section is revised in the active voice to clarify that
34 it is a duty of the Committee to meet a minimum number of times a year.

35 In subsection (f)(1) of this section, the reference to meetings "at the times"
36 that "the chair sets" is substituted for the former reference to meetings "at
37 the call of the chairman" for clarity and consistency with similar provisions
38 in other revised articles of the Code. *See, e.g.*, AG § 10-1205(b), EN §§
39 2-205(a) and 3-204(a), and PS § 11-205(a). Correspondingly, the reference
40 to meetings at the "places" the chair sets is added to clarify the authority of
41 the chair to establish the location as well as the times of Committee

1 meetings.

2 In subsection (f)(2) of this section, the requirement that the Chief
3 Archaeologist, "the State Terrestrial Archaeologist, or the State
4 Underwater Archaeologist" attend every Committee meeting is substituted
5 for the former requirement that the Chief Archaeologist "or at least one of
6 the State Archaeologists referred to in [former Art. 83B,] § 5-622 of this
7 subtitle" attend Committee meetings, for clarity.

8 In subsection (g)(2) of this section, the former reference to reimbursement
9 for expenses "incurred while actually engaged in the performance of
10 duties" is deleted because the Standard State Travel Regulations specify
11 the types of expenses that are reimbursable. *See* COMAR 23.02.01.01
12 through .12.

13 In subsection (h)(2) of this section, the former reference to "rules" is deleted
14 in light of the reference to "regulations". *See* General Revisor's Note to
15 article.

16 Former Art. 83B, § 5-624(b)(4), which allows a member who is appointed to
17 serve a term of less than 3 years for the purpose of implementing staggered
18 terms, to be reappointed to serve a full 3-year term, is deleted as obsolete.

19 Defined terms: "Archaeology Office" § 5-433

20 "Committee" § 5-433

21 "Secretary" § 1-101

22 5-437. COMMUNICATION OF INFORMATION ABOUT ARCHAEOLOGICAL SITES.

23 A PERSON WHO KNOWS THE LOCATION OF AN ARCHAEOLOGICAL SITE IN THE
24 STATE IS ENCOURAGED TO GIVE THE INFORMATION TO A REPUTABLE MUSEUM, AN
25 INSTITUTION OF HIGHER EDUCATION, ANOTHER RECOGNIZED SCIENTIFIC OR
26 HISTORICAL INSTITUTION OR ORGANIZATION, OR THE TRUST.

27 REVISOR'S NOTE: This section formerly was Art. 83B, § 5-621(c).

28 The only changes are in style.

29 Defined terms: "Person" § 1-101

30 "Trust" § 5-401

31 5-438. ARCHAEOLOGICAL COSTS INCURRED IN STATE PROJECTS.

32 THE COSTS OF ARCHAEOLOGICAL WORK INCURRED IN A STATE PROJECT ON A
33 SITE OF ARCHAEOLOGICAL OR HISTORICAL SIGNIFICANCE SHALL BE AS STATED IN §
34 7-114.1 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

35 REVISOR'S NOTE: This section is new language added to provide a convenient
36 cross-reference to SF § 7-114.1.

1 5-439. OBJECTS AND MATERIALS FOUND ON SUBMERGED OR TERRESTRIAL
2 ARCHAEOLOGICAL SITES.

3 (A) STATE PROPERTY IF FOUND ON STATE LAND.

4 EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND ELSEWHERE
5 IN THIS TITLE, AN OBJECT OR MATERIAL OF HISTORICAL OR ARCHAEOLOGICAL
6 VALUE OR INTEREST FOUND ON A SUBMERGED OR TERRESTRIAL ARCHAEOLOGICAL
7 SITE ON LAND THAT THE STATE OWNS OR CONTROLS:

8 (1) IS THE PROPERTY OF THE STATE; AND

9 (2) SHALL BE DEPOSITED FOR PERMANENT PRESERVATION WITH A
10 REPUTABLE MUSEUM, AN INSTITUTION OF HIGHER EDUCATION, OR ANOTHER
11 RECOGNIZED SCIENTIFIC OR HISTORICAL INSTITUTION OR ORGANIZATION.

12 (B) TRANSFER OF HUMAN REMAINS -- TO DESCENDANTS AND CULTURALLY
13 AFFILIATED GROUPS.

14 (1) SUBJECT TO APPLICABLE FEDERAL LAW AND PARAGRAPH (2) OF
15 THIS SUBSECTION, THE TRUST MAY TRANSFER NATIVE AMERICAN OR OTHER HUMAN
16 REMAINS IN ITS POSSESSION, CUSTODY, OR CONTROL TO AN APPROPRIATE PLACE OF
17 REPOSE.

18 (2) IF THE CULTURAL AFFILIATION OF HUMAN REMAINS AND
19 ASSOCIATED FUNERARY OBJECTS IN THE POSSESSION, CUSTODY, OR CONTROL OF
20 THE TRUST CAN BE ESTABLISHED, THE TRUST MAY TRANSFER THE HUMAN REMAINS
21 AND ASSOCIATED FUNERARY OBJECTS IN THE FOLLOWING ORDER OF PRIORITY TO:

22 (I) THE DESCENDANTS OF THE DECEASED; OR

23 (II) A GROUP ESTABLISHED AS CULTURALLY AFFILIATED WITH
24 THE DECEASED, INCLUDING A NATIVE AMERICAN TRIBE, BAND, GROUP, OR CLAN.

25 (C) SAME -- TO MUSEUMS, INSTITUTIONS, AND ORGANIZATIONS.

26 (1) EXCEPT FOR HUMAN REMAINS OF NATIVE AMERICANS AND
27 ASSOCIATED FUNERARY OBJECTS SUBJECT TO SUBSECTION (B)(2) OF THIS SECTION,
28 THE TRUST MAY TRANSFER ANY HUMAN REMAINS AND ASSOCIATED FUNERARY
29 OBJECTS IN ITS POSSESSION, CUSTODY, OR CONTROL TO A REPUTABLE MUSEUM, AN
30 INSTITUTION OF HIGHER EDUCATION, OR ANOTHER RECOGNIZED SCIENTIFIC OR
31 HISTORICAL INSTITUTION OR ORGANIZATION FOR STUDY, IF:

32 (I) THE STUDY IS AN ESSENTIAL PART OF SCIENTIFIC RESEARCH;

33 (II) THE OUTCOME OF THE SCIENTIFIC RESEARCH WILL BENEFIT
34 THE STATE; AND

1 (III) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
2 THE STUDY WILL BE COMPLETED AND THE ITEMS RETURNED TO THE TRUST WITHIN
3 1 YEAR AFTER THE DATE OF THE TRANSFER.

4 (2) (I) IF A TRANSFEREE UNDER THIS SUBSECTION MAKES A GOOD
5 FAITH EFFORT BUT CANNOT COMPLETE A STUDY WITHIN 1 YEAR, THE TRANSFEREE
6 MAY REQUEST AN EXTENSION FROM THE TRUST.

7 (II) THE TRUST MAY GRANT THE EXTENSION ONLY IN
8 ACCORDANCE WITH ITS REGULATIONS.

9 (D) REGULATIONS.

10 (1) IN CONSULTATION WITH THE COMMISSION ON INDIAN AFFAIRS, THE
11 TRUST SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

12 (2) THE REGULATIONS SHALL INCLUDE:

13 (I) PROCEDURES TO DETERMINE THE APPROPRIATE DISPOSITION
14 OF HUMAN REMAINS FOR WHICH DESCENT OR CULTURAL AFFILIATION CANNOT BE
15 ESTABLISHED;

16 (II) SPECIFIC TIME FRAMES AND PROCEDURES TO EXTEND A
17 STUDY OF HUMAN REMAINS AND ASSOCIATED FUNERARY OBJECTS BEYOND 1 YEAR;
18 AND

19 (III) PROCEDURES TO ACCOUNT FOR ANY HUMAN REMAINS AND
20 ASSOCIATED FUNERARY OBJECTS THAT TEMPORARILY ARE TRANSFERRED FOR
21 STUDY TO A REPUTABLE MUSEUM, AN INSTITUTION OF HIGHER EDUCATION, OR
22 ANOTHER RECOGNIZED SCIENTIFIC OR HISTORICAL INSTITUTION OR
23 ORGANIZATION.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 5-627.

26 In subsection (a) of this section, the reference to objects or materials found
27 on certain sites "on" land under the ownership or control of the State is
28 substituted for the former reference to objects or materials found on
29 certain sites "or" land the State owns or controls for accuracy.

30 Also in subsection (a) of this section, the phrase "and elsewhere in this
31 title" is added to reflect that alternatives to the deposit of certain objects
32 and materials under subsection (a) are provided in subsections (b) and (c)
33 of this section.

34 In the introductory language of subsection (b)(2) of this section, the former
35 reference to the cultural affiliation of certain human remains and objects
36 being established "with a particular cultural group" is deleted as implicit
37 in the reference to "the cultural affiliation".

1 In the introductory language of subsection (c)(1) of this section, the
2 reference to "any human remains and associated funerary objects in its
3 possession, custody, or control" is substituted for the former reference to
4 "the remains and objects" for clarity and consistency in this subsection.

5 In subsection (c)(1)(i) of this section, the former reference to the study "of
6 human remains and objects" is deleted as unnecessary in light of the
7 reference, in the introductory language of the subsection, to the transfer of
8 human remains and associated funerary objects "for study".

9 In subsection (c)(2)(i) of this section, the reference to "a transferee under
10 this subsection" is substituted for the former reference to "[a] museum,
11 institution of higher education, or recognized scientific or historical
12 institution or organization" for brevity.

13 In subsection (c)(2)(ii) of this section, the former reference to an extension
14 "of time" is deleted as implicit in the word "extension".

15 Also in subsection (c)(2)(ii) of this section, the former phrase "[u]pon
16 request" is deleted in light of the reference in subsection (c)(2)(i) of this
17 section to "request" an extension from the Trust.

18 In subsection (d)(2) of this section, the former reference to the regulations
19 "adopted in accordance with paragraph (1) of this subsection" is deleted as
20 surplusage.

21 In subsection (d)(2)(iii) of this section, the reference to a "reputable"
22 museum is added for consistency with subsection (c)(1) of this section.

23 Defined terms: "Associated funerary objects" § 5-433

24 "Human remains" § 5-433

25 "Native American" § 5-433

26 "Submerged" § 5-401

27 "Terrestrial" § 5-401

28 "Trust" § 5-401

29 5-440. SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY -- IN GENERAL.

30 (A) STATE PROPERTY IF ON OR RECOVERED FROM STATE-CONTROLLED
31 LAND.

32 SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY ON OR TAKEN FROM
33 UNDERWATER LAND OVER WHICH THE STATE HAS SOVEREIGN CONTROL IS THE
34 PROPERTY OF THE STATE.

35 (B) CONVEYANCE OF TITLE.

36 THE STATE MAY CONVEY TITLE TO PART OR ALL OF SUBMERGED
37 ARCHAEOLOGICAL HISTORIC PROPERTY IT OWNS IN ACCORDANCE WITH A PERMIT,

1 IF THE BOARD OF PUBLIC WORKS APPROVES THE PERMIT IN ACCORDANCE WITH
2 TITLE 10, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (C) DISPOSITION.

4 (1) THE TRUST AND A HOLDER OF A PERMIT UNDER § 5-441 OF THIS
5 SUBTITLE MAY ENTER INTO AN AGREEMENT TO DISPOSE OF SUBMERGED
6 ARCHAEOLOGICAL HISTORIC PROPERTY RECOVERED BY THE HOLDER.

7 (2) THE AGREEMENT MAY DIVIDE THE RECOVERED SUBMERGED
8 ARCHAEOLOGICAL HISTORIC PROPERTY BETWEEN THE STATE AND THE HOLDER.

9 (3) SUBJECT TO APPROVAL OF THE BOARD OF PUBLIC WORKS, THE
10 DIVISION MAY BE IN VALUE OR IN KIND.

11 (4) THE TRUST SHALL BE THE ARBITER OF THE DIVISION, ACTING IN
12 THE BEST INTEREST OF THE STATE AND GIVING CONSIDERATION TO THE FAIR
13 TREATMENT OF THE PERMIT HOLDER.

14 (5) AN AGREEMENT UNDER THIS SUBSECTION SHALL PROVIDE
15 REASONABLE COMPENSATION TO THE PERMIT HOLDER FOR ANY RECOVERED
16 SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY CLAIMED AND TURNED OVER
17 TO THE STATE.

18 (D) EDUCATIONAL PROGRAM.

19 THE TRUST SHALL:

20 (1) ESTABLISH AN EDUCATIONAL PROGRAM TO TRAIN INTERESTED
21 MEMBERS OF THE PUBLIC TO IDENTIFY AND REGISTER SUBMERGED
22 ARCHAEOLOGICAL HISTORIC PROPERTY; AND

23 (2) CERTIFY MEMBERS OF THE PUBLIC WHO SUCCESSFULLY COMPLETE
24 THE EDUCATIONAL PROGRAM.

25 (E) REGULATIONS.

26 (1) THE TRUST SHALL ADOPT REGULATIONS ON ISSUING PERMITS AND
27 DISPOSING OF AND TRANSFERRING SUBMERGED ARCHAEOLOGICAL HISTORIC
28 PROPERTY UNDER THIS SUBTITLE.

29 (2) THE REGULATIONS SHALL BE ADOPTED:

30 (I) WITH THE APPROVAL OF THE SECRETARY; AND

31 (II) IN CONSULTATION WITH THE FEDERAL ADVISORY COUNCIL ON
32 HISTORIC PRESERVATION AND APPROPRIATE PUBLIC AND PRIVATE SECTOR GROUPS
33 IN THE STATE, INCLUDING SPORT DIVERS, PROFESSIONAL DIVE OPERATORS, DIVE
34 CLUBS, SALVORS, ARCHAEOLOGISTS, COMMERCIAL FISHERMEN, AND HISTORIC
35 PRESERVATIONISTS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, §§ 5-611.1 and 5-620(i)(1) and the first
3 sentence of (i)(2).

4 In subsection (b) of this section, the former reference to a permit "issued by
5 the Trust under [former Art. 83B,] § 5-620 of this subtitle" is deleted as
6 surplusage.

7 Also in subsection (b) of this section, the reference to property the State
8 "owns" is substituted for the former reference to property "over which the
9 State has sovereign control" for brevity.

10 Also in subsection (b) of this section, the former reference to approval in
11 accordance with "the applicable provisions of" Title 10, Subtitle 3 of the
12 State Finance and Procurement Article is deleted as surplusage.

13 In subsection (c)(1) of this section, the reference to submerged
14 archaeological historic property "recovered by the holder" is substituted for
15 the former reference to "recovered" submerged archaeological historic
16 property for clarity.

17 In subsection (c)(2) of this section, the reference to the "agreement" is
18 substituted for the former reference to the "disposition" for consistency
19 with subsection (c)(1) of this section.

20 In subsection (c)(4) of this section, the requirement that the Trust "shall
21 be" the arbiter of the division is substituted for the former reference to the
22 Trust "acting as" arbiter for brevity.

23 In subsection (c)(5) of this section, the reference to an agreement "under
24 this subsection" is substituted for the former reference to an agreement
25 "entered into by the Trust" for brevity and clarity.

26 In subsection (d)(2) of this section, the reference to "the educational
27 program" is substituted for the former reference to "such training" for
28 clarity and consistency with subsection (d)(1) of this section.

29 In subsection (e)(1) of this section, the former reference to "rules" is deleted
30 in light of the reference to "regulations". *See* General Revisor's Note to
31 article.

32 Defined terms: "Person" § 1-101

33 "Secretary" § 1-101

34 "Submerged" § 5-401

35 "Submerged archaeological historic property" § 5-433

36 "Trust" § 5-401

37 5-441. SAME -- PERMITS.

38 (A) REQUIRED.

1 WITHOUT A PERMIT, A PERSON MAY NOT EXCAVATE, REMOVE, DESTROY,
2 INJURE, DEFACE, OR DISTURB A SUBMERGED ARCHAEOLOGICAL HISTORIC
3 PROPERTY ON LAND OVER WHICH THE STATE HAS SOVEREIGN CONTROL.

4 (B) EXCEPTION TO PERMIT REQUIREMENT -- IN GENERAL.

5 A PERSON DOES NOT NEED A PERMIT TO INSPECT, STUDY, EXPLORE,
6 PHOTOGRAPH, MEASURE, RECORD, OR OTHERWISE USE AND ENJOY SUBMERGED
7 ARCHAEOLOGICAL HISTORIC PROPERTY ON LAND OVER WHICH THE STATE HAS
8 SOVEREIGN CONTROL IF THE USE OR ACTIVITY DOES NOT:

9 (1) INVOLVE THE EXCAVATION, REMOVAL, DESTRUCTION, INJURY, OR
10 DISTURBANCE OF THE SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY OR ITS
11 IMMEDIATE ENVIRONMENT;

12 (2) ENDANGER OTHER PERSONS OR PROPERTY; OR

13 (3) VIOLATE ANY LAW.

14 (C) SAME -- ACTIVITIES PERMITTED BY REGULATION.

15 (1) REGULATIONS UNDER § 5-440(E) OF THIS SUBTITLE SHALL PROVIDE
16 THAT AN INDIVIDUAL DOES NOT NEED A PERMIT TO COLLECT FROM SUBMERGED
17 ARCHAEOLOGICAL HISTORIC PROPERTY A LIMITED NUMBER OF OBJECTS OR
18 MATERIALS RECOVERABLE BY HAND OR WITH THE USE OF SCREWDRIVERS,
19 WRENCHES, OR PLIERS.

20 (2) THE STATE IS NOT LIABLE FOR INJURY OR LOSS SUSTAINED BY AN
21 INDIVIDUAL ENGAGED IN ACTIVITY AUTHORIZED IN ACCORDANCE WITH
22 PARAGRAPH (1) OF THIS SUBSECTION.

23 (D) SAME -- ACTIVITIES OF TRUST.

24 THE TRUST DOES NOT NEED A PERMIT TO DO ANYTHING FOR WHICH A PERMIT
25 IS REQUIRED UNDER THIS SECTION, BUT SHALL OBTAIN APPROVAL FOR THE
26 UNDERTAKING FROM THE BOARD OF PUBLIC WORKS.

27 (E) PROGRAM TO ISSUE AND ADMINISTER PERMITS.

28 THE TRUST SHALL ESTABLISH A PROGRAM FOR ISSUING AND ADMINISTERING
29 PERMITS FOR ACTIVITY THAT INVOLVES THE REMOVAL, EXCAVATION,
30 DESTRUCTION, INJURY, OR DISTURBANCE OF SUBMERGED ARCHAEOLOGICAL
31 HISTORIC PROPERTY ON LAND OVER WHICH THE STATE HAS SOVEREIGN CONTROL.

32 (F) EXCLUSIVE PERMITS.

33 SUBJECT TO SUBSECTION (G) OF THIS SECTION, THE TRUST MAY ISSUE TO ANY
34 PERSON A PERMIT GRANTING AN EXCLUSIVE RIGHT TO REMOVE, EXCAVATE,
35 DESTROY, INJURE, OR DISTURB SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY

1 ON LAND OVER WHICH THE STATE HAS SOVEREIGN CONTROL FOR THE TERM AND
2 UNDER THE CONDITIONS THAT THE TRUST CONSIDERS APPROPRIATE IF:

3 (1) THE TRUST AND THE APPLICANT FOR THE PERMIT HAVE ENTERED
4 INTO AN AGREEMENT UNDER § 5-440(C) OF THIS SUBTITLE; AND

5 (2) THE TRUST DETERMINES THAT ISSUING THE PERMIT IS IN THE BEST
6 INTEREST OF THE STATE AND THAT THE APPLICANT FOR THE PERMIT HAS
7 SUBMITTED A RESEARCH PLAN THAT MEETS STANDARDS ESTABLISHED BY THE
8 TRUST FOR:

9 (I) PROFESSIONAL QUALIFICATIONS OF THE APPLICANT AND
10 PERSONS WORKING UNDER THE PERMIT;

11 (II) TECHNIQUES AND METHODOLOGY FOR THE RECOVERY AND
12 DISSEMINATION OF DATA; AND

13 (III) PROPER CONSERVATION OF INFORMATION AND MATERIALS.

14 (G) LIMITATION ON ISSUANCE.

15 THE TRUST MAY NOT ISSUE A PERMIT TO A PERSON THAT SEEKS TITLE TO PART
16 OR ALL OF SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY, OR TO A PERSON
17 THAT SEEKS TO USE SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY FOR
18 COMMERCIAL SALVAGE OR ANOTHER INCOME-PRODUCING PURPOSE, UNLESS:

19 (1) THE APPLICANT HAS PROVIDED THE TRUST WITH ASSURANCE
20 ACCEPTABLE TO THE TRUST THAT THE PROJECT WILL BE CARRIED OUT AND
21 COMPLETED IN ACCORDANCE WITH A RESEARCH PLAN UNDER SUBSECTION (F)(2) OF
22 THIS SECTION; AND

23 (2) THE TRUST FINDS THAT:

24 (I) THE SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY IS
25 THREATENED WITH IMMINENT DESTRUCTION OR SUBSTANTIAL DAMAGE BY
26 NATURAL OR HUMAN FACTORS UNRELATED TO THE PROPOSED COMMERCIAL
27 EXCAVATION OR DISTURBANCE;

28 (II) THE SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY IS
29 NOT OF MAJOR SCIENTIFIC, ARCHAEOLOGICAL, ANTHROPOLOGICAL, HISTORICAL,
30 RECREATIONAL, OR OTHER PUBLIC VALUE;

31 (III) THE PROPOSED EXCAVATION OR DISTURBANCE WILL BE
32 MINOR AND WILL PRODUCE INFORMATION RELEVANT TO THE STATEWIDE
33 COMPREHENSIVE HISTORIC PRESERVATION PLAN PREPARED BY THE TRUST UNDER §
34 5-418(C)(4) OF THIS SUBTITLE; OR

35 (IV) THE SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY
36 WILL NOT BE EXCAVATED OR DISTURBED BY ANY OTHER PERSON IN THE

1 FORESEEABLE FUTURE AND WILL REMAIN SUBMERGED UNTIL IT IS EXCAVATED OR
2 DISTURBED.

3 (H) FEE.

4 THE TRUST MAY CHARGE A REASONABLE FEE TO ISSUE A PERMIT AND MAY
5 REQUIRE AN APPLICANT OR PERMIT HOLDER TO PAY FOR THE COST OF THE TRUST'S
6 REVIEW, ADMINISTRATION, AND SUPERVISION OF THE PERMIT.

7 (I) ENFORCEMENT.

8 THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY ENFORCE THIS SECTION
9 AND MAY:

10 (1) ISSUE A SUMMONS FOR A VIOLATION OF THIS SECTION OR OF A
11 PERMIT ISSUED UNDER THIS SECTION;

12 (2) SEIZE OBJECTS OR MATERIALS REMOVED FROM A SUBMERGED
13 ARCHAEOLOGICAL HISTORIC PROPERTY, IF THE REMOVAL TOOK PLACE WITHOUT A
14 PERMIT ON OR AFTER JULY 1, 1988, OR IF THE REMOVAL WAS CONTRARY TO THE
15 TERMS OF A PERMIT; AND

16 (3) REVOKE A PERMIT ON A FINDING THAT THE PERMIT WAS ISSUED
17 IMPROPERLY OR THE TERMS OF THE PERMIT HAVE BEEN VIOLATED.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 5-620(a), (c) through (g)(1), (h), the first
20 sentence of (b), and the second sentence of (i)(2).

21 In subsection (b)(3) of this section, the former reference to "regulations" is
22 deleted as included in the reference to "law".

23 Also in subsection (b)(3) of this section, the former reference to an
24 "existing" law is deleted as implicit in the reference to "law".

25 In subsection (c)(1) of this section, the reference to regulations "under §
26 5-440(e) of this subtitle" is substituted for the former reference to "[t]hese"
27 regulations for clarity.

28 Also in subsection (c)(1) of this section, the former requirement that the
29 regulations provide "specifically" for a certain exception to the permit
30 requirement is deleted as surplusage.

31 Also in subsection (c)(1) of this section, the former reference to collecting
32 "on a small scale" certain objects and materials is deleted in light of the
33 reference to collecting a "limited number of" the objects and materials.

34 Also in subsection (c)(1) of this section, the former reference to objects and
35 materials recoverable "from such properties" is deleted in light of the
36 reference to collecting the objects and materials "from submerged

- 1 archaeological historic property".
- 2 In subsection (c)(2) of this section, the reference to "an individual engaged
3 in activity authorized in accordance with paragraph (1) of this subsection"
4 is substituted for the former reference to "such individuals" for clarity.
- 5 In subsection (d) of this section, the reference to a permit "to do anything
6 for which a permit is required under" this section is substituted for the
7 former reference to a permit "for any undertaking provided for by" this
8 section for clarity.
- 9 In subsections (e) and (f) of this section, the references to the "removal" and
10 the right to "remove" submerged archaeological historic property are added
11 for consistency with the reference to "remove" in subsection (a) of this
12 section.
- 13 In the introductory language of subsections (f) and (g) of this section, the
14 former references to an "entity" are deleted as included in the defined term
15 "person".
- 16 In subsection (f)(1) of this section, the reference to the "Trust and the
17 applicant for the permit" entering into an agreement is added for clarity.
- 18 In subsection (f)(2)(i) of this section, the reference to the professional
19 qualifications "of the applicant and persons working under the permit" is
20 added for clarity.
- 21 In subsection (g)(1) of this section, the reference to the research plan
22 "under subsection (f)(2) of this section" is substituted for the former
23 reference to the plan "approved by the Trust" for clarity.
- 24 Also in subsection (g)(1) of this section, the former reference that issuance
25 of a permit must be "consistent with the purposes of [former] subsection
26 (d)(2) of this section" is deleted as surplusage.
- 27 In subsection (g)(2)(i) and (ii) of this section, the former phrase "in the
28 opinion of the Trust" is deleted in light of the reference in the introductory
29 language of subsection (g)(2) of this section to the Trust "find[ing]" that the
30 conditions described in subsection (g)(2)(i) and (ii) are met.
- 31 In subsection (g)(2)(i) of this section, the reference to the "proposed"
32 commercial excavation or disturbance is added for clarity.
- 33 Also in subsection (g)(2)(i) of this section, the former reference to the
34 commercial excavation or disturbance "of the submerged archaeological
35 historic property in question" is deleted as implicit in the reference to the
36 "excavation or disturbance".
- 37 In subsection (g)(2)(iii) of this section, the reference to "excavation" is
38 added for consistency with the reference to "excavat[ion]" in subsection

1 (g)(2)(iv) of this section.

2 In subsection (g)(2)(iv) of this section, the reference to the "submerged
3 archaeological historic property" is substituted for the former reference to
4 the "subject property of the permit" for clarity.

5 In subsection (i)(2) of this section, the reference to objects or materials
6 "removed" from a submerged archaeological historic property is
7 substituted for the former reference to objects or materials "taken,
8 collected, or otherwise disturbed" from a submerged archaeological historic
9 property for brevity.

10 Also in subsection (i)(2) of this section, the reference to an action that took
11 place "on or after July 1, 1998" is substituted for the former reference to an
12 action that took place "following the effective date of this section" for
13 clarity. *See* Ch. 503, Acts of 1988.

14 The Housing Article Review Committee notes, for consideration by the
15 General Assembly, that in subsection (a) of this section, the former
16 reference to "substantively" injure is deleted because it is implied by the
17 word "injure". Accordingly, in subsections (b), (e), and (f) of this section,
18 former references to "substantive" injury are deleted.

19 Defined terms: "Department" § 1-101

20 "Director" § 5-401

21 "Person" § 1-101

22 "Submerged" § 5-401

23 "Submerged archaeological historic property" § 5-433

24 "Trust" § 5-401

25 "Undertaking" § 5-401

26 5-442. TERRESTRIAL ARCHAEOLOGICAL EXCAVATION.

27 (A) PERMIT -- REQUIRED.

28 WITHOUT A PERMIT, A PERSON MAY NOT EXCAVATE, REMOVE, DESTROY,
29 INJURE, DEFACE, OR DISTURB A TERRESTRIAL ARCHAEOLOGICAL SITE ON LAND
30 THAT THE STATE OWNS OR CONTROLS.

31 (B) SAME -- EXCEPTION.

32 THE TRUST DOES NOT NEED A PERMIT TO DO ANYTHING FOR WHICH A PERMIT
33 IS REQUIRED UNDER THIS SECTION.

34 (C) SAME -- ISSUANCE.

35 THE TRUST MAY ISSUE A PERMIT TO EXCAVATE A TERRESTRIAL
36 ARCHAEOLOGICAL SITE ON LAND THE STATE OWNS OR CONTROLS TO ANY PERSON
37 THAT THE TRUST DETERMINES IS QUALIFIED TO CONDUCT AN EXCAVATION TO

1 COLLECT OBJECTS AND MATERIALS OF HISTORICAL OR ARCHAEOLOGICAL VALUE OR
2 INTEREST.

3 (D) CONDUCT OF EXCAVATIONS.

4 A TERRESTRIAL ARCHAEOLOGICAL EXCAVATION MAY BE CONDUCTED ONLY TO
5 BENEFIT A REPUTABLE MUSEUM, AN INSTITUTION OF HIGHER EDUCATION, OR
6 ANOTHER RECOGNIZED SCIENTIFIC OR HISTORICAL INSTITUTION OR
7 ORGANIZATION, SO AS TO INCREASE KNOWLEDGE AND APPRECIATION OF
8 HISTORICAL AND ARCHAEOLOGICAL OBJECTS AND MATERIALS.

9 (E) REGULATIONS.

10 THE TRUST MAY ADOPT REGULATIONS TO ENSURE THAT OBJECTS AND
11 MATERIALS COLLECTED IN A TERRESTRIAL ARCHAEOLOGICAL EXCAVATION ARE
12 PROPERLY SAFEGUARDED AND PRESERVED.

13 (F) ENFORCEMENT.

14 THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY ENFORCE THE PROVISIONS
15 OF THIS SUBTITLE RELATING TO TERRESTRIAL ARCHAEOLOGICAL HISTORIC
16 PROPERTY IN THE SAME MANNER AS PROVIDED IN § 5-441(I) OF THIS SUBTITLE FOR
17 SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, §§ 5-625, 5-626, and, except as it related to
20 archaeological historic property found in caves, 5-629(a).

21 In subsection (a) of this section, the words "remove", "deface", and "disturb"
22 are added to conform to § 5-441(a) of this subtitle. Similarly, the former
23 reference to "appropriate" is deleted.

24 In subsection (b) of this section, the reference to a permit "to do anything
25 for which a permit is required under" this section is substituted for the
26 former reference to a permit for any "undertaking provided for by" this
27 section for clarity.

28 Also in subsection (b) of this section, the former reference to "§ 5-626 of
29 this subtitle" is deleted because former Art. 83B, § 5-626 is revised as part
30 of this section.

31 In subsection (c) of this section, the reference to a person that "the Trust
32 determines" is qualified is substituted for the former reference to a person
33 that "in the Trust's judgment" is qualified, for clarity and consistency with
34 similar language used in the introductory language of § 5-441(f)(2) of this
35 subtitle.

36 Also in subsection (c) of this section, the reference to "collect[ing]" objects
37 and materials is substituted for the former reference to "gather[ing]"
38 objects and materials for consistency with similar language used in §

- 1 5-441(c)(1) of this subtitle.
- 2 Also in subsection (c) of this section, the former reference to a permit for an
3 "archaeological" excavation is deleted in light of the reference to a permit
4 to excavate a terrestrial "archaeological" site.
- 5 Also in subsection (c) of this section, the former reference to an
6 "institution" is deleted as included in the defined term "person". *See* §
7 1-101 of this article.
- 8 In subsection (d) of this section, the reference to "historical and"
9 archaeological objects and materials is added for consistency with
10 subsection (c) of this section.
- 11 In subsection (e) of this section, the former references to "rules" are deleted
12 in light of the references to "regulations". *See* General Revisor's Note to
13 article.
- 14 Also in subsection (e) of this section, the reference to objects and materials
15 "collected in a terrestrial archaeological excavation" is substituted for the
16 former reference to "the" objects and materials for clarity.
- 17 Also in subsection (e) of this section, the former phrase "for the people of
18 the State" is deleted as surplusage.
- 19 In subsection (f) of this section, the reference to "the Director's designee" is
20 added to conform to the enforcement provisions for permits for submerged
21 archaeological historic property under 5-441(i) of this subtitle.

22 Defined terms: "Director" § 5-401

23 "Person" § 1-101

24 "Preservation" § 5-401

25 "Submerged archaeological historic property" § 5-433

26 "Terrestrial" § 5-401

27 "Trust" § 5-401

28 5-443. CAVES.

29 (A) IN GENERAL.

30 (1) THIS SECTION APPLIES TO ALL ARCHAEOLOGICAL, PREHISTORIC,
31 AND HISTORIC FEATURES FOUND IN ANY CAVE, INCLUDING:

32 (I) ALL OR ANY PART OF ANY BURIAL GROUNDS, HISTORIC OR
33 PREHISTORIC RUINS, AND ARCHAEOLOGICAL SITES; AND

34 (II) RELICS, INSCRIPTIONS, SALTPETER WORKINGS, FOSSILS,
35 BONES, AND REMAINS OF HISTORICAL HUMAN ACTIVITY.

1 (2) WITHOUT A PERMIT ISSUED UNDER THIS SECTION, A PERSON MAY
2 NOT EXCAVATE, REMOVE, DESTROY, INJURE, DEFACE, OR DISTURB FEATURES
3 FOUND IN A CAVE.

4 (B) PERMITS FOR CAVES ON STATE LAND.

5 IN ACCORDANCE WITH §§ 5-441 AND 5-442 OF THIS SUBTITLE, AN INDIVIDUAL
6 TRAINED IN ARCHAEOLOGY MAY APPLY FOR AND BE ISSUED A PERMIT TO EXCAVATE
7 OR REMOVE FEATURES DESCRIBED IN SUBSECTION (A) OF THIS SECTION FROM OR IN
8 A CAVE ON LAND THAT THE STATE OWNS OR CONTROLS BY RIGHTS UNDER A LEASE,
9 OPTION CONTRACT, OR PURCHASE CONTRACT.

10 (C) PERMITS FOR CAVES ON PRIVATELY OWNED LAND.

11 (1) AN INDIVIDUAL MAY APPLY FOR A PERMIT TO EXCAVATE OR
12 REMOVE ARCHAEOLOGICAL, PREHISTORIC, AND HISTORIC FEATURES FROM A CAVE
13 ON PRIVATELY OWNED LAND.

14 (2) AN APPLICANT FOR A PERMIT SHALL:

15 (I) BE TRAINED IN ARCHAEOLOGY;

16 (II) GIVE THE TRUST A DETAILED STATEMENT OF THE PURPOSES
17 AND OBJECTIVES OF THE PROPOSED EXCAVATION OR REMOVAL;

18 (III) AGREE TO PROVIDE THE TRUST WITH INFORMATION FROM AND
19 RESULTS OF ANY EXCAVATION, STUDY, OR COLLECTION IN ACCORDANCE WITH THE
20 TERMS OF THE PERMIT;

21 (IV) OBTAIN THE PRIOR WRITTEN CONSENT OF THE OWNER OF THE
22 LAND ON WHICH THE EXCAVATION OR REMOVAL WILL BE CONDUCTED; AND

23 (V) AGREE TO CARRY THE PERMIT WHILE CONDUCTING THE
24 EXCAVATION OR REMOVAL AUTHORIZED BY THE PERMIT.

25 (3) A PERMIT MAY BE ISSUED FOR A MAXIMUM TERM OF 2 YEARS AND
26 MAY BE RENEWED.

27 (4) A PERMIT IS NOT TRANSFERABLE, BUT A PERSON WORKING UNDER
28 THE DIRECT SUPERVISION OF THE PERMIT HOLDER NEED NOT OBTAIN A SEPARATE
29 PERMIT.

30 (D) OWNERSHIP OF OBJECTS OR MATERIALS FOUND IN CAVE ON PRIVATELY
31 OWNED LAND.

32 ANY OBJECT OR MATERIAL OF ARCHAEOLOGICAL, PREHISTORIC, OR HISTORIC
33 VALUE OR INTEREST FOUND IN A CAVE ON PRIVATELY OWNED LAND IS THE
34 PROPERTY OF THE OWNER OF THE LAND.

35 (E) IMMUNITY OF OWNER.

1 IF A PERSON USES A CAVE FOR RECREATIONAL OR SCIENTIFIC PURPOSES WITH
2 THE PRIOR CONSENT OF AND WITHOUT A CHARGE BY THE OWNER AND SUSTAINS AN
3 INJURY, THE OWNER AND AN AUTHORIZED AGENT OF THE OWNER ACTING WITHIN
4 THE SCOPE OF THE AGENT'S AUTHORITY ARE NOT LIABLE FOR THE INJURY.

5 (F) ENFORCEMENT.

6 THE DIRECTOR AND THE DIRECTOR'S DESIGNEE MAY ENFORCE THE
7 PROVISIONS OF THIS PART RELATING TO ARCHAEOLOGICAL HISTORIC PROPERTY
8 FOUND IN CAVES IN THE SAME MANNER AS PROVIDED IN § 5-441(I) OF THIS SUBTITLE
9 FOR SUBMERGED ARCHAEOLOGICAL HISTORIC PROPERTY.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, §§ 5-628, 5-601(f), and, except as it related
12 to terrestrial archaeological historic property, 5-629(a).

13 In subsection (a)(2) of this section, the reference to a person "[w]ithout a
14 permit" is substituted for the former phrase "[e]xcept as provided in
15 subsection (b) of this section" for brevity and to conform to the terminology
16 of §§ 5-441(a) and 5-442(a) of this subtitle.

17 In subsections (b) and (c)(1) of this section, the references to "apply[ing]"
18 for a permit are substituted for the former references to "request[ing]" a
19 permit for consistency with the reference to "[a]n applicant" in the
20 introductory language of subsection (c)(2) of this section.

21 Also in subsections (b) and (c)(1) of this section, the references to an
22 "individual" applying for and being issued a permit are substituted for the
23 former references to a "person" applying for and being issued a permit
24 because only a human being trained in archaeology may apply for a
25 permit. *See* § 1-101 of this article.

26 In subsection (b) of this section, the reference to an individual who may
27 apply for "and be issued" a permit is added to make explicit what was
28 formerly only implied - that the Trust may issue permits to excavate or
29 remove features from caves.

30 Also in subsection (b) of this section, the reference to "§ 5-441" of this
31 subtitle, which revises former Art. 83B, § 5-620(a), (c) through (h), the first
32 sentence of (b), and the second sentence of (i)(2), is substituted for the
33 former reference to Art. 83B, "§ 5-627" for accuracy, as former § 5-627 did
34 not contain provisions on permits.

35 In subsection (c)(1) of this section, the former reference to an individual
36 "trained in archaeology" applying for a permit is deleted as duplicative of
37 the requirement in subsection (b) of this section.

38 In subsection (c)(2)(ii) of this section, the reference to "purposes" is
39 substituted for the former reference to "reasons" for clarity and accuracy.

1 Also in subsection (c)(2)(ii) of this section, the former reference to "the
2 benefits expected to be obtained from the contemplated work" is deleted as
3 implicit in the reference to "purposes and objectives".

4 In subsection (c)(2)(iv) of this section, the reference to the prior written
5 consent of the owner "of the land on which the excavation or removal will
6 be conducted" is added for clarity.

7 Also in subsection (c)(2)(iv) of this section, the reference to the "consent" of
8 the owner is substituted for the former reference to the "permission" of the
9 owner for consistency with language used in subsection (e) of this section.

10 In subsection (c)(2)(v) of this section, the reference to carrying the permit
11 while "conducting the excavation or removal authorized by the permit" is
12 substituted for the former reference to carrying the permit while
13 "exercising the privileges granted" for clarity and consistency with
14 subsection (b) of this section.

15 In subsection (c)(3) of this section, the reference to a "maximum term" of 2
16 years is substituted for the former reference to a "period of up to" 2 years
17 for clarity.

18 Also in subsection (c)(3) of this section, the former reference to renewing a
19 permit "at expiration" is deleted as implicit in the reference to the
20 possibility that a permit "may be renewed".

21 In subsection (c)(4) of this section, the statement that a person working
22 under the direct supervision of the permit holder "need not obtain a
23 separate permit" is substituted for the former reference to a permit "not
24 preclud[ing]" a person from working under the direct supervision of the
25 permit holder for clarity.

26 Defined terms: "Cave" § 5-433

27 "Director" § 5-401

28 "Person" § 1-101

29 "Submerged archaeological historic property" § 5-433

30 "Trust" § 5-401

31 5-444. HEARINGS.

32 (A) RIGHT TO HEARING.

33 IF THE DIRECTOR OR THE DIRECTOR'S DESIGNEE TAKES ANY ENFORCEMENT
34 ACTION UNDER THIS SUBTITLE AGAINST A PERMIT HOLDER, THE PERMIT HOLDER
35 SHALL BE GIVEN AN OPPORTUNITY FOR A HEARING BEFORE THE SECRETARY.

36 (B) APPLICATION OF CONTESTED CASE PROVISIONS.

1 SUBJECT TO SUBSECTION (C) OF THIS SECTION, NOTICE SHALL BE GIVEN AND
2 THE HEARING SHALL BE HELD IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE
3 STATE GOVERNMENT ARTICLE.

4 (C) SPECIFIC NOTICE REQUIREMENTS.

5 THE DIRECTOR OR THE DIRECTOR'S DESIGNEE SHALL PROVIDE NOTICE THAT A
6 HEARING WILL BE HELD WITHIN 30 DAYS AFTER THE ENFORCEMENT ACTION,
7 UNLESS A DIFFERENT PERIOD IS AGREED TO BY THE PARTIES.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, §§ 5-620(g)(2) and 5-629(b).

10 In subsection (b) of this section, the former qualification that a hearing
11 shall be held "[i]f the Director's exercise of powers ... gives rise to a
12 contested case" is deleted because the exercise of the referenced powers
13 would always give rise to a "contested case". The Housing Article Review
14 Committee calls this deletion to the attention of the General Assembly.

15 Also in subsection (b) of this section, the former reference to holding a
16 hearing "in accordance with ... the Department's regulations" is deleted in
17 light of SG § 10-206 to the same effect.

18 Defined terms: "Director" § 5-401

19 "Secretary" § 1-101

20 5-445. ARCHAEOLOGICAL HISTORIC PROPERTY ON PRIVATELY OWNED LAND.

21 (A) OPTIONAL STATE PROTECTION.

22 THE PROVISIONS OF THIS SUBTITLE THAT PROTECT PROPERTY ON LAND
23 UNDER STATE CONTROL IF IT IS SUBMERGED ARCHAEOLOGICAL HISTORIC
24 PROPERTY, TERRESTRIAL ARCHAEOLOGICAL HISTORIC PROPERTY, OR
25 ARCHAEOLOGICAL HISTORIC PROPERTY IN A CAVE MAY APPLY TO SIMILAR HISTORIC
26 PROPERTY ON PRIVATELY OWNED LAND IF:

27 (1) THE OWNER ASKS THE TRUST IN WRITING TO APPLY THE
28 PROVISIONS TO THE PROPERTY; AND

29 (2) THE TRUST DETERMINES THAT THE PROPERTY IS ELIGIBLE FOR THE
30 MARYLAND REGISTER OF HISTORIC PROPERTIES AND DESERVES PROTECTION.

31 (B) USE OF PRIVATELY OWNED LAND.

32 UNLESS THE STATE CONTROLS PRIVATELY OWNED LAND BY RIGHTS UNDER A
33 LEASE, OPTION CONTRACT, OR PURCHASE CONTRACT, THIS SUBTITLE DOES NOT:

34 (1) LIMIT THE USE OF THE LAND BY THE OWNER OR THE OWNER'S
35 GUEST; OR

1 (2) REQUIRE THE OWNER OR GUEST TO HOLD A PERMIT BEFORE
2 CONDUCTING ANY ACTIVITY ON THE LAND.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, §§ 5-601(f) and 5-621(a) and (b).

5 In subsection (b)(1) of this section, the former reference to "prohibit" is
6 deleted as included in the reference to "limit".

7 In subsection (b)(2) of this section, the former reference to "excavation" is
8 deleted as included in the reference to "any activity".

9 Defined terms: "Submerged archaeological historic property" § 5-433

10 "Terrestrial" § 5-401

11 "Trust" § 5-401

12 5-446. PROHIBITED ACTS; PENALTIES.

13 (A) IN GENERAL.

14 (1) A PERSON WHO VIOLATES § 5-439, § 5-441, § 5-442, OR § 5-443 OF THIS
15 SUBTITLE, OR A REGULATION ADOPTED UNDER ANY OF THOSE SECTIONS IS GUILTY
16 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
17 EXCEEDING 30 DAYS OR A FINE NOT EXCEEDING \$1,000 OR BOTH.

18 (2) IF A PERSON IS FOUND GUILTY OF A VIOLATION UNDER PARAGRAPH
19 (1) OF THIS SUBSECTION, THE COURT:

20 (I) MAY IMPOSE COSTS AGAINST THE PERSON; AND

21 (II) ON REQUEST BY THE TRUST, MAY REVOKE ANY PERMIT ISSUED
22 TO THE PERSON UNDER § 5-440, § 5-441, § 5-442, OR § 5-443 OF THIS SUBTITLE.

23 (3) EACH DAY ON WHICH A VIOLATION OCCURS IS A SEPARATE
24 VIOLATION.

25 (B) VIOLATIONS OF PERMITS.

26 (1) A PERSON WHO VIOLATES ANY TERM OF A PERMIT ISSUED UNDER §
27 5-441 OF THIS SUBTITLE FOR USE OF A SUBMERGED ARCHAEOLOGICAL HISTORIC
28 PROPERTY FOR COMMERCIAL SALVAGE OR OTHER INCOME-PRODUCING PURPOSE IS
29 GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT
30 NOT EXCEEDING 1 YEAR OR A FINE NOT EXCEEDING \$10,000 OR BOTH.

31 (2) IF A PERSON IS FOUND GUILTY OF A VIOLATION UNDER PARAGRAPH
32 (1) OF THIS SUBSECTION, THE COURT:

33 (I) MAY IMPOSE COSTS AGAINST THE PERSON; AND

34 (II) ON REQUEST BY THE TRUST, MAY REVOKE THE PERSON'S
35 PERMIT.

1 (3) EACH DAY ON WHICH A VIOLATION OCCURS IS A SEPARATE
2 VIOLATION.

3 (C) APPROPRIATION OF MATERIALS AND RECORDED INFORMATION.

4 MATERIALS AND RECORDED INFORMATION OBTAINED IN VIOLATION OF
5 § 5-439, § 5-441, § 5-442, OR § 5-443 OF THIS SUBTITLE ARE SUBJECT TO
6 APPROPRIATION BY THE STATE AND WILL BE MANAGED, CARED FOR, AND
7 ADMINISTERED BY THE TRUST.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 5-630.

10 In subsections (a)(1) and (b)(1) of this section, the former references to an
11 "entity" are deleted as included in the defined term "person". *See* § 1-101 of
12 this article.

13 In subsections (a)(1) and (c) of this section, the references to violations of
14 "§ 5-439, § 5-441, § 5-442, or § 5-443" of this subtitle are substituted for
15 the former references to violations of "§§ 5-620 and 5-625 through 5-628"
16 of this subtitle even though §§ 5-439, 5-441, 5-442, and 5-443 add
17 material to, and omit material from, the former law. However, since the
18 provisions added or omitted cannot be subject to "violation" as
19 contemplated by subsections (a) and (c) of this section, no substantive
20 change results.

21 In subsections (a)(2) and (b)(2) of this section, the introductory language,
22 "[i]f a person is found guilty of a violation under paragraph (1) of this
23 subsection" is added for clarity.

24 In subsections (a)(2)(i) and (b)(2)(i) of this section, the references to the
25 court imposing costs "against the person" are added for clarity.

26 In subsection (a)(2)(ii) of this section, the former phrase "if the person or
27 entity holds a permit" issued under certain sections is deleted as implicit in
28 the reference to "revok[ing] any permit" issued "to the person" under those
29 sections.

30 In subsections (a)(3) and (b)(3) of this section, the references to each day
31 "on which a violation occurs [being] a separate violation" is substituted for
32 the former references to "[a] separate offense ... exist[ing] for" each day "a
33 violation continues" for consistency with standard language used in other
34 revised articles of the Code.

35 Defined terms: "Person" § 1-101

36 "Submerged archaeological historic property" § 5-433

37 "Trust" § 5-401

1 5-447. RESERVED.

2 5-448. RESERVED.

3 PART V. HISTORICAL AND CULTURAL MUSEUM ASSISTANCE PROGRAM.

4 5-449. DEFINITIONS.

5 (A) IN GENERAL.

6 IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

7 REVISOR'S NOTE: This subsection is new language derived without
8 substantive change from former Art. 83B, § 5-702(a).

9 The reference to this "part" is substituted for the former reference to this
10 "subtitle" to reflect the organization of this revision.

11 (B) OPERATING SUPPORT.

12 "OPERATING SUPPORT" MEANS MONEY FOR NECESSARY ADMINISTRATIVE,
13 TECHNICAL, OR PROFESSIONAL SERVICES, AND RELATED EXPENSES.

14 REVISOR'S NOTE: This subsection is new language derived without
15 substantive change from former Art. 83B, § 5-702(e).

16 The reference to "money for" certain expenses is added for clarity.

17 (C) PANEL.

18 "PANEL" MEANS THE MUSEUM ASSISTANCE REVIEW PANEL.

19 REVISOR'S NOTE: This subsection is new language added to provide a
20 convenient reference to the "Museum Assistance Review Panel".

21 (D) PROGRAM.

22 "PROGRAM" MEANS THE HISTORICAL AND CULTURAL MUSEUM ASSISTANCE
23 PROGRAM.

24 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 5-702(f).

25 No changes are made.

26 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 5-702(b), which defined
27 "local jurisdiction" to mean any county or any municipal corporation
28 subject to Md. Constitution, Art. XI-E and any duly authorized agency or
29 instrumentality of a local jurisdiction, is deleted in light of the defined
30 term "political subdivision" and the word "unit". See § 1-101 of this article
31 and the General Revisor's Note to article.

1 5-450. SCOPE.

2 THIS PART APPLIES TO A MUSEUM IN THE STATE THAT:

3 (1) IS ORGANIZED ON A NONPROFIT BASIS FOR ESSENTIALLY
4 EDUCATIONAL OR PRESERVATION PURPOSES;

5 (2) CARES FOR TANGIBLE INANIMATE OBJECTS THAT THE MUSEUM
6 OWNS OR USES;

7 (3) EXHIBITS THOSE OBJECTS TO THE PUBLIC ON A REGULAR
8 SCHEDULE; AND

9 (4) INTERPRETS THE STATE'S CULTURAL HERITAGE, HISTORY, NATURAL
10 HISTORY, OR HISTORY OF SCIENCE AND TECHNOLOGY.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 5-702(c).

13 It is revised as a scope section for clarity.

14 5-451. FINDINGS.

15 (A) IN GENERAL.

16 THE GENERAL ASSEMBLY FINDS THAT:

17 (1) MUSEUMS PRESENT, INTERPRET, AND PRESERVE UNUSUAL AND
18 SIGNIFICANT OBJECTS OF THE STATE'S HERITAGE FOR THE BENEFIT, ENJOYMENT,
19 AND EDUCATION OF THE RESIDENTS OF THE STATE;

20 (2) MUSEUMS ARE UNIQUE AND BENEFICIAL RESOURCES THAT
21 SUPPLEMENT THE STATE'S EDUCATIONAL SYSTEM;

22 (3) MUSEUMS ARE REPOSITORIES AND CARETAKERS OF
23 IRREPLACEABLE CULTURAL OBJECTS FOR THE BENEFIT OF TODAY'S GENERATION
24 AND GENERATIONS YET TO COME;

25 (4) MUSEUMS, INCLUDING THOSE LOCATED IN SMALL COMMUNITIES,
26 PLAY AN IMPORTANT AND COST-EFFECTIVE ROLE IN THE STATE'S LEISURE TIME
27 AND TOURISM INDUSTRY;

28 (5) IT IS NOT FEASIBLE OR DESIRABLE TO DISPLAY THE ENTIRE
29 HISTORY AND HERITAGE OF THE STATE IN A SINGLE FACILITY AT ONE LOCATION;

30 (6) THE HISTORY AND HERITAGE OF THE STATE SHOULD BE DISPLAYED
31 AND INTERPRETED TO THE PUBLIC WHERE THE HISTORY HAPPENED AND THE
32 HERITAGE AROSE, SO THAT CENTERS OF COMMUNITY PRIDE MAY BE CREATED AND
33 TOURIST ACTIVITY MAY BE DISPERSED THROUGHOUT THE STATE; AND

1 (7) THE PUBLIC INTEREST IS SERVED BY HELPING MUSEUMS TO
2 BECOME MORE ACCESSIBLE AND BY HELPING RESIDENTS OF THE STATE AND
3 VISITORS TO UNDERSTAND THE STATE'S DIVERSE HERITAGE.

4 (B) FINANCIAL ASSISTANCE IN PUBLIC INTEREST.

5 THE GENERAL ASSEMBLY FINDS THAT THE PUBLIC INTEREST IS SERVED BY
6 ESTABLISHING A PROGRAM OF FINANCIAL ASSISTANCE TO SUPPORT THE UPGRADE,
7 CARE, RESEARCH, INTERPRETATION, DOCUMENTATION, AND DISPLAY OF THE
8 STATE'S IRREPLACEABLE MUSEUM COLLECTIONS.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 5-701.

11 In subsections (a) and (b) of this section, the former references to a
12 "declar[ation]" are deleted as surplusage.

13 In subsection (a) of this section, the former references to "[h]istorical and
14 cultural heritage" museums are deleted in light of § 5-450(4) of this
15 subtitle.

16 In subsection (a)(1) of this section, the reference to "the residents of the
17 State" is substituted for the former reference to "the citizens from every
18 community in the State" for consistency throughout this article. Similarly,
19 in subsection (a)(7) of this section, references to "residents" are substituted
20 for the former references to "citizens" and "citizenry". *See* General
21 Revisor's Note to article.

22 In subsection (a)(7) of this section, the former reference to "cultural"
23 heritage is deleted as surplusage.

24 Defined term: "Financial assistance" § 5-401

25 5-452. ESTABLISHED.

26 THERE IS A HISTORICAL AND CULTURAL MUSEUM ASSISTANCE PROGRAM OF
27 THE TRUST.

28 REVISOR'S NOTE: This section formerly was Art. 83B, § 5-703(a).

29 It is set forth as a separate section for emphasis.

30 The only changes are in style.

31 Defined term: "Trust" § 5-401

32 5-453. PURPOSE OF PROGRAM.

33 (A) IN GENERAL.

1 THE PURPOSE OF THE PROGRAM IS TO PROVIDE POLITICAL SUBDIVISIONS AND
2 NONPROFIT ORGANIZATIONS WITH FINANCIAL ASSISTANCE FOR MUSEUMS.

3 (B) GRANTS.

4 THE PROGRAM SHALL MAKE GRANTS FROM THE MHT GRANT FUND UNDER §
5 5-428 OF THIS SUBTITLE TO POLITICAL SUBDIVISIONS AND NONPROFIT
6 ORGANIZATIONS FOR USE BY MUSEUMS FOR:

7 (1) RESEARCH RELATED TO COLLECTIONS, EXHIBITS, OR OTHER
8 EDUCATIONAL ACTIVITIES;

9 (2) THE CARE, CONSERVATION, INTERPRETATION, AND
10 DOCUMENTATION OF COLLECTIONS;

11 (3) THE PLANNING, DESIGN, AND CONSTRUCTION OF EXHIBITS;

12 (4) EDUCATIONAL PROGRAMS AND PROJECTS;

13 (5) THE DEVELOPMENT OF MASTER PLANS FOR MUSEUMS, INCLUDING
14 ACTIVITIES REQUIRED TO ACHIEVE ACCREDITATION BY THE AMERICAN
15 ASSOCIATION OF MUSEUMS OR ANOTHER APPROPRIATE ENTITY;

16 (6) MINOR STRUCTURAL MODIFICATIONS TO EXISTING MUSEUM
17 FACILITIES;

18 (7) THE DEVELOPMENT OF PLANS AND SPECIFICATIONS AND THE
19 PROVISION OF ARCHITECTURAL, ENGINEERING, OR OTHER SPECIAL SERVICES
20 DIRECTLY RELATED TO THE CONSTRUCTION OR REHABILITATION OF MUSEUM
21 FACILITIES; OR

22 (8) OPERATING SUPPORT FOR ANY MUSEUM-RELATED ACTIVITY,
23 INCLUDING ACTIVITIES DESCRIBED IN ITEMS (1) THROUGH (7) OF THIS SUBSECTION.

24 (C) REPORT.

25 ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE TRUST SHALL REPORT TO
26 THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO
27 THE GENERAL ASSEMBLY ON THE FINANCIAL STATUS AND THE ACTIVITIES OF THE
28 PROGRAM FOR THE PRECEDING FISCAL YEAR.

29 REVISOR'S NOTE: This section is new language derived without substantive
30 change from former Art. 83B, §§ 5-703(b), 5-705(b)(1), and, as it applied to
31 the Historical and Cultural Museum Assistance Program, 5-613(i)(3).

32 In subsection (a) of this section, the former reference to "private" nonprofit
33 organizations is deleted as surplusage.

34 Defined terms: "Nonprofit organization" § 1-101

35 "Operating support" § 5-449

36 "Political subdivision" § 1-101

1 "Program" § 5-449

2 "Trust" § 5-401

3 5-454. MUSEUM ASSISTANCE REVIEW PANEL.

4 (A) ESTABLISHED.

5 THERE IS A MUSEUM ASSISTANCE REVIEW PANEL IN THE PROGRAM.

6 (B) MEMBERSHIP.

7 (1) THE PANEL SHALL INCLUDE AS MEMBERS:

8 (I) THE PRESIDENT OF THE SENATE OR THE PRESIDENT'S
9 DESIGNEE; AND

10 (II) THE SPEAKER OF THE HOUSE OF DELEGATES OR THE
11 SPEAKER'S DESIGNEE.

12 (2) THE SECRETARY SHALL APPOINT THE OTHER MEMBERS OF THE
13 PANEL.

14 (3) OF THE MEMBERS THAT THE SECRETARY APPOINTS:

15 (I) ONE SHALL BE A REPRESENTATIVE OF THE EXECUTIVE
16 BRANCH WITH FUNCTIONS RELATED TO THE PURPOSES OF THE PROGRAM; AND

17 (II) THE OTHERS SHALL FAIRLY REPRESENT MUSEUMS ELIGIBLE
18 FOR ASSISTANCE UNDER THIS PART.

19 (C) DUTIES.

20 (1) THE PANEL SHALL:

21 (I) ADVISE THE SECRETARY AND THE STAFF OF THE TRUST
22 REGARDING PROGRAM POLICIES AND ACTIVITIES;

23 (II) REVIEW APPLICATIONS FOR GRANTS UNDER THE PROGRAM
24 AND RECOMMEND APPROVAL OR DISAPPROVAL TO THE SECRETARY; AND

25 (III) SEEK THE ADVICE AND RECOMMENDATIONS OF THE STATE
26 ARCHIVIST IN REVIEWING GRANT APPLICATIONS THAT RELATE IN ANY PART TO THE
27 CARE AND PRESERVATION OF, OR ACCESS TO, ARCHIVAL MATERIAL.

28 (2) THE PANEL SHALL RECOMMEND APPROVAL OF A GRANT ONLY
29 AFTER A COMPETITIVE SELECTION PROCESS.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 5-704.

32 Subsection (b) of this section, which revises former Art. 83B, § 5-704(a)(2)

1 and (3), does not require a certain number of members on the Panel but
2 does require the inclusion of certain State officials or their designees. The
3 regulations governing this Program require the Secretary to appoint a
4 panel with a membership of nine members, three of whom are the State
5 officials or their designees and six of whom have museum-related
6 experience and represent geographic diversity and the variety of museums
7 eligible for grant assistance. The regulations grant the Secretary authority
8 to add more members to the Panel as its responsibilities may require. *See*
9 COMAR 05.08.04.07.

10 In subsection (b) of this section, the former reference to "ex officio"
11 members is deleted as surplusage as it refers to the President of the
12 Senate, the Speaker of the House, and the Secretary; and as erroneous as
13 it refers to their designees.

14 In subsection (c)(1)(ii) of this section, the requirement that the Panel
15 "recommend approval or disapproval" of grant applications is substituted
16 for the former reference to the requirement that the Panel "make
17 recommendations ... for approval" for clarity.

18 Defined terms: "Panel" § 5-449

19 "Program" § 5-449

20 "Secretary" § 1-101

21 "Trust" § 5-401

22 5-455. DUTIES OF TRUST.

23 (A) ADMINISTRATION OF PROGRAM.

24 THE TRUST SHALL ADMINISTER THE PROGRAM AND COORDINATE THE
25 PROGRAM WITH FEDERAL, STATE, AND PRIVATE PROGRAMS THAT COMPLEMENT OR
26 FACILITATE CARRYING OUT THE PROGRAM.

27 (B) SURVEY, ASSISTANCE, AND PLANNING.

28 THE TRUST SHALL:

29 (1) SURVEY THE LOCATIONS, RESOURCES, AND NEEDS OF MUSEUMS IN
30 THE STATE;

31 (2) PROVIDE TECHNICAL AND GENERAL ADVISORY ASSISTANCE TO
32 MUSEUMS THAT QUALIFY OR SEEK TO QUALIFY FOR GRANTS UNDER THE PROGRAM;
33 AND

34 (3) ENCOURAGE MUSEUMS TO DEVELOP LONG-RANGE PLANS AND TO
35 ACHIEVE ACCREDITATION BY THE AMERICAN ASSOCIATION OF MUSEUMS OR
36 ANOTHER APPROPRIATE ENTITY THAT ACCREDITS MUSEUMS AND HELPS THEM TO
37 MEET PROFESSIONAL STANDARDS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 5-705(a) and (c).

3 In subsection (a)(1) of this section, the former references to "[m]anage" and
4 "supervise" are deleted in light of the reference to "administer[ing]" the
5 Program.

6 Defined terms: "Program" § 5-449

7 "Trust" § 5-401

8 5-456. MUSEUM INELIGIBILITY.

9 THE TRUST MAY NOT MAKE A GRANT TO A MUSEUM THAT:

10 (1) CURRENTLY IS RECEIVING OPERATING SUPPORT FROM THE
11 MARYLAND STATE ARTS COUNCIL;

12 (2) IS OPERATED WHOLLY OR PARTLY BY THE STATE; OR

13 (3) HAS NOT EXISTED AS A NONPROFIT ORGANIZATION FOR AT LEAST 3
14 YEARS BEFORE APPLYING FOR THE GRANT.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 5-705(b)(2) and (5).

17 In item (3) of this section, the defined term "nonprofit organization" is
18 substituted for the former reference to a "nonprofit institution" to conform
19 to terminology used throughout this article.

20 Defined terms: "Nonprofit organization" § 1-101

21 "Operating support" § 5-449

22 "Trust" § 5-401

23 5-457. RESERVE MONEY.

24 IN ANY FISCAL YEAR, THE SECRETARY MAY RESERVE UP TO 20% OF THE MONEY
25 AVAILABLE IN THE MHT GRANT FUND UNDER § 5-428 OF THIS SUBTITLE FOR
26 UNANTICIPATED PROJECTS ELIGIBLE FOR ASSISTANCE UNDER § 5-453 OF THIS
27 SUBTITLE.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 5-705(b)(3).

30 The reference to the MHT Grant Fund "under § 5-428 of this subtitle" is
31 added for clarity.

32 Defined term: "Secretary" § 1-101

33 5-458. REGULATIONS.

34 (A) IN GENERAL.

1 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROGRAM,
2 INCLUDING:

3 (1) APPLICATION AND REVIEW PROCEDURES;

4 (2) PROCEDURES FOR ADEQUATE PUBLIC NOTICE OF ASSISTANCE
5 AVAILABLE UNDER THE PROGRAM; AND

6 (3) SELECTION STANDARDS THAT THE PANEL SHALL CONSIDER IN
7 REVIEWING APPLICATIONS FOR GRANTS.

8 (B) SELECTION STANDARDS.

9 SELECTION STANDARDS UNDER SUBSECTION (A)(3) OF THIS SECTION INCLUDE:

10 (1) THE RELATIVE MERITS OF THE PROJECT OR ACTIVITIES WITHIN
11 IDENTIFIED STATEWIDE NEEDS;

12 (2) THE EXTENT TO WHICH THE APPROPRIATE POLITICAL SUBDIVISION
13 CONTRIBUTES TO SUPPORT THE PROJECT;

14 (3) THE POTENTIAL FOR THE PROJECT TO STIMULATE INCREASED
15 TOURISM, MUSEUM ATTENDANCE, OR MUSEUM SELF-SUFFICIENCY; AND

16 (4) OTHER RELEVANT FACTORS, SUCH AS THE EXTENT TO WHICH THE
17 PROJECT HELPS ACHIEVE EQUAL GEOGRAPHIC DISTRIBUTION OF GRANT
18 ASSISTANCE THROUGHOUT THE STATE.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 5-705(d) and (b)(4).

21 In subsection (a)(3) of this section, the reference to "reviewing"
22 applications for grants is substituted for the former reference to
23 "recommending approval of" applications to avoid the erroneous
24 implication that all applications for grants must be approved.

25 In the introductory language of subsection (b) of this section, the former
26 reference to "[a] set of" selection standards is deleted as surplusage.

27 Defined terms: "Department" § 1-101

28 "Panel" § 5-449

29 "Political subdivision" § 1-101

30 "Program" § 5-449

31 5-459. FALSE STATEMENTS OR REPORTS.

32 (A) PROHIBITED.

33 A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A MATERIAL
34 MISSTATEMENT OF FACT IN A STATEMENT OR REPORT IN OR REGARDING AN
35 APPLICATION FOR A GRANT OR AFFECTING A GRANT ALREADY MADE.

1 (B) PENALTY.

2 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
3 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 2 YEARS OR A FINE
4 NOT EXCEEDING \$5,000 OR BOTH.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 5-705(e).

7 Defined term: "Person" § 1-101

8 TITLE 6. DIVISION OF NEIGHBORHOOD REVITALIZATION.

9 SUBTITLE 1. DIVISION ESTABLISHED.

10 6-101. DIVISION ESTABLISHED.

11 (A) ESTABLISHED.

12 THERE IS A DIVISION OF NEIGHBORHOOD REVITALIZATION.

13 (B) NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

14 THE DIVISION OF NEIGHBORHOOD REVITALIZATION INCLUDES THE
15 NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, § 4-101(a) and (b).

18 In subsection (a) of this section, the former reference to the Division being
19 "an organizational unit within the Department" is deleted in light of §
20 2-201 of this article.

21 6-102. DUTIES OF DIVISION.

22 (A) ADMINISTRATION OF REVITALIZATION PROGRAMS.

23 THE DIVISION OF NEIGHBORHOOD REVITALIZATION SHALL ADMINISTER
24 COMMERCIAL AND MIXED-USE REVITALIZATION PROGRAMS TO ENCOURAGE
25 PHYSICAL AND ORGANIZATIONAL IMPROVEMENTS TO BUSINESS AREAS.

26 (B) ADMINISTRATION OF FINANCIAL ASSISTANCE.

27 TO CARRY OUT COMMERCIAL AND MIXED-USE REVITALIZATION PROGRAMS,
28 THE DIVISION OF NEIGHBORHOOD REVITALIZATION SHALL ADMINISTER STATE AND
29 FEDERAL GRANTS AND LOANS AND OTHER FINANCIAL ASSISTANCE TO:

30 (1) POLITICAL SUBDIVISIONS, LOCAL PUBLIC AGENCIES, NONPROFIT
31 ORGANIZATIONS, NEIGHBORHOOD OR COMMUNITY ORGANIZATIONS, OR PRIVATE
32 PARTIES; OR

1 (2) CORPORATIONS OR FOUNDATIONS WHOSE NET EARNINGS ARE
 2 INVESTED TO FOSTER, ENCOURAGE, HELP, OR CARRY OUT COMMUNITY ASSISTANCE
 3 ACTIVITIES, PROJECTS, OR PROGRAMS.

4 REVISOR'S NOTE: This section is new language derived without substantive
 5 change from former Art. 83B, § 4-101(c) and (d)(3).

6 In the introductory language of subsection (b) of this section, the reference
 7 to "commercial and mixed-use revitalization programs" is substituted for
 8 the former reference to "commercial and mixed-use revitalization and
 9 rehabilitation programs" for consistency with § 6-101 of this subtitle.

10 In subsection (b)(2) of this section, former Art. 83B, § 4-101(d)(3), which
 11 defined "community reinvestment corporation", is revised as a substantive
 12 provision for clarity.

13 Also in subsection (b)(2) of this section, the former reference to earnings
 14 that are invested "in activities, projects or programs" to foster, encourage,
 15 or carry out community assistance activities, projects, or programs is
 16 deleted as surplusage.

17 Defined terms: "Financial assistance" § 1-101

18 "Nonprofit organization" § 1-101

19 "Political subdivision" § 1-101

20 6-103. COMMERCIAL AND MIXED-USE REVITALIZATION PROGRAMS.

21 (A) PURPOSE OF PROGRAMS.

22 A COMMERCIAL OR MIXED-USE REVITALIZATION PROGRAM PROVIDES
 23 ASSISTANCE FOR DOWNTOWN OR BUSINESS AREA COMMERCIAL MANAGEMENT,
 24 PROMOTION, AND REVITALIZATION.

25 (B) AREAS OF ASSISTANCE.

26 ASSISTANCE MAY BE IN AN AREA SUCH AS:

27 (1) MARKET SURVEYING, GRANTSMANSHIP, ORGANIZATION, ECONOMIC
 28 DEVELOPMENT, DESIGN, OR SIMILAR SERVICES; OR

29 (2) FACILITATING ESTABLISHMENT OF A COMMERCIAL DISTRICT
 30 MANAGEMENT AUTHORITY.

31 REVISOR'S NOTE: This section is new language derived without substantive
 32 change from former Art. 83B, § 4-101(d)(2).

33 This section is revised as a substantive section rather than as a definition
 34 subsection for clarity.

35 Former Art. 83B, § 4-101(d)(1), which was the introduction to a definition
 36 section, is deleted because this title does not contain title-wide defined

1 terms.

2 SUBTITLE 2. COMMUNITY LEGACY PROGRAM.

3 6-201. DEFINITIONS.

4 (A) IN GENERAL.

5 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

6 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(a).

7 No changes are made.

8 (B) APPLICATION.

9 "APPLICATION" MEANS AN APPLICATION TO THE BOARD THAT INCLUDES A
10 REQUEST TO:

11 (1) DESIGNATE AN AREA AS A COMMUNITY LEGACY AREA;

12 (2) APPROVE A COMMUNITY LEGACY PLAN; OR

13 (3) APPROVE A COMMUNITY LEGACY PROJECT.

14 REVISOR'S NOTE: This subsection is new language derived without
15 substantive change from former Art. 83B, § 4-801(b).

16 Defined terms: "Board" § 6-201

17 "Community legacy area" § 6-201

18 (C) BOARD.

19 "BOARD" MEANS THE COMMUNITY LEGACY BOARD.

20 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(c).

21 No changes are made.

22 (D) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.

23 "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION" HAS THE MEANING
24 STATED IN 12 U.S.C. § 4702.

25 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(d).

26 The former reference to 12 U.S.C. § 4702 "as amended" is deleted in light of
27 Art. 1, § 21.

28 The only changes are in style.

1 (E) COMMUNITY DEVELOPMENT ORGANIZATION.

2 "COMMUNITY DEVELOPMENT ORGANIZATION" MEANS AN ENTITY THAT MEETS
3 THE QUALIFICATIONS OF § 6-204 OF THIS SUBTITLE.

4 REVISOR'S NOTE: This subsection is new language added to provide a
5 convenient reference to "community development organization".

6 (F) COMMUNITY LEGACY AREA.

7 "COMMUNITY LEGACY AREA" MEANS THE PART OF A PRIORITY FUNDING AREA
8 THAT, AS DETERMINED BY THE BOARD, SATISFIES THE REQUIREMENTS OF § 6-206 OF
9 THIS SUBTITLE.

10 REVISOR'S NOTE: This subsection is new language derived without
11 substantive change from former Art. 83B, § 4-801(g).

12 Defined terms: "Board" § 6-201

13 "Priority funding area" § 6-201

14 (G) COMMUNITY LEGACY AGREEMENT.

15 "COMMUNITY LEGACY AGREEMENT" MEANS AN AGREEMENT BETWEEN THE
16 DEPARTMENT AND A SPONSOR TO DEVELOP A COMMUNITY LEGACY PLAN OR TO
17 IMPLEMENT ONE OR MORE COMMUNITY LEGACY PROJECTS IN A DESIGNATED
18 COMMUNITY LEGACY AREA.

19 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(f).

20 The only changes are in style.

21 Defined terms: "Community legacy area" § 6-201

22 "Community legacy plan" § 6-201

23 "Department" § 1-101

24 (H) COMMUNITY LEGACY PLAN.

25 "COMMUNITY LEGACY PLAN" MEANS A PLAN CONSISTING OF ONE OR MORE
26 COMMUNITY LEGACY PROJECTS TO PREVENT OR REVERSE THE DECLINE OF OR
27 DISINVESTMENT IN A COMMUNITY LEGACY AREA THROUGH IMPROVEMENTS IN
28 RESIDENTIAL, COMMERCIAL, OR OTHER PUBLIC OR PRIVATE PROPERTIES.

29 REVISOR'S NOTE: This subsection is new language derived without
30 substantive change from former Art. 83B, § 9-801(h), as it related to what
31 community legacy projects may compose a community legacy plan.

32 Defined terms: "Community legacy area" § 6-201

33 "Community legacy project" § 6-201

34 (I) COMMUNITY LEGACY PROJECT.

1 "COMMUNITY LEGACY PROJECT" INCLUDES PROJECTS TO:

2 (1) CREATE, IMPROVE, OR PRESERVE HOUSING OPPORTUNITIES BY
3 ACQUIRING, CONSTRUCTING, REHABILITATING, OR IMPROVING NEW OR EXISTING
4 RESIDENTIAL PROPERTIES;

5 (2) DEMOLISH BUILDINGS OR IMPROVEMENTS STRATEGICALLY TO
6 ENHANCE THE USE OF LAND;

7 (3) CREATE, IMPROVE, OR PRESERVE COMMERCIAL OR MIXED-USE
8 DEVELOPMENT, INCLUDING AN APPROPRIATE COMBINATION OF PROPERTIES
9 RELATED TO BUSINESS, HOUSING, OPEN-SPACE, AND INSTITUTIONAL USES;

10 (4) DEVELOP PUBLIC INFRASTRUCTURE THAT IS INCIDENTAL TO THE
11 IMPLEMENTATION OF A COMMUNITY LEGACY PROJECT, SUCH AS STREETS, PARKING,
12 PUBLIC UTILITIES, LANDSCAPING, LIGHTING, AND IMPROVEMENTS TO PEDESTRIAN
13 AND BICYCLE CIRCULATION;

14 (5) ENCOURAGE AND DEVELOP COOPERATIVE OWNERSHIP OR CONTROL
15 OF OPEN SPACE;

16 (6) DEVELOP OR CREATE STRATEGIES DESIGNED TO INCREASE
17 INVESTMENT IN EXISTING COMMUNITIES, INCLUDING OUTREACH ACTIVITIES TO
18 ATTRACT BUSINESS, CAPITAL, RESIDENTS, AND VISITORS AND THE DEVELOPMENT
19 AND MAINTENANCE OF RESOURCES DIRECTLY RELATED TO THE DEVELOPMENT OF
20 A COMMUNITY LEGACY PLAN OR THE IMPLEMENTATION OF A COMMUNITY LEGACY
21 PROJECT;

22 (7) ENGAGE IN LANDBANKING OR OTHERWISE ACQUIRE OR IMPROVE
23 VACANT BUILDINGS OR UNIMPROVED LAND;

24 (8) PROVIDE FINANCIAL ASSISTANCE FOR NEIGHBORHOOD
25 INTERVENTION PROJECTS; OR

26 (9) DEVELOP OTHER PLANS OR IMPLEMENT OTHER PROJECTS AS THE
27 BOARD CONSIDERS NECESSARY TO FURTHER THE PURPOSES OF THIS SUBTITLE.

28 REVISOR'S NOTE: This subsection is new language derived without
29 substantive change from former Art. 83B, § 4-801(i)(2).

30 In item (1) of this subsection, the reference to "residential" properties is
31 substituted for the former reference to "homeownership or rental"
32 properties for brevity.

33 In item (5) of this subsection, the reference to ownership "or" control is
34 substituted for the former reference to ownership "and" control to clarify
35 that "ownership" and "control" need not be inextricably linked.

36 Defined terms: "Board" § 6-201

37 "Community legacy plan" § 6-201

1 "Financial assistance" § 1-101

2 "Landbanking" § 6-201

3 "Neighborhood intervention project" § 6-201

4 (J) FINANCIAL ASSISTANCE.

5 "FINANCIAL ASSISTANCE" INCLUDES:

6 (1) A GRANT;

7 (2) A LOAN;

8 (3) A REDUCTION IN THE PRINCIPAL OBLIGATION OF OR RATE OF
9 INTEREST PAYABLE ON A LOAN OR PORTION OF A LOAN;

10 (4) A PREPAYMENT OF INTEREST ON A SUBORDINATE OR SUPERIOR
11 LOAN OR PORTION OF A LOAN;

12 (5) AN ASSURANCE;

13 (6) A GUARANTEE; OR

14 (7) ANY OTHER FORM OF CREDIT ENHANCEMENT.

15 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(j).

16 The only changes are in style.

17 (K) LANDBANKING.

18 "LANDBANKING" MEANS ACQUIRING OR HOLDING IMPROVED AND
19 UNIMPROVED PROPERTY:

20 (1) IN ANTICIPATION OF FUTURE DEVELOPMENT OF THE PROPERTY; OR

21 (2) TO KEEP THE FUTURE USE OF THE PROPERTY AND IMPROVEMENTS
22 AFFORDABLE.

23 REVISOR'S NOTE: This subsection is new language derived without
24 substantive change from former Art. 83B, § 4-801(k).

25 (L) PRIORITY FUNDING AREA.

26 "PRIORITY FUNDING AREA" MEANS AN AREA DESIGNATED AS A PRIORITY
27 FUNDING AREA UNDER § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT
28 ARTICLE.

29 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(n).

30 No changes are made.

1 (M) PROGRAM.

2 "PROGRAM" MEANS THE COMMUNITY LEGACY PROGRAM ESTABLISHED BY THIS
3 SUBTITLE.

4 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-801(o).

5 No changes are made.

6 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 4-801(l), which defined
7 "local government" to mean any of the 23 counties of the State, the City of
8 Baltimore, a municipal corporation of the State subject to Md.
9 Constitution, Art. XI-E or any of their duly authorized agencies or
10 instrumentalities, is deleted in light of the defined terms "political
11 subdivision" and "governmental unit".

12 6-202. COMMUNITY LEGACY PROGRAM.

13 (A) ESTABLISHED.

14 THERE IS A COMMUNITY LEGACY PROGRAM.

15 (B) ADMINISTRATION.

16 THE DEPARTMENT AND THE BOARD SHALL ADMINISTER THE PROGRAM.

17 (C) PURPOSES OF PROGRAM.

18 THE PURPOSES OF THE PROGRAM ARE TO:

19 (1) PRESERVE EXISTING COMMUNITIES AS DESIRABLE PLACES TO LIVE
20 AND CONDUCT BUSINESS TO REDUCE OUTWARD PRESSURE FOR SPRAWL
21 DEVELOPMENT; AND

22 (2) PROVIDE FINANCIAL ASSISTANCE TO SPONSORS OR THEIR
23 DESIGNEES TO DEVELOP COMMUNITY LEGACY PLANS OR COMMUNITY LEGACY
24 PROJECTS.

25 (D) PARTNERSHIPS.

26 THE PROGRAM SHALL ENCOURAGE PARTNERSHIPS AMONG THE FEDERAL
27 GOVERNMENT, THE STATE GOVERNMENT, POLITICAL SUBDIVISIONS, AND
28 COMMUNITY DEVELOPMENT ORGANIZATIONS TO DEVELOP AND IMPLEMENT
29 COMMUNITY LEGACY PLANS AND COMMUNITY LEGACY PROJECTS.

30 (E) SPONSORS.

31 A COMMUNITY LEGACY PLAN OR A COMMUNITY LEGACY PROJECT MAY BE
32 SPONSORED BY A POLITICAL SUBDIVISION, A GROUP OF POLITICAL SUBDIVISIONS, A
33 COMMUNITY DEVELOPMENT ORGANIZATION, OR A COMMUNITY DEVELOPMENT
34 FINANCIAL INSTITUTION.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, §§ 4-802 and 4-801(q).

3 In subsection (a) of this section, the former statement that the Program is
4 "within the Department" is deleted in light of § 2-201 of this article.

5 In subsections (d) and (e) of this section, the defined term "political
6 subdivision" is substituted for the former reference to "local government"
7 to conform to the terminology used throughout this article.

8 In subsection (e) of this section, the former defined term "sponsor" is
9 revised as a substantive provision for clarity.

10 Defined terms: "Board" § 6-201

11 "Community development financial institution" § 6-201

12 "Community development organization" § 6-201

13 "Community legacy plan" § 6-201

14 "Community legacy project" § 6-201

15 "Department" § 1-101

16 "Financial assistance" § 6-201

17 "Political subdivision" § 1-101

18 "Program" § 6-201

19 6-203. COMMUNITY LEGACY BOARD.

20 (A) ESTABLISHED.

21 THERE IS A COMMUNITY LEGACY BOARD.

22 (B) MEMBERSHIP.

23 THE BOARD CONSISTS OF THE FOLLOWING FIVE MEMBERS:

24 (1) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT;

25 (2) THE SECRETARY OF NATURAL RESOURCES;

26 (3) THE SECRETARY OF PLANNING;

27 (4) THE SECRETARY OF TRANSPORTATION; AND

28 (5) THE GOVERNOR'S SPECIAL SECRETARY FOR SMART GROWTH.

29 (C) CHAIR.

30 THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT IS THE CHAIR
31 OF THE BOARD.

32 (D) STAFF.

33 THE DEPARTMENT SHALL PROVIDE STAFF TO THE BOARD.

1 (E) POWERS.

2 THE BOARD MAY:

3 (1) EXERCISE ALL POWERS NECESSARY TO CARRY OUT THIS SUBTITLE;
4 AND

5 (2) RECOMMEND TO THE SECRETARY THE ADOPTION OF REGULATIONS.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 4-803.

8 In subsection (a) of this section, the former reference that the Board is "in
9 the Department" is deleted in light of § 2-201 of this article.

10 In subsection (c) of this section, the reference to the "chair" is substituted
11 for the former reference to the "chairman" because SG § 2-1238 requires
12 the use of words that are neutral as to gender to the extent practicable. *See*
13 General Revisor's Note to article.

14 In subsection (e)(1) of this section, the former reference to the Board's
15 "hav[ing]" powers is deleted as implicit in the reference to the Board's
16 authority to exercise those powers.

17 The Housing Article Review Committee notes, for consideration by the
18 General Assembly, that in subsection (b)(5) of this section, the position of
19 the Governor's Special Secretary for Smart Growth is currently vacant,
20 and no appointment is anticipated.

21 Defined terms: "Board" § 6-201

22 "Department" § 1-101

23 "Secretary" § 1-101

24 6-204. COMMUNITY DEVELOPMENT ORGANIZATION.

25 A CORPORATION, FOUNDATION, OR OTHER LEGAL ENTITY QUALIFIES AS A
26 COMMUNITY DEVELOPMENT ORGANIZATION IF:

27 (1) ITS PURPOSE IS TO IMPROVE THE PHYSICAL, ECONOMIC, OR SOCIAL
28 ENVIRONMENT OF THE AREA WHERE IT OPERATES; AND

29 (2) NO PART OF ITS NET EARNINGS INURES TO THE BENEFIT OF A
30 PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN INTEREST IN THAT ENTITY.

31 REVISOR'S NOTE: This section is new language derived without substantive
32 change from former Art. 83B, § 4-801(e).

33 It is revised as a substantive provision rather than as a definition
34 subsection for clarity.

35 Defined term: "Community development organization" § 6-101

1 6-205. APPLICATIONS FOR COMMUNITY LEGACY PLANS OR PROJECTS.

2 (A) IN GENERAL.

3 A SPONSOR MAY FILE ONE OR MORE APPLICATIONS IN ACCORDANCE WITH THE
4 SCHEDULES THAT THE BOARD ESTABLISHES.

5 (B) CONTENTS.

6 AN APPLICATION SHALL SET FORTH:

7 (1) A DESCRIPTION OF ONE OR MORE COMMUNITY LEGACY AREAS
8 WHERE THE SPONSOR PROPOSES TO DEVELOP A COMMUNITY LEGACY PLAN OR TO
9 CARRY OUT A COMMUNITY LEGACY PROJECT USING THE STANDARDS LISTED IN §
10 6-206 OF THIS SUBTITLE;

11 (2) A DETAILED DESCRIPTION OF THE PROPOSED COMMUNITY LEGACY
12 PLAN OR PROPOSED COMMUNITY LEGACY PROJECT;

13 (3) THE AMOUNT AND TYPE OF FINANCIAL ASSISTANCE SOUGHT;

14 (4) THE ABILITY OF THE SPONSOR TO CARRY OUT THE PROPOSED
15 COMMUNITY LEGACY PLAN OR COMMUNITY LEGACY PROJECT;

16 (5) THE STRENGTH AND QUALITY OF PARTNERSHIPS CREATED AMONG
17 THE FEDERAL GOVERNMENT, THE STATE GOVERNMENT, POLITICAL SUBDIVISIONS,
18 COMMUNITY DEVELOPMENT ORGANIZATIONS, AND OTHER PRIVATE ORGANIZATIONS
19 TO DEVELOP THE COMMUNITY LEGACY PLAN OR CARRY OUT THE COMMUNITY
20 LEGACY PROJECT, INCLUDING:

21 (I) FINANCIAL SUPPORT;

22 (II) DEDICATION OF STAFF AND RESOURCES; AND

23 (III) COMMITMENT TO AND DEVELOPMENT OF LOCAL SMART
24 GROWTH POLICIES;

25 (6) PROPOSED BENCHMARKS FOR EVALUATING WHETHER THE
26 PROPOSED COMMUNITY LEGACY PLAN OR COMMUNITY LEGACY PROJECT RESULTS
27 IN A DESIRED OUTCOME FOR A PROPOSED COMMUNITY LEGACY AREA, SUCH AS:

28 (I) STABILIZING IT;

29 (II) REVERSING ITS SOCIAL, ECONOMIC, OR PHYSICAL DECLINE; OR

30 (III) ENCOURAGING GROWTH IN IT; AND

31 (7) THE PROCESS USED TO SEEK AND RECEIVE PUBLIC INPUT ON THE
32 PROPOSED COMMUNITY LEGACY PLAN OR COMMUNITY LEGACY PROJECT,
33 INCLUDING THE NATURE AND EXTENT OF PUBLIC SUPPORT OR OPPOSITION.

1 (C) BOARD APPROVAL REQUIRED.

2 A COMMUNITY LEGACY PLAN OR A COMMUNITY LEGACY PROJECT DOES NOT
3 TAKE EFFECT UNTIL ITS SPONSOR HAS SUBMITTED TO THE BOARD AN APPLICATION
4 FOR ITS APPROVAL AND THE BOARD HAS APPROVED IT.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, §§ 4-804 and 4-801(i)(1) and, as it related to
7 the submission of a community legacy plan by a sponsor to the Board, (h).

8 Subsection (c) of this section is revised as a substantive subsection rather
9 than as a definition subsection for clarity.

10 In subsection (c) of this section, the phrase "take effect" is added to make
11 explicit what was formerly only implied -- that a sponsor's submission of a
12 community legacy plan or a community legacy project to the Board is a
13 prerequisite for putting the plan or project into effect.

14 Defined terms: "Application" § 6-201

15 "Board" § 6-201

16 "Community development organization" § 6-201

17 "Community legacy area" § 6-201

18 "Community legacy plan" § 6-201

19 "Community legacy project" § 6-201

20 "Financial assistance" § 6-201

21 "Political subdivision" § 1-101

22 6-206. DESIGNATION OF COMMUNITY LEGACY AREA.

23 THE BOARD MAY DESIGNATE AN AREA AS A COMMUNITY LEGACY AREA IF THE
24 SPONSOR DEMONSTRATES THAT PAST AND CURRENT TRENDS IN HOMEOWNERSHIP,
25 PROPERTY VALUES, COMMERCIAL AND RESIDENTIAL VACANCY, AND BUSINESS OR
26 HOUSING INVESTMENT SHOW A NEED FOR REINVESTMENT IN THE AREA AND IF:

27 (1) ENTITIES IN THE COMMUNITY, SUCH AS EMPLOYERS, EDUCATIONAL
28 INSTITUTIONS, CIVIC ORGANIZATIONS, COMMUNITY ORGANIZATIONS, OR CULTURAL
29 ORGANIZATIONS, SUPPORT THE PROPOSED COMMUNITY LEGACY PLAN OR
30 COMMUNITY LEGACY PROJECT AND HAVE PLEDGED RESOURCES TO DEVELOP OR
31 IMPLEMENT IT;

32 (2) THE PROPOSED COMMUNITY LEGACY PLAN OR COMMUNITY LEGACY
33 PROJECT ADDRESSES THE NEED FOR REINVESTMENT IN THE AREA AND WILL
34 ENHANCE THE AREA, AND GIVE INDIVIDUALS OF DIFFERENT INCOMES A RANGE OF
35 HOUSING OPTIONS, EMPLOYMENT OPPORTUNITIES, AND OTHER AMENITIES;

36 (3) A COMMUNITY IN THE PROPOSED AREA IS CULTURALLY OR
37 HISTORICALLY SIGNIFICANT;

38 (4) THE PROPOSED AREA IS NEAR A TOWN CENTER OR A
39 TRANSPORTATION CENTER; OR

1 (5) THE PROPOSED COMMUNITY LEGACY PLAN OR COMMUNITY LEGACY
2 PROJECT IS CONSISTENT WITH AND COMPLEMENTS OTHER EXISTING OR PROPOSED
3 PROJECTS FOR HOUSING, COMMERCIAL OR COMMUNITY DEVELOPMENT,
4 EDUCATION, HISTORIC PRESERVATION, NEIGHBORHOOD REVITALIZATION,
5 TRANSPORTATION, OR OTHER THINGS SIGNIFICANT TO THE COMPREHENSIVE
6 ENHANCEMENT OF THE COMMUNITY.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, § 4-805.

9 In item (2) of this section, the former reference to "amenities" is deleted as
10 surplusage.

11 In item (3) of this section, the former reference to "communities" is deleted
12 in light of the reference to a "community" and Art. 1, § 8, which provides
13 that the singular generally includes the plural.

14 In item (4) of this section, the word "near" is substituted for the former
15 phrase "in close proximity to" for brevity.

16 Defined terms: "Board" § 6-201

17 "Community legacy area" § 6-201

18 "Community legacy plan" § 6-201

19 "Community legacy project" § 6-201

20 6-207. ACTION ON APPLICATION.

21 (A) DUTIES OF BOARD.

22 THE BOARD SHALL:

23 (1) REVIEW EACH APPLICATION AND MAY REQUEST MORE
24 INFORMATION FROM THE SPONSOR;

25 (2) ACCEPT PUBLIC INPUT ON EACH APPLICATION;

26 (3) SUBMIT EACH APPLICATION TO APPROPRIATE STATE UNITS AND
27 CONSIDER ANY RECOMMENDATION A STATE UNIT MAKES;

28 (4) CONSIDER GEOGRAPHIC BALANCE WHEN REVIEWING
29 APPLICATIONS;

30 (5) GIVE PRIORITY IN AWARDING FINANCIAL ASSISTANCE TO
31 APPLICANTS THAT ARE LIKELY TO REPAY THE FINANCIAL ASSISTANCE TO A
32 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION OR TO THE COMMUNITY
33 LEGACY FINANCIAL ASSISTANCE FUND; AND

34 (6) REFER TO THE SECRETARY EACH APPLICATION THAT IT APPROVES.

35 (B) APPROVAL OF POLITICAL SUBDIVISION.

1 (1) THE BOARD MAY NOT APPROVE AN APPLICATION UNLESS THE
 2 POLITICAL SUBDIVISION IN WHICH THE PROPOSED PROJECT IS LOCATED APPROVES
 3 THE APPLICATION BY RESOLUTION.

4 (2) IF AN APPLICATION AFFECTS A COMMUNITY LEGACY AREA
 5 ENTIRELY WITHIN A MUNICIPAL CORPORATION, THE APPROVAL MUST COME FROM
 6 THE MUNICIPAL CORPORATION RATHER THAN THE SURROUNDING COUNTY.

7 (3) IF AN APPLICATION AFFECTS A COMMUNITY LEGACY AREA WITHIN
 8 MORE THAN ONE POLITICAL SUBDIVISION, EACH POLITICAL SUBDIVISION MUST
 9 APPROVE IT BY RESOLUTION.

10 (C) DUTY OF SECRETARY.

11 THE SECRETARY SHALL AWARD FINANCIAL ASSISTANCE TO A SPONSOR OR A
 12 SPONSOR'S DESIGNEE:

13 (1) IN THE AMOUNT AND OF THE TYPE THAT THE BOARD DETERMINES;
 14 AND

15 (2) UNDER THE TERMS OF A COMMUNITY LEGACY AGREEMENT.

16 REVISOR'S NOTE: This section is new language derived without substantive
 17 change from former Art. 83B, § 4-806.

18 In subsection (a)(1), (2), and (3) of this section, the references to "each
 19 application" are substituted for the former references to "applications" in
 20 light of Art. 1, § 8, which provides that the singular generally includes the
 21 plural.

22 In subsection (a)(4) of this section, the reference to "reviewing" is
 23 substituted for the former reference to "approving" to avoid the erroneous
 24 implication that all applications must be approved.

25 In subsection (b)(1) and (3) of this section, the references to a "political
 26 subdivision" are substituted for the former references to a "local
 27 government" to conform to the terminology used throughout this article.

28 Defined terms: "Application" § 6-201

29 "Board" § 6-201

30 "Community development financial institution" § 6-201

31 "Community legacy agreement" § 6-201

32 "Community legacy area" § 6-201

33 "County" § 1-101

34 "Financial assistance" § 6-201

35 "Political subdivision" § 1-101

36 "Secretary" § 1-101

1 6-208. COMMUNITY LEGACY AGREEMENT.

2 (A) IN GENERAL.

3 THE DEPARTMENT AND THE SPONSOR SHALL EXECUTE A COMMUNITY LEGACY
4 AGREEMENT.

5 (B) COMPLIANCE.

6 THE SPONSOR SHALL COMPLY WITH THE TERMS OF THE COMMUNITY LEGACY
7 AGREEMENT AND ANY REGULATIONS THE DEPARTMENT ADOPTS TO CARRY OUT
8 THIS SUBTITLE.

9 (C) NONCAPITAL EXPENDITURES.

10 NOT MORE THAN 15% OF THE TOTAL FINANCIAL ASSISTANCE THAT THE
11 PROGRAM PROVIDES MAY BE USED FOR NONCAPITAL EXPENDITURES.

12 (D) VIOLATION.

13 THE DEPARTMENT MAY EXERCISE ANY REMEDY PROVIDED UNDER THE
14 COMMUNITY LEGACY AGREEMENT OR BY LAW IF A SPONSOR:

15 (1) VIOLATES ANY PROVISION OF THE COMMUNITY LEGACY
16 AGREEMENT; OR

17 (2) CEASES TO MEET THE REQUIREMENTS OF THIS SUBTITLE.

18 REVISOR'S NOTE: This section is new language derived without substantive
19 change from former Art. 83B, § 4-807.

20 Defined terms: "Community legacy agreement" § 6-201

21 "Department" § 1-101

22 "Financial assistance" § 6-201

23 "Program" § 6-201

24 6-209. POWERS OF DEPARTMENT TO IMPLEMENT PROGRAM.

25 (A) IN GENERAL.

26 SUBJECT TO THIS SECTION, THE DEPARTMENT HAS THE POWERS NECESSARY
27 OR DESIRABLE TO IMPLEMENT THE PROGRAM.

28 (B) FINANCIAL ASSISTANCE.

29 (1) THE DEPARTMENT MAY DETERMINE THE TERMS AND CONDITIONS
30 FOR FINANCIAL ASSISTANCE AWARDED UNDER § 6-207(C) OF THIS SUBTITLE.

31 (2) FINANCIAL ASSISTANCE MAY BE SECURED BY A MORTGAGE, LIEN,
32 OR SECURITY INTEREST THAT IS SUPERIOR TO OR SUBORDINATE TO OTHER
33 MORTGAGES, LIENS, OR SECURITY INTERESTS.

1 (3) THE DEPARTMENT MAY ESTABLISH TIME LIMITS FOR THE USE OF
2 FINANCIAL ASSISTANCE.

3 (C) ENFORCEMENT.

4 (1) THE DEPARTMENT MAY ENFORCE THE TERMS AND CONDITIONS OF
5 THE FINANCIAL ASSISTANCE GIVEN UNDER THIS SUBTITLE.

6 (2) NOTWITHSTANDING ANY OTHER LAW, IF A LOAN OR GRANT IS
7 SECURED BY A FIRST OR SUBORDINATE MORTGAGE OR OTHER LIEN, THE
8 DEPARTMENT MAY:

9 (I) BEGIN AN ACTION TO PROTECT OR ENFORCE ANY RIGHT GIVEN
10 BY LAW, A CONTRACT, OR OTHER AGREEMENT;

11 (II) FORECLOSE ON PROPERTY;

12 (III) PURCHASE PROPERTY AT ANY FORECLOSURE OR OTHER SALE,
13 OR ACQUIRE OR TAKE POSSESSION OF THE PROPERTY THROUGH CONVEYANCE IN
14 LIEU OF FORECLOSURE OR OTHERWISE, AND CONVEY PROPERTY AFTER ACQUIRING
15 IT;

16 (IV) SETTLE OR COMPROMISE ANY DEBT OR OBLIGATION OWED TO
17 THE DEPARTMENT;

18 (V) PAY THE PRINCIPAL OF AND INTEREST ON ANY OBLIGATION
19 INCURRED IN CONNECTION WITH THE PROPERTY, AND DISPOSE OF OR OTHERWISE
20 DEAL WITH THE PROPERTY TO PROTECT THE INTERESTS OF THE PROGRAM; OR

21 (VI) RELEASE OR SELL ANY MORTGAGE, OBLIGATION, OR PROPERTY
22 THAT THE DEPARTMENT HOLDS AT PUBLIC OR PRIVATE SALE, WITH OR WITHOUT
23 PUBLIC BIDDING.

24 (D) AGREEMENTS.

25 (1) THE DEPARTMENT MAY CONTRACT WITH ANY PERSON, INCLUDING A
26 PRIVATE PROPERTY MANAGER, MORTGAGE SERVICER, ARCHITECT, ENGINEER, OR
27 OTHER PROPERTY CONSULTANT, OR WITH ANY GOVERNMENTAL UNIT, FOR
28 PROPERTY OR SERVICES NECESSARY TO OPERATE THE PROGRAM OR TO IMPLEMENT
29 COMMUNITY LEGACY PROJECTS.

30 (2) THE DEPARTMENT MAY MAKE AGREEMENTS WITH OTHER
31 GOVERNMENTAL UNITS TO ESTABLISH PARTNERSHIPS TO CARRY OUT THE
32 PROGRAM.

33 (3) THE DEPARTMENT MAY CONTRACT FOR AND ACCEPT ANY GRANT,
34 CONTRIBUTION, OR LOAN OF MONEY, PROPERTY, OR OTHER AID FROM THE FEDERAL
35 GOVERNMENT AND MAY DO ALL THINGS CONSISTENT WITH THIS SUBTITLE TO
36 QUALIFY FOR THE AID OR PARTICIPATE IN OR ADMINISTER A FEDERAL PROGRAM.

1 (E) LOANS.

2 IN CONNECTION WITH LOANS THAT IT MAKES, THE DEPARTMENT MAY:

3 (1) REQUIRE AND OBTAIN APPRAISALS, CREDIT INFORMATION, AND
4 OTHER PERTINENT INFORMATION; AND

5 (2) CHARGE INTEREST.

6 (F) MODIFICATIONS.

7 WHEN IT IS CONSISTENT WITH THE BEST INTERESTS OF THE STATE TO DO SO,
8 THE DEPARTMENT MAY CONSENT TO THE MODIFICATION OF ANY PROVISION OF ANY
9 LOAN OR OTHER FINANCIAL ASSISTANCE.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 4-808.

12 In subsection (b)(2) of this section, the former phrase "on the collateral" is
13 deleted as implicit in the reference to "security interests".

14 In subsection (c)(1) of this section, the former references to the "grants,
15 loans or other" financial assistance are deleted as included in the defined
16 term "financial assistance".

17 In subsection (c)(2)(i) of this section, the former reference to "pursu[ing]"
18 an action is deleted as implicit in the reference to "begin[ning]" the action.

19 In subsection (c)(2)(iii) of this section, the former reference to "[b]id for" is
20 deleted in light of the reference to "purchase".

21 In subsection (c)(2)(iv) of this section, the reference to a debt or obligation
22 "owed" to the Department is added for clarity.

23 In subsection (c)(2)(v) of this section, the former phrase "all in any manner
24 and as necessary or desirable to protect the interests of the Program" is
25 deleted as surplusage.

26 In subsection (d)(2) of this section, the reference to "other governmental
27 units" is substituted for the former reference to "local, State, or federal
28 agencies" for brevity.

29 Defined terms: "Community legacy project" § 6-201

30 "Department" § 1-101

31 "Financial assistance" § 6-201

32 "Governmental unit" § 1-101

33 "Person" § 1-101

34 "Program" § 6-201

1 6-210. NEIGHBORHOOD INTERVENTION PROJECTS.

2 (A) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AS SPONSOR.

3 (1) A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION MAY
4 SPONSOR A NEIGHBORHOOD INTERVENTION PROJECT TO GIVE FINANCIAL
5 ASSISTANCE TO INDIVIDUALS OR BUSINESS ENTITIES THAT ARE
6 OWNER-OCCUPANTS, COMMUNITY DEVELOPMENT ORGANIZATIONS, OR POLITICAL
7 SUBDIVISIONS TO:

8 (I) BUY PROPERTIES THAT NEED REHABILITATION AND ARE IN
9 OTHERWISE STABLE NEIGHBORHOODS; AND

10 (II) REDEVELOP THE PROPERTIES THROUGH REHABILITATION,
11 DEMOLITION, RECONSTRUCTION, OR RE-USE.

12 (2) TO RECEIVE FINANCIAL ASSISTANCE FOR A NEIGHBORHOOD
13 INTERVENTION PROJECT, A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION
14 SHALL AGREE TO USE THE FINANCIAL ASSISTANCE, AND ANY REPAYMENTS AND
15 PREPAYMENTS, PRIMARILY TO MAKE LOANS FOR THE PURPOSES LISTED UNDER
16 PARAGRAPH (1) OF THIS SUBSECTION.

17 (B) POLITICAL SUBDIVISION AS SPONSOR.

18 (1) A POLITICAL SUBDIVISION OR ITS GOVERNMENTAL UNIT MAY
19 SPONSOR A NEIGHBORHOOD INTERVENTION PROJECT TO DEMOLISH PROPERTY
20 IMPROVEMENTS THAT ARE:

21 (I) DANGEROUS FOR USE OR OCCUPANCY;

22 (II) SO DETERIORATED THAT REHABILITATION IS NOT FEASIBLE;
23 AND

24 (III) LOCATED IN OTHERWISE STABLE NEIGHBORHOODS.

25 (2) A POLITICAL SUBDIVISION OR ITS GOVERNMENTAL UNIT MAY
26 SPONSOR A NEIGHBORHOOD INTERVENTION PROJECT TO DEMOLISH
27 IMPROVEMENTS ON PROPERTY TO PREPARE THE PROPERTY FOR REVITALIZATION,
28 REDEVELOPMENT, OR RE-USE AS A PART OF A REDEVELOPMENT PLAN THAT THE
29 BOARD APPROVES.

30 (3) TO RECEIVE FINANCIAL ASSISTANCE FOR A NEIGHBORHOOD
31 INTERVENTION PROJECT UNDER PARAGRAPH (1)(I), (II), OR (III) OF THIS SUBSECTION,
32 A POLITICAL SUBDIVISION SHALL AGREE TO REPAY THE FINANCIAL ASSISTANCE TO
33 THE COMMUNITY LEGACY FINANCIAL ASSISTANCE FUND, UP TO THE AMOUNT THE
34 POLITICAL SUBDIVISION RECEIVES FROM:

35 (I) THE NET PROCEEDS OF THE SALE OF THE PROPERTY ON
36 WHICH THE DEMOLITION TOOK PLACE; OR

1 (II) ANY PAYMENT TO THE POLITICAL SUBDIVISION RELATING TO
2 THE PROPERTY, INCLUDING ANY PAYMENT FOR THE COSTS OF DEMOLISHING THE
3 IMPROVEMENTS ON THE PROPERTY.

4 (C) WAIVER OF REQUIREMENTS.

5 (1) FOR AN APPLICATION THAT REQUESTS FINANCIAL ASSISTANCE
6 ONLY FOR A NEIGHBORHOOD INTERVENTION PROJECT, THE BOARD MAY WAIVE THE
7 REQUIREMENTS OF §§ 6-205(B)(1) AND 6-206 OF THIS SUBTITLE REGARDING THE
8 DESIGNATION OF A COMMUNITY LEGACY AREA AND A COMMUNITY LEGACY PLAN.

9 (2) ON REQUEST FROM A SPONSOR, THE BOARD MAY GRANT A FULL OR
10 PARTIAL WAIVER OF THE REQUIREMENTS OF SUBSECTIONS (B)(2)(I) OR (II) OR (E)(4)
11 OR (5) OF THIS SECTION.

12 (D) FINANCIAL ASSISTANCE -- IN GENERAL.

13 (1) THE BOARD ANNUALLY SHALL ALLOCATE AT LEAST 10% OF THE
14 COMMUNITY LEGACY FINANCIAL ASSISTANCE FUND TO NEIGHBORHOOD
15 INTERVENTION PROJECTS.

16 (2) THE BOARD MAY NOT AWARD MORE THAN \$500,000 FOR ANY
17 NEIGHBORHOOD INTERVENTION PROJECT.

18 (E) SAME -- REQUIREMENTS FOR DEMOLITION AND REDEVELOPMENT
19 PREPARATION.

20 TO RECEIVE FINANCIAL ASSISTANCE FOR A NEIGHBORHOOD INTERVENTION
21 PROJECT TO DEMOLISH IMPROVEMENTS AND PREPARE PROPERTY FOR
22 REVITALIZATION, REDEVELOPMENT, OR RE-USE AS A PART OF A REDEVELOPMENT
23 PLAN, THE SPONSOR MUST PROVIDE EVIDENCE, AT THE TIME OF APPLICATION:

24 (1) OF A LEGAL INTEREST IN THE PROPERTY THROUGH:

25 (I) OWNERSHIP OF THE PROPERTY;

26 (II) A CONTRACT, OPTION, OR OTHER LEGAL RIGHT TO ACQUIRE
27 THE PROPERTY; OR

28 (III) THE RIGHT TO DEMOLISH THE IMPROVEMENTS ON THE
29 PROPERTY;

30 (2) OF AN INTENTION TO REVITALIZE, REDEVELOP, OR RE-USE THE
31 PROPERTY AS PART OF A REDEVELOPMENT PLAN APPROVED BY THE BOARD;

32 (3) OF COMPLIANCE WITH THE REQUIREMENTS OF §§ 5-425 AND 5-426
33 OF THIS ARTICLE AND § 13-1112(B) OF THE FINANCIAL INSTITUTIONS ARTICLE;

34 (4) THAT THE SPONSOR WILL CONTRIBUTE AN AMOUNT AT LEAST
35 EQUAL TO THE FINANCIAL ASSISTANCE FROM THE PROGRAM TOWARDS THE
36 DEMOLITION OF THE IMPROVEMENTS ON THE PROPERTY;

1 (5) OF AN AGREEMENT TO REPAY THE FINANCIAL ASSISTANCE TO THE
 2 COMMUNITY LEGACY FINANCIAL ASSISTANCE FUND, UP TO THE AMOUNT RECEIVED
 3 BY THE SPONSOR FROM:

4 (I) THE NET PROCEEDS OF THE SALE OF THE PROPERTY; OR

5 (II) ANY PAYMENTS TO THE SPONSOR RELATING TO THE
 6 PROPERTY, INCLUDING ANY PAYMENT FOR THE COSTS INCURRED IN DEMOLISHING
 7 THE IMPROVEMENTS ON THE PROPERTY; AND

8 (6) THAT THE FINANCIAL ASSISTANCE FROM THE PROGRAM SHALL BE
 9 THE LEAST AMOUNT NECESSARY TO COMPLETE THE PROJECT.

10 REVISOR'S NOTE: This section is new language derived without substantive
 11 change from former Art. 83B, §§ 4-812 and 4-801(m) and (p).

12 In subsections (a) and (b) of this section, the former defined term
 13 "neighborhood intervention project" is revised as substantive provisions for
 14 clarity. Similarly, in subsection (b) of this section, the former defined term
 15 "redevelopment plan" is revised as a substantive provision.

16 Also in subsections (a) and (b) of this section, the defined term "political
 17 subdivision" is substituted for the former references to a "local
 18 government" to conform to the terminology used throughout this article.

19 Defined terms: "Board" § 6-201

20 "Community development financial institution" § 6-201

21 "Community development organization" § 6-201

22 "Community legacy area" § 6-201

23 "Community legacy plan" § 6-201

24 "Financial assistance" § 6-201

25 "Governmental unit" § 1-101

26 "Political subdivision" § 1-101

27 "Program" § 6-201

28 6-211. REPORTS.

29 (A) BY SPONSOR.

30 THE SPONSOR SHALL SUBMIT TO THE BOARD QUARTERLY PROGRESS REPORTS
 31 ON THE DEVELOPMENT OF A COMMUNITY LEGACY PLAN OR THE IMPLEMENTATION
 32 OF A COMMUNITY LEGACY PROJECT.

33 (B) BY BOARD.

34 (1) THE BOARD SHALL SUBMIT AN ANNUAL REPORT TO THE GOVERNOR
 35 AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL
 36 ASSEMBLY ON OR BEFORE EACH OCTOBER 31.

37 (2) THE REPORT SHALL INCLUDE:

1 (I) THE FINANCIAL STATUS OF THE PROGRAM FOR THE
2 PRECEDING FISCAL YEAR, INCLUDING THE AMOUNT AND TYPE OF FINANCIAL
3 ASSISTANCE ENCUMBERED AND DISBURSED;

4 (II) THE NUMBER OF APPLICATIONS RECEIVED;

5 (III) THE NUMBER AND LOCATION OF COMMUNITY LEGACY AREAS
6 DESIGNATED; AND

7 (IV) A SUMMARY OF THE QUARTERLY REPORTS SUBMITTED BY
8 SPONSORS UNDER SUBSECTION (A) OF THIS SECTION.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 4-809.

11 In subsection (b) of this section, the reference to "on or before each October
12 31" is substituted for the former reference to "before November 1 of each
13 year" for clarity.

14 Defined terms: "Application" § 6-201

15 "Board" § 6-201

16 "Community legacy area" § 6-201

17 "Community legacy plan" § 6-201

18 "Community legacy project" § 6-201

19 "Financial assistance" § 6-201

20 "Program" § 6-201

21 6-212. ADVISORY COMMITTEE.

22 (A) ESTABLISHED.

23 THERE IS AN ADVISORY COMMITTEE TO THE BOARD.

24 (B) DUTIES.

25 THE COMMITTEE SHALL:

26 (1) MAKE RECOMMENDATIONS TO THE BOARD CONCERNING
27 COMMUNITY LEGACY AREAS, COMMUNITY LEGACY PLANS, AND COMMUNITY
28 LEGACY PROJECTS; AND

29 (2) CONSIDER THE MATTERS THAT THE BOARD REQUESTS.

30 (C) MEMBERSHIP.

31 (1) THE COMMITTEE CONSISTS OF THE FOLLOWING 11 MEMBERS
32 APPOINTED BY THE GOVERNOR:

33 (I) ONE MEMBER TO REPRESENT THE DEPARTMENT OF BUSINESS
34 AND ECONOMIC DEVELOPMENT;

1 (II) ONE MEMBER TO REPRESENT THE GOVERNOR'S OFFICE OF
2 CRIME CONTROL AND PREVENTION;

3 (III) ONE MEMBER TO REPRESENT THE DEPARTMENT OF GENERAL
4 SERVICES;

5 (IV) ONE MEMBER TO REPRESENT THE STATE ECONOMIC GROWTH,
6 RESOURCE PROTECTION, AND PLANNING COMMISSION; AND

7 (V) SEVEN MEMBERS WITH EXPERIENCE AND EXPERTISE IN
8 COMMUNITY DEVELOPMENT AND PRESERVATION.

9 (2) MEMBERS WITH EXPERIENCE AND EXPERTISE IN COMMUNITY
10 DEVELOPMENT AND PRESERVATION MAY INCLUDE REPRESENTATIVES OF
11 POLITICAL SUBDIVISIONS, ADVOCACY ORGANIZATIONS, THE BUSINESS COMMUNITY,
12 AND THE PUBLIC.

13 (D) QUALIFICATION.

14 TO THE EXTENT POSSIBLE, THE MEMBERS SHALL REFLECT THE GEOGRAPHIC
15 AND ETHNIC DIVERSITY OF THE STATE.

16 (E) TENURE.

17 (1) THE TERM OF A MEMBER IS 3 YEARS.

18 (2) A MEMBER MAY NOT SERVE MORE THAN TWO TERMS
19 CONSECUTIVELY.

20 (3) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY
21 THE TERMS PROVIDED FOR MEMBERS OF THE COMMITTEE ON OCTOBER 1, 2005.

22 (4) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
23 SUCCESSOR IS APPOINTED.

24 (5) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
25 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.

26 (F) COMPENSATION.

27 A MEMBER:

28 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
29 COMMITTEE; BUT

30 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
31 STANDARD STATE TRAVEL REGULATIONS AS PROVIDED IN THE STATE BUDGET.

32 (G) CHAIR.

1 THE GOVERNOR SHALL DESIGNATE A CHAIR FROM AMONG THE MEMBERS OF
2 THE COMMITTEE.

3 (H) STAFF.

4 THE DEPARTMENT SHALL PROVIDE STAFF TO THE COMMITTEE.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 4-810.

7 In subsection (a) of this section, the former statement that the Advisory
8 Committee is "in the Department" is deleted as implicit in the statement
9 that the Advisory Committee is "to the Board".

10 In subsection (d) of this section, the former reference to the members
11 "appointed by the Governor" is deleted because all members are appointed
12 by the Governor.

13 Also in subsection (d) of this section, the former reference to the
14 "population" of the State is deleted in light of the reference to the "ethnic
15 diversity" of the State.

16 In subsection (e)(3) of this section, the reference to terms being staggered
17 as required by the terms provided for Committee members on "October 1,
18 2005", is substituted for the former obsolete reference to terms being
19 staggered as required by the terms provided for Committee members on
20 "July 1, 2001". This substitution is not intended to alter the term of any
21 member of the Committee. *See* § ____ of Ch. ____, Acts of 2005. The terms
22 of the members serving on October 1, 2005, end as follows: (1) 4 in 2007; (2)
23 4 in 2008; and (3) 3 in 2009.

24 In subsection (f)(1) of this section, the reference to not receiving
25 compensation "as a member of the Committee" is added for clarity.

26 In subsection (g) of this section, the reference to "chair" is substituted for
27 the former reference to "chairman" because SG § 2-1238 requires the use
28 of words that are neutral as to gender to the extent practicable. *See*
29 General Revisor's Note to article.

30 The Housing Article Review Committee notes, for consideration by the
31 General Assembly, that the State Economic Growth, Resource Protection,
32 and Planning Commission terminated in July 2003. No replacement
33 member of the Advisory Committee has been appointed.

34 Defined terms: "Board" § 6-201

35 "Community legacy area" § 6-201

36 "Community legacy plan" § 6-201

37 "Community legacy project" § 6-201

38 "Political subdivision" § 1-101

1 6-213. COMMUNITY LEGACY FINANCIAL ASSISTANCE FUND.

2 (A) "FUND" DEFINED.

3 IN THIS SECTION, "FUND" MEANS THE COMMUNITY LEGACY FINANCIAL
4 ASSISTANCE FUND.

5 (B) ESTABLISHED.

6 THERE IS A COMMUNITY LEGACY FINANCIAL ASSISTANCE FUND.

7 (C) PURPOSE OF FUND.

8 THE FUND SHALL BE USED TO CARRY OUT THIS SUBTITLE.

9 (D) ADMINISTRATION.

10 (1) THE SECRETARY SHALL ADMINISTER THE FUND IN ACCORDANCE
11 WITH THE RECOMMENDATIONS OF THE BOARD.

12 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
13 SHALL ACCOUNT FOR THE FUND.

14 (E) STATUS.

15 THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS NOT
16 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

17 (F) COMPOSITION.

18 THE FUND CONSISTS OF:

19 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

20 (2) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND;

21 (3) REPAYMENTS AND PREPAYMENTS OF FINANCIAL ASSISTANCE
22 PROVIDED BY THE PROGRAM; AND

23 (4) ANY OTHER MONEY ACCEPTED FOR THE BENEFIT OF THE FUND
24 FROM ANY GOVERNMENTAL OR PRIVATE SOURCE.

25 (G) INVESTMENTS.

26 NOTWITHSTANDING ANY OTHER LAW, THE STATE TREASURER MAY INVEST
27 MONEY IN THE FUND IN THE SAME WAY AS MONEY IS INVESTED BY THE STATE
28 RETIREMENT AND PENSION SYSTEM.

29 REVISOR'S NOTE: Subsection (a) of this section is new language added to
30 provide a convenient reference to the Community Legacy Financial
31 Assistance Fund.

1 Subsections (b) through (g) of this section are new language derived
2 without substantive change from former Art. 83B, § 4-811.

3 In subsection (d) of this section, the former reference to the State
4 Treasurer's "separately" holding the Fund is deleted as surplusage.

5 In subsection (e) of this section, the reference to a "special" fund is added
6 as standard language used in a provision indicating that any unspent
7 balance remaining at the end of a fiscal year does not revert to the General
8 Fund.

9 Defined terms: "Board" § 6-201

10 "Financial assistance" § 6-201

11 "Program" § 6-201

12 "Secretary" § 1-101

13 SUBTITLE 3. NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

14 6-301. DEFINITIONS.

15 (A) IN GENERAL.

16 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

17 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-202(a).

18 No changes are made.

19 (B) DESIGNATED NEIGHBORHOOD.

20 "DESIGNATED NEIGHBORHOOD" MEANS AN AREA APPROVED AS A DESIGNATED
21 NEIGHBORHOOD UNDER § 6-305 OF THIS SUBTITLE.

22 REVISOR'S NOTE: This subsection is new language derived without
23 substantive change from former Art. 83B, § 4-202(b).

24 The former reference to a "geographically defined" area is deleted as
25 surplusage.

26 The former phrase "of a local jurisdiction" is deleted as implicit in the word
27 "area".

28 The former phrase "as an eligible neighborhood" is deleted as surplusage.

29 Defined term: "Political subdivision" § 1-101

30 (C) DEVELOPMENT COSTS.

31 (1) "DEVELOPMENT COSTS" MEANS THE COSTS INCURRED TO
32 CONSTRUCT OR REHABILITATE A NEIGHBORHOOD BUSINESS DEVELOPMENT
33 PROJECT.

- 1 (2) "DEVELOPMENT COSTS" INCLUDES THE COSTS OF:
- 2 (I) NECESSARY STUDIES, SURVEYS, PLANS, AND SPECIFICATIONS;
- 3 (II) ARCHITECTURAL, ENGINEERING, OR OTHER SPECIAL
4 SERVICES, INCLUDING FLOOD PLAIN STUDIES, ENVIRONMENTAL AUDITS, AND
5 CRITICAL AREA OR WETLAND ASSESSMENTS;
- 6 (III) LAND AND IMPROVEMENTS;
- 7 (IV) SITE PREPARATION;
- 8 (V) CONSTRUCTION, RECONSTRUCTION, AND REHABILITATION;
- 9 (VI) MACHINERY, EQUIPMENT, AND FURNISHINGS;
- 10 (VII) ESSENTIAL START-UP OPERATING COSTS, INCLUDING
11 WORKING CAPITAL AND INITIAL OCCUPANCY EXPENSES;
- 12 (VIII) INDEMNITY AND SURETY BONDS AND PREMIUMS ON
13 INSURANCE;
- 14 (IX) TEMPORARY RELOCATION EXPENSES; AND
- 15 (X) OTHER NECESSARY FEES.

16 REVISOR'S NOTE: This subsection is new language derived without
17 substantive change from former Art. 83B, § 4-202(c).

18 In paragraph (2)(ii) of this subsection, the former phrase "related to
19 construction or rehabilitation" is deleted as surplusage.

20 (D) FUND.

21 "FUND" MEANS THE NEIGHBORHOOD BUSINESS DEVELOPMENT FUND.

22 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-202(d).

23 No changes are made.

24 (E) MICROENTERPRISE.

25 "MICROENTERPRISE" MEANS A BUSINESS WITH NOT MORE THAN FIVE
26 EMPLOYEES THAT:

27 (1) REQUIRES NOT MORE THAN \$35,000 IN TOTAL START-UP CAPITAL;
28 AND

29 (2) DOES NOT HAVE ACCESS TO THE TRADITIONAL COMMERCIAL
30 BANKING SECTOR.

1 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-202(f).

2 The only changes are in style.

3 (F) PROGRAM.

4 "PROGRAM" MEANS THE NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

5 REVISOR'S NOTE: This subsection is new language added to avoid repetition

6 of the full name of the Neighborhood Business Development Program.

7 (G) PROJECT.

8 "PROJECT" MEANS A NEIGHBORHOOD BUSINESS DEVELOPMENT PROJECT THAT

9 RECEIVES FINANCIAL ASSISTANCE FROM THE FUND.

10 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-202(h).

11 The only changes are in style.

12 Defined term: "Fund" § 6-301

13 (H) SMALL BUSINESS.

14 "SMALL BUSINESS" MEANS A BUSINESS THAT QUALIFIES AS A SMALL BUSINESS

15 UNDER § 6-302 OF THIS SUBTITLE.

16 REVISOR'S NOTE: This subsection is new language added to provide a

17 convenient reference to "small business".

18 For the balance of former Art. 83B, § 4-202(i), *see* § 6-302 of this subtitle.

19 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 4-202(e), which defined

20 "local jurisdiction", is deleted in light of the definition of "political

21 subdivision" in § 1-101 of this article to the same effect. Throughout this

22 subtitle, references to a "political subdivision" are substituted for the

23 former references to a "local jurisdiction" to conform to the terminology

24 used throughout this article.

25 6-302. QUALIFYING AS A SMALL BUSINESS.

26 (A) LIMITS ON NUMBER OF EMPLOYEES AND ANNUAL RECEIPTS.

27 A BUSINESS QUALIFIES AS A SMALL BUSINESS IF THE NUMBER OF ITS

28 EMPLOYEES AND THE AMOUNT OF ITS ANNUAL RECEIPTS DO NOT EXCEED LIMITS

29 THAT THE DEPARTMENT SETS BY REGULATION.

30 (B) APPLICATION OF FEDERAL LIMITS.

31 THE LIMITS THAT THE DEPARTMENT SETS MAY NOT BE LESS RESTRICTIVE

32 THAN THOSE THAT THE FEDERAL SMALL BUSINESS ADMINISTRATION SETS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 4-202(i).

3 It is revised as a substantive provision rather than as a definition for
4 clarity.

5 Defined term: "Department" § 1-101

6 6-303. NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

7 (A) ESTABLISHED.

8 THERE IS A NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

9 (B) PURPOSES OF PROGRAM.

10 THE PURPOSES OF THE PROGRAM ARE, IN DESIGNATED NEIGHBORHOODS, TO:

11 (1) HELP DEVELOP, REDEVELOP, OR EXPAND SMALL BUSINESSES AND
12 MICROENTERPRISES;

13 (2) STIMULATE INVESTMENT BY THE PRIVATE SECTOR;

14 (3) INVEST IN REVITALIZATION PROJECTS FOR SMALL BUSINESSES AND
15 MICROENTERPRISES; AND

16 (4) STIMULATE POLITICAL SUBDIVISIONS TO PARTICIPATE DEVELOPING
17 AND EXPANDING SMALL BUSINESSES AND MICROENTERPRISES.

18 (C) COMPONENTS.

19 THE PROGRAM INCLUDES:

20 (1) THE BUSINESS DEVELOPMENT PROGRAM; AND

21 (2) THE CAPITAL ACCESS PROGRAM.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, § 4-201.

24 In subsection (b)(1) and (4) of this section, the references to the defined
25 term "small business" are substituted for the former references to "small
26 business enterprises" to conform to the terminology used in this subtitle.

27 In subsection (b)(4) of this section, the reference to "political subdivisions"
28 is substituted for the former reference to "local jurisdictions". *See* Revisor's
29 Note to § 6-301 of this subtitle.

30 Defined terms: "Designated neighborhood" § 6-301

31 "Microenterprise" § 6-301

32 "Political subdivision" § 1-101

1 "Program" § 6-301

2 "Small business" § 6-301

3 6-304. BUSINESS DEVELOPMENT PROGRAM -- ESTABLISHED; PURPOSE.

4 (A) ESTABLISHED.

5 THERE IS A BUSINESS DEVELOPMENT PROGRAM IN THE NEIGHBORHOOD
6 BUSINESS DEVELOPMENT PROGRAM.

7 (B) PURPOSE OF BUSINESS DEVELOPMENT PROGRAM.

8 THE BUSINESS DEVELOPMENT PROGRAM SHALL PROVIDE FINANCIAL
9 ASSISTANCE TO PROJECTS IN DESIGNATED NEIGHBORHOODS.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 4-203(a) and, as it concerned providing
12 financial assistance to projects in designated neighborhoods, (b).

13 In subsection (b) of this section, the reference to the requirement that the
14 Business Development Program "provide" financial assistance is added to
15 state expressly what was only implicit in the former law, that financial
16 assistance must be provided to projects by the Business Development
17 Program.

18 Defined terms: "Designated neighborhood" § 6-301

19 "Financial assistance" § 1-101

20 "Project" § 6-301

21 6-305. SAME -- DESIGNATION OF NEIGHBORHOODS.

22 WITH THE CONCURRENCE OF THE SECRETARY, A POLITICAL SUBDIVISION MAY
23 APPROVE A DESIGNATED NEIGHBORHOOD AFTER CONSIDERING:

24 (1) THE AVAILABILITY, COST, AND CONDITION OF BUSINESS FACILITIES;

25 (2) THE AGE AND NUMBER OF ABANDONED STRUCTURES;

26 (3) THE AGE AND NUMBER OF SUBSTANDARD STRUCTURES;

27 (4) THE INCOME OF RESIDENTS RELATIVE TO STATE OR REGIONAL
28 MEDIAN INCOMES, INCLUDING THE NUMBER OF WELFARE RECIPIENTS;

29 (5) THE EXTENT OF UNEMPLOYMENT AND THE AVAILABILITY OF JOBS
30 FOR RESIDENTS;

31 (6) THE NEED FOR FINANCING FOR SMALL BUSINESSES, NONPROFIT
32 ORGANIZATIONS, OR MICROENTERPRISES TO UPGRADE SOCIAL AND ECONOMIC
33 CONDITIONS;

1 (7) THE DEVELOPMENT OR REDEVELOPMENT STRATEGY OF THE
 2 POLITICAL SUBDIVISION FOR THE AREA AND ANY PLANS, OR FINANCIAL
 3 COMMITMENT TO UNDERTAKE IMPROVEMENTS THERE; AND

4 (8) OTHER STANDARDS THAT THE DEPARTMENT CONSIDERS RELEVANT
 5 AS SET FORTH IN REGULATIONS, INCLUDING STANDARDS ESTABLISHED FOR OTHER
 6 STATE OR FEDERAL PROGRAMS.

7 REVISOR'S NOTE: This section is new language derived without substantive
 8 change from former Art. 83B, § 4-203(c).

9 In the introductory language of this section and in item (7) of this section,
 10 the references to a "political subdivision" are substituted for the former
 11 reference to "local jurisdictions" to conform to the terminology used
 12 throughout this article. *See* Revisor's Note to § 6-301 of this subtitle.

13 In item (4) of this section, the former reference to the "unemployed" is
 14 deleted in light of the reference to "the extent of unemployment" in item (5)
 15 of this section.

16 In item (5) of this section, the former reference to the "designated
 17 neighborhood" is deleted as implicit given the reference to a "designated
 18 neighborhood" in the introductory language of this section.

19 In items (6) and (7) of this section, the former references to the "designated
 20 neighborhood" are deleted as misleading in that the standards apply before
 21 a neighborhood is designated.

22 In item (8) of this section, the former reference to "relevant" State or
 23 federal programs is deleted as surplusage.

24 Also in item (8) of this section, the former reference to "criteria" is deleted
 25 in light of the reference to "standards".

26 Defined terms: "Department" § 1-101

27 "Designated neighborhood" § 6-301

28 "Microenterprise" § 6-301

29 "Nonprofit organization" § 1-101

30 "Political subdivision" § 1-101

31 "Secretary" § 1-101

32 "Small business" § 6-301

33 6-306. SAME -- FINANCIAL ASSISTANCE FOR SMALL BUSINESSES.

34 (A) IN GENERAL.

35 (1) A SMALL BUSINESS, NONPROFIT ORGANIZATION, OR
 36 MICROENTERPRISE MAY APPLY FOR FINANCIAL ASSISTANCE UNDER THE BUSINESS
 37 DEVELOPMENT PROGRAM.

1 (2) THE DEPARTMENT SHALL REVIEW EACH APPLICATION.

2 (B) QUALIFICATIONS.

3 AN APPLICANT MAY QUALIFY FOR FINANCIAL ASSISTANCE FOR A PROJECT IN A
4 DESIGNATED NEIGHBORHOOD IF THE APPLICATION DEMONSTRATES THAT:

5 (1) THE PROJECT HAS SIGNIFICANT COMMITMENTS FOR FINANCING
6 FROM OTHER PRIVATE AND NONSTATE PUBLIC SOURCES THAT ARE SUFFICIENT TO
7 COMPLETE THE PROJECT WITH THE MONEY FROM THE FUND;

8 (2) THE FINANCIAL ASSISTANCE FROM THE FUND IS THE MINIMUM
9 AMOUNT NECESSARY TO MAKE THE PROJECT FINANCIALLY FEASIBLE;

10 (3) THE PROJECT IS READY TO PROCEED WHEN IT RECEIVES FINANCIAL
11 ASSISTANCE FROM THE BUSINESS DEVELOPMENT PROGRAM; AND

12 (4) THE POLITICAL SUBDIVISION HAS ADOPTED A RESOLUTION, OR ITS
13 AUTHORIZED DESIGNEE HAS DELIVERED A LETTER TO THE BUSINESS
14 DEVELOPMENT PROGRAM, THAT EXPRESSES SUPPORT FOR THE PROJECT.

15 (C) FORMS OF FINANCIAL ASSISTANCE.

16 FINANCIAL ASSISTANCE UNDER THE BUSINESS DEVELOPMENT PROGRAM MAY
17 BE PROVIDED TO A SMALL BUSINESS, NONPROFIT ORGANIZATION, OR
18 MICROENTERPRISE AS:

19 (1) A GRANT;

20 (2) A LOAN;

21 (3) A REDUCTION IN THE PRINCIPAL OBLIGATION OF OR INTEREST RATE
22 ON A LOAN OR PORTION OF A LOAN;

23 (4) A PREPAYMENT OF INTEREST ON A SUBORDINATE OR SUPERIOR
24 LOAN OR PORTION OF A LOAN;

25 (5) AN ASSURANCE;

26 (6) A GUARANTEE; OR

27 (7) ANY OTHER FORM OF CREDIT ENHANCEMENT.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 4-204 and, as it concerned qualifying for
30 financial assistance, § 4-203(b).

31 In subsection (a)(1) of this section, the reference to assistance "under the
32 Business Development Program" is added for clarity.

33 In subsection (b)(4) of this section, the reference to a "political subdivision"

1 is substituted for the former reference to a "local jurisdiction" to conform to
2 the terminology used throughout this article. *See* Revisor's Note to § 6-301
3 of this subtitle.

4 Also in subsection (b)(4) of this section, the former reference to a "local"
5 resolution is deleted in light of the reference to a "political subdivision".

6 Defined terms: "Department" § 1-101

7 "Designated neighborhood" § 6-301

8 "Financial assistance" § 1-101

9 "Fund" § 6-301

10 "Microenterprise" § 6-301

11 "Nonprofit organization" § 1-101

12 "Political subdivision" § 1-101

13 "Program" § 6-301

14 "Project" § 6-301

15 "Small business" § 6-301

16 6-307. SAME -- FINANCIAL ASSISTANCE FOR PROJECT DEVELOPMENT COSTS.

17 (A) IN GENERAL.

18 FINANCIAL ASSISTANCE UNDER THE BUSINESS DEVELOPMENT PROGRAM
19 SHALL BE ON THE TERMS THAT THE DEPARTMENT CONSIDERS NECESSARY TO MAKE
20 THE PROJECT FINANCIALLY FEASIBLE.

21 (B) DEVELOPMENT COSTS.

22 FINANCIAL ASSISTANCE UNDER THE BUSINESS DEVELOPMENT PROGRAM MAY
23 BE USED FOR A PART OF THE PROJECT DEVELOPMENT COSTS.

24 (C) SECURITY.

25 THE DEPARTMENT MAY REQUIRE THAT FINANCIAL ASSISTANCE UNDER THE
26 BUSINESS DEVELOPMENT PROGRAM BE SECURED BY A MORTGAGE OR OTHER
27 SECURITY INSTRUMENT, WHICH MAY BE SUBORDINATE TO OTHER SECURITY
28 INTERESTS.

29 (D) MODIFICATIONS.

30 THE DEPARTMENT MAY MODIFY THE INTEREST RATE, THE TIME OR AMOUNT
31 OF PAYMENT, OR ANY OTHER TERM OF A GRANT OR LOAN TO FACILITATE THE
32 SUCCESSFUL COMPLETION OR OPERATION OF A PROJECT.

33 (E) CONTRACTS FOR SERVICES.

34 THE DEPARTMENT MAY CONTRACT FOR SERVICES RELATED TO THE BUSINESS
35 DEVELOPMENT PROGRAM.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 4-206.

3 Defined terms: "Department" § 1-101

4 "Development costs" § 6-301

5 "Financial assistance" § 6-301

6 "Project" § 6-301

7 6-308. SAME -- ADMINISTRATION.

8 (A) IN GENERAL.

9 THE DEPARTMENT SHALL:

10 (1) ADMINISTER THE BUSINESS DEVELOPMENT PROGRAM;

11 (2) ADOPT REGULATIONS TO CARRY OUT THE BUSINESS DEVELOPMENT
12 PROGRAM;

13 (3) ESTABLISH, FOR EACH CATEGORY OF FINANCING DESCRIBED IN §
14 6-306(C) OF THIS SUBTITLE, MINIMUM PERCENTAGES OR AMOUNTS OF PRIVATE AND
15 NONSTATE PUBLIC FINANCING THAT AN APPLICANT FOR THE BUSINESS
16 DEVELOPMENT PROGRAM MUST SECURE; AND

17 (4) MAKE A REASONABLE, GOOD FAITH EFFORT TO MAKE 25% OF THE
18 BUSINESS DEVELOPMENT PROGRAM LOANS AND GRANTS TO MICROENTERPRISES.

19 (B) DISPOSITION OF PROGRAM LOANS AND REVENUES.

20 THE DEPARTMENT MAY:

21 (1) SELL, ASSIGN, OR OTHERWISE DISPOSE OF A PROGRAM LOAN OR
22 REVENUE FROM A LOAN ON TERMS AND CONDITIONS ACCEPTABLE TO THE
23 DEPARTMENT, INCLUDING SELLING LOANS AT A DISCOUNT, IF THE MAXIMUM SALE
24 PROCEEDS IN ANY FISCAL YEAR DO NOT EXCEED \$4,000,000; AND

25 (2) APPLY THE PROCEEDS RECEIVED FROM A SALE, ASSIGNMENT, OR
26 OTHER DISPOSITION UNDER ITEM (1) OF THIS SUBSECTION TO THE FUND.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 4-205.

29 In subsection (a)(1) of this section, the former phrase "[m]anage, supervise"
30 is deleted in light of the word "administer" for brevity.

31 In subsection (a)(2) of this section, the former reference to "rules" is deleted
32 in light of the reference to "regulations". See General Revisor's Note to
33 article.

34 Also in subsection (a)(2) of this section, the former phrase "in conformance
35 with statutory requirements" is deleted as unnecessary. Regulations must

1 comply with statutory requirements whether or not stated here.

2 The Housing Article Review Committee notes, for consideration by the
3 General Assembly, that in subsection (b)(1) of this section, the
4 authorization of the Department to dispose of a Program loan or revenue
5 from a loan "if the maximum sale proceeds in any fiscal year do not exceed
6 \$4,000,000" may suggest erroneously that, if the maximum is exceeded, all
7 sales are unauthorized and illegal, even those made before the maximum
8 was exceeded.

9 Defined terms: "Department" § 1-101

10 "Fund" § 6-301

11 "Program" § 6-301

12 6-309. CAPITAL ACCESS PROGRAM.

13 (A) ESTABLISHED.

14 THERE IS A CAPITAL ACCESS PROGRAM IN THE NEIGHBORHOOD BUSINESS
15 DEVELOPMENT PROGRAM.

16 (B) PURPOSES OF PROGRAM.

17 THE PURPOSES OF THE CAPITAL ACCESS PROGRAM ARE TO:

18 (1) STIMULATE PRIVATE SECTOR LENDING TO SMALL BUSINESSES
19 THROUGHOUT THE STATE; AND

20 (2) ENCOURAGE PRIVATE LENDERS TO PROVIDE FOR A RESERVE OF
21 MONEY AS ADDITIONAL SECURITY FOR PRIVATE SECTOR LOANS MADE UNDER THIS
22 SECTION.

23 (C) PARTICIPATION AGREEMENTS.

24 THE DEPARTMENT MAY ENTER INTO A CAPITAL ACCESS PROGRAM
25 PARTICIPATION AGREEMENT WITH EACH LENDER ELIGIBLE TO PARTICIPATE IN THE
26 CAPITAL ACCESS PROGRAM.

27 (D) ELIGIBILITY -- LENDERS.

28 TO BE ELIGIBLE TO PARTICIPATE IN THE CAPITAL ACCESS PROGRAM, A
29 LENDER:

30 (1) SHALL BE A FEDERALLY INSURED FINANCIAL INSTITUTION, AS
31 DEFINED IN § 1-101 OF THE FINANCIAL INSTITUTIONS ARTICLE, OR ANOTHER
32 INSTITUTION REGULATED BY THE COMMISSIONER OF FINANCIAL REGULATION; AND

33 (2) SHALL ENTER INTO A PARTICIPATION AGREEMENT WITH THE
34 DEPARTMENT THAT:

35 (I) REQUIRES THE LENDER TO AGREE TO:

1 1. ENROLL IN THE CAPITAL ACCESS PROGRAM LOANS THAT
2 THE LENDER MAKES TO AN ELIGIBLE SMALL BUSINESS;

3 2. ESTABLISH A LOAN RESERVE ACCOUNT WITH A
4 FEDERALLY INSURED FINANCIAL INSTITUTION AS ADDITIONAL SECURITY TO COVER
5 LOSSES OF THE LENDER ON LOANS THAT THE LENDER ENROLLS; AND

6 3. CONTRIBUTE MONEY TO THE LOAN RESERVE ACCOUNT
7 FOR EACH LOAN THAT THE LENDER ENROLLS; AND

8 (II) ALLOWS THE LENDER TO COMMINGLE IN THE RESERVE
9 ACCOUNT CONTRIBUTIONS MADE FOR LOANS THAT THE LENDER ENROLLS.

10 (E) SAME -- BORROWERS.

11 TO BE ELIGIBLE FOR A LOAN UNDER THE CAPITAL ACCESS PROGRAM, A
12 BORROWER:

13 (1) SHALL BE A SMALL BUSINESS THAT MEETS THE ELIGIBILITY
14 REQUIREMENTS SET OUT IN THE CAPITAL ACCESS PROGRAM PARTICIPATION
15 AGREEMENT BETWEEN THE BORROWER'S LENDER AND THE DEPARTMENT; AND

16 (2) SHALL AGREE WITH THE LENDER TO CONTRIBUTE MONEY TO THE
17 LOAN RESERVE ACCOUNT THAT THE LENDER ESTABLISHES.

18 (F) CONTRIBUTIONS.

19 (1) THE DEPARTMENT MAY USE THE FUND TO CONTRIBUTE UP TO
20 \$1,000,000 PER FISCAL YEAR TO LOAN RESERVE ACCOUNTS ESTABLISHED UNDER
21 SUBSECTION (D) OF THIS SECTION.

22 (2) THE CONTRIBUTIONS BY THE DEPARTMENT ARE EXEMPT FROM THE
23 REQUIREMENTS OF TITLE 6, SUBTITLE 2, AND TITLES 11 THROUGH 17, OF THE STATE
24 FINANCE AND PROCUREMENT ARTICLE.

25 (G) LIABILITY OF STATE.

26 (1) ENROLLING A LOAN IN THE CAPITAL ACCESS PROGRAM DOES NOT
27 PLEDGE THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE DEPARTMENT,
28 THE NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM, OR THE FUND.

29 (2) THE STATE, THE DEPARTMENT, THE NEIGHBORHOOD BUSINESS
30 DEVELOPMENT PROGRAM, AND THE FUND ARE NOT LIABLE FOR LOSSES OF A
31 LENDER ON AN ENROLLED LOAN, EXCEPT TO THE EXTENT OF THE LOAN RESERVE
32 ACCOUNT THAT THE LENDER ESTABLISHES UNDER THE CAPITAL ACCESS PROGRAM.

33 (H) LOCATION OF PROJECT.

34 A PROJECT FINANCED BY A LOAN ENROLLED IN THE CAPITAL ACCESS
35 PROGRAM SHALL BE IN A PRIORITY FUNDING AREA AS REQUIRED BY TITLE 5,
36 SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1 (I) DEFAULT.

2 A LENDER SHALL TREAT A DEFAULT ON A LOAN ENROLLED IN THE CAPITAL
3 ACCESS PROGRAM IN THE SAME WAY THAT THE LENDER TREATS DEFAULTS ON
4 OTHER LOANS.

5 (J) WITHDRAWAL FROM RESERVE ACCOUNT.

6 THE DEPARTMENT MAY REQUIRE THAT, BEFORE A LENDER WITHDRAWS
7 MONEY FROM A RESERVE ACCOUNT TO COVER LOSSES ON A DEFAULTED ENROLLED
8 LOAN, THE LENDER AGREE THAT, IF THE RESERVE ACCOUNT FULLY COVERS THE
9 LOSSES, THE LENDER WILL ASSIGN TO THE DEPARTMENT OR SUBROGATE THE
10 DEPARTMENT TO THE RIGHT, TITLE, AND INTEREST OF THE LENDER IN AND TO:

11 (1) THE LOAN;

12 (2) COLLATERAL AND SECURITY FOR THE LOAN; AND

13 (3) EVERY OTHER RIGHT OF RECOVERY IN CONNECTION WITH THE
14 LOAN.

15 (K) AFTER DEFAULT.

16 (1) AFTER A DEFAULT ON A LOAN ENROLLED IN THE CAPITAL ACCESS
17 PROGRAM, THE DEPARTMENT MAY ACQUIRE, HOLD, IMPROVE, OPERATE PENDING
18 SALE OR OTHER DISPOSITION, SELL, ASSIGN, EXCHANGE, TRANSFER, CONVEY,
19 LEASE, MORTGAGE, OR OTHERWISE DISPOSE OF OR ENCUMBER PROPERTY THAT
20 SECURES OR IS COLLATERAL FOR ALL OR PART OF THE LOAN, INCLUDING:

21 (I) REAL PROPERTY;

22 (II) PERSONAL PROPERTY; AND

23 (III) EVIDENCE OF INDEBTEDNESS.

24 (2) THE DEPARTMENT MAY ACT UNDER THIS SUBSECTION:

25 (I) IN ITS NAME OR IN THE NAME OF THE NEIGHBORHOOD
26 BUSINESS DEVELOPMENT PROGRAM; AND

27 (II) NOTWITHSTANDING TITLES 10 THROUGH 17 OF THE STATE
28 FINANCE AND PROCUREMENT ARTICLE.

29 (L) REGULATIONS.

30 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE CAPITAL
31 ACCESS PROGRAM.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 4-207.

1 Defined terms: "Department" § 1-101

2 "Fund" § 6-301

3 "Small business" § 6-301

4 6-310. NEIGHBORHOOD BUSINESS DEVELOPMENT FUND.

5 (A) ESTABLISHED.

6 THERE IS A NEIGHBORHOOD BUSINESS DEVELOPMENT FUND.

7 (B) PURPOSES OF FUND.

8 THE DEPARTMENT SHALL USE THE FUND TO:

9 (1) OPERATE AND PAY EXPENSES OF THE PROGRAM; AND

10 (2) PROVIDE FINANCIAL ASSISTANCE TO SMALL BUSINESSES,
11 NONPROFIT ORGANIZATIONS, AND MICROENTERPRISES.

12 (C) ADMINISTRATION.

13 (1) THE DEPARTMENT SHALL ADMINISTER THE FUND.

14 (2) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER
15 SHALL ACCOUNT FOR THE FUND.

16 (D) STATUS.

17 THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS NOT
18 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

19 (E) COMPOSITION.

20 (1) THE FUND CONSISTS OF:

21 (I) MONEY APPROPRIATED IN THE STATE BUDGET FOR THE
22 PROGRAM;

23 (II) ANY REPAYMENT OR PREPAYMENT OF FINANCIAL ASSISTANCE
24 UNDER THIS SUBTITLE OR UNDER THE STATE ACTION LOANS FOR TARGETED AREAS
25 PROGRAM UNDER FORMER ARTICLE 83B, TITLE 4, SUBTITLE 6, OF THE CODE;

26 (III) MONEY TRANSFERRED TO THE FUND FROM ANY OTHER FUND
27 AS PROVIDED IN THIS ARTICLE;

28 (IV) MONEY RECEIVED FROM THE SALE, ASSIGNMENT, OR OTHER
29 DISPOSITION OF PROGRAM LOANS;

30 (V) OTHER MONEY RECEIVED BY THE PROGRAM UNDER THIS
31 SUBTITLE OR FROM THE COMMUNITY DEVELOPMENT ADMINISTRATION UNDER
32 SUBTITLE 2 OF THIS TITLE; AND

1 (VI) INVESTMENT EARNINGS OF THE FUND.

2 (F) INVESTMENT.

3 THE FUND SHALL BE INVESTED IN THE SAME WAY AS OTHER STATE MONEY.

4 (G) TRANSFERS.

5 WITH THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE AND, SUBJECT
6 TO § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AFTER THE FIRST 8
7 MONTHS OF A FISCAL YEAR, THE DEPARTMENT MAY TRANSFER UNENCUMBERED
8 MONEY IN THE FUND TO ANY OTHER FUND ESTABLISHED UNDER THIS TITLE.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 4-208.

11 Subsections (d), (e), and (f) of this section are revised in standard language
12 for consistency in this article.

13 Defined terms: "Department" § 1-101

14 "Fund" § 6-301

15 "Microenterprise" § 6-301

16 "Nonprofit organization" § 1-101

17 "Program" § 6-301

18 "Small business" § 6-301

19 6-311. FALSE STATEMENTS OR REPORTS.

20 (A) PROHIBITED.

21 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
22 FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED TO
23 THE DEPARTMENT BY AN AGREEMENT RELATING TO FINANCIAL ASSISTANCE UNDER
24 THE PROGRAM.

25 (2) AN APPLICANT FOR FINANCIAL ASSISTANCE UNDER THE PROGRAM
26 MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR
27 REPORT TO INFLUENCE THE ACTION OF THE DEPARTMENT ON AN APPLICATION OR
28 TO INFLUENCE ANY ACTION OF THE DEPARTMENT AFFECTING FINANCIAL
29 ASSISTANCE ALREADY PROVIDED.

30 (B) PENALTY.

31 A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND
32 ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A FINE
33 NOT EXCEEDING \$50,000 OR BOTH.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 4-209.

1 Defined terms: "Department" § 1-101

2 "Financial assistance" § 1-101

3 "Person" § 1-101

4 "Program" § 6-301

5 SUBTITLE 4. NEIGHBORHOOD AND COMMUNITY ASSISTANCE PROGRAM.

6 6-401. DEFINITIONS.

7 (A) IN GENERAL.

8 IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

9 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-701(a).

10 No changes are made.

11 (B) APPROVED PROJECT.

12 "APPROVED PROJECT" MEANS A PROJECT THAT THE DEPARTMENT APPROVES
13 UNDER § 6-405 OF THIS SUBTITLE.

14 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-701(b).

15 The only changes are in style.

16 Defined term: "Department" § 1-101

17 (C) BUSINESS ENTITY.

18 "BUSINESS ENTITY" MEANS A PERSON THAT CONDUCTS A TRADE OR BUSINESS
19 IN THE STATE AND IS SUBJECT TO:

20 (1) THE STATE INCOME TAX ON INDIVIDUALS OR CORPORATIONS;

21 (2) THE PUBLIC SERVICE COMPANY FRANCHISE TAX; OR

22 (3) THE INSURANCE PREMIUMS TAX.

23 REVISOR'S NOTE: This subsection is new language derived without
24 substantive change from former Art. 83B, § 4-701(c).

25 The Housing Article Review Committee notes, for consideration by the
26 General Assembly, that the former reference to the financial institution
27 franchise tax is deleted as obsolete. Financial institutions are now subject
28 to income tax.

29 Defined term: "Person" § 1-101

30 (D) NONPROFIT ORGANIZATION.

1 "NONPROFIT ORGANIZATION" MEANS A NOT FOR PROFIT CORPORATION,
2 FOUNDATION, OR OTHER LEGAL ENTITY THAT IS EXEMPT FROM FEDERAL INCOME
3 TAX UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

4 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-701(g).

5 No changes are made.

6 (E) PRIORITY FUNDING AREA.

7 "PRIORITY FUNDING AREA" MEANS A PRIORITY FUNDING AREA UNDER §
8 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 4-701(h).

10 No changes are made.

11 (F) REDEVELOPMENT ASSISTANCE.

12 "REDEVELOPMENT ASSISTANCE" MEANS THE MONEY THAT NONPROFIT
13 ORGANIZATIONS SPEND FOR LABOR AND MATERIALS USED DIRECTLY IN THE
14 PHYSICAL IMPROVEMENT OF PART OR ALL OF A PRIORITY FUNDING AREA.

15 REVISOR'S NOTE: This subsection is new language derived without
16 substantive change from former Art. 83B, § 4-701(i).

17 Defined terms: "Nonprofit organization" § 6-401

18 "Priority funding area" § 6-401

19 6-402. ESTABLISHED.

20 THERE IS A NEIGHBORHOOD AND COMMUNITY ASSISTANCE PROGRAM.

21 REVISOR'S NOTE: This section formerly was Art. 83B, § 4-702.

22 No changes are made.

23 6-403. PURPOSES OF PROGRAM.

24 THE PURPOSES OF THE NEIGHBORHOOD AND COMMUNITY ASSISTANCE
25 PROGRAM ARE TO:

26 (1) HELP NONPROFIT ORGANIZATIONS TO CARRY OUT APPROVED
27 PROJECTS IN PRIORITY FUNDING AREAS;

28 (2) ENCOURAGE BUSINESS ENTITIES TO INVEST IN PRIORITY FUNDING
29 AREAS; AND

30 (3) STRENGTHEN PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE
31 ENTITIES.

1 REVISOR'S NOTE: This section formerly was Art. 83B, § 4-703.

2 In item (2) of this section, the defined term "business entit[ies]" is
3 substituted for the former reference to "businesses" to conform to the
4 terminology used throughout this subtitle.

5 The only other changes are in style.

6 Defined terms: "Approved project" § 6-401

7 "Business entity" § 6-401

8 "Nonprofit organization" § 6-401

9 "Priority funding area" § 6-401

10 6-404. TAX CREDITS.

11 (A) IN GENERAL.

12 (1) FOR A CONTRIBUTION WORTH \$500 OR MORE IN GOODS, MONEY, OR
13 BOTH TO AN APPROVED PROJECT, A BUSINESS ENTITY IS ENTITLED TO A TAX CREDIT
14 IN THE AMOUNT DETERMINED UNDER SUBSECTION (B) OF THIS SECTION.

15 (2) NO PART OF A TAX CREDIT UNDER THIS SECTION MAY BE TAKEN
16 MORE THAN ONCE.

17 (B) AMOUNT.

18 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
19 CREDIT ALLOWED TO A BUSINESS ENTITY UNDER THIS SECTION EQUALS 50% OF THE
20 AMOUNT OF CONTRIBUTIONS:

21 (I) THAT THE DEPARTMENT APPROVES UNDER SUBSECTION (C) OF
22 THIS SECTION; AND

23 (II) THAT WERE MADE DURING THE TAXABLE YEAR FOR WHICH
24 THE CREDIT IS CLAIMED.

25 (2) THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE
26 YEAR MAY NOT EXCEED THE LESSER OF:

27 (I) \$125,000; AND

28 (II) THE TOTAL AMOUNT OF TAX OTHERWISE PAYABLE BY THE
29 BUSINESS ENTITY FOR THE TAXABLE YEAR.

30 (3) ANY EXCESS CREDIT THAT WOULD BE ALLOWED BUT FOR THE
31 LIMITS OF PARAGRAPH (2) OF THIS SUBSECTION MAY BE CARRIED OVER AND
32 APPLIED AS A CREDIT FOR UP TO 5 TAXABLE YEARS AFTER THE TAXABLE YEAR IN
33 WHICH THE CONTRIBUTION WAS MADE, UNTIL THE FULL AMOUNT OF THE EXCESS IS
34 USED.

35 (C) DEPARTMENTAL APPROVAL.

1 (1) TO QUALIFY FOR A CREDIT FOR A CONTRIBUTION UNDER THIS
2 SECTION, BEFORE MAKING A CONTRIBUTION, A BUSINESS ENTITY SHALL APPLY FOR
3 AND RECEIVE APPROVAL OF THE CONTRIBUTION FROM THE DEPARTMENT.

4 (2) EACH APPLICATION FOR APPROVAL OF A CONTRIBUTION SHALL
5 CONTAIN:

6 (I) THE NAME OF THE APPROVED PROJECT TO WHICH THE
7 CONTRIBUTION WILL BE MADE;

8 (II) THE AMOUNT OF THE CONTRIBUTION; AND

9 (III) A CERTIFICATION BY AN INDEPENDENT AND UNRELATED
10 THIRD PARTY AS TO THE VALUE OF ANY NONMONETARY CONTRIBUTION INCLUDED
11 OR, FOR NEW GOODS, AN INVOICE OR RECEIPT CERTIFYING THE CONTRIBUTION'S
12 NET COST TO THE BUSINESS ENTITY.

13 (3) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION IF IT
14 DETERMINES THAT:

15 (I) THE MAXIMUM AMOUNT OF CONTRIBUTIONS ELIGIBLE FOR A
16 TAX CREDIT FOR THE PROJECT FOR THE FISCAL YEAR WILL BE EXCEEDED BY THE
17 SUM OF:

18 1. THE AMOUNT OF THE PROPOSED CONTRIBUTION; AND

19 2. THE TOTAL AMOUNT OF CONTRIBUTIONS PREVIOUSLY
20 APPROVED FOR THAT PROJECT FOR THE FISCAL YEAR; OR

21 (II) THE APPLICANT HAS OVERSTATED THE VALUE OF A
22 NONMONETARY CONTRIBUTION.

23 (4) ON OR BEFORE JANUARY 31 OF EACH YEAR, THE DEPARTMENT
24 SHALL REPORT TO THE DEPARTMENT OF ASSESSMENTS AND TAXATION, THE
25 COMPTROLLER, AND THE MARYLAND INSURANCE ADMINISTRATION THE
26 CONTRIBUTIONS THAT THE DEPARTMENT HAS APPROVED UNDER THIS SECTION IN
27 THE PRECEDING CALENDAR YEAR.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, §§ 4-704 and 4-701(d).

30 In subsection (a) of this section, the former introductory phrase "[e]xcept as
31 otherwise provided in this section" is deleted because no exception appears
32 in this section.

33 Defined terms: "Approved project" § 6-401

34 "Business entity" § 6-401

35 "Department" § 1-101

1 6-405. PROPOSALS FOR PROJECTS IN PRIORITY FUNDING AREAS.

2 (A) IN GENERAL.

3 (1) FOR EACH FISCAL YEAR, A NONPROFIT ORGANIZATION MAY SUBMIT
4 TO THE DEPARTMENT, FOR APPROVAL UNDER THE NEIGHBORHOOD AND
5 COMMUNITY ASSISTANCE PROGRAM, A PROPOSAL FOR A PROJECT TO PROVIDE
6 SERVICES TO A PRIORITY FUNDING AREA.

7 (2) THE PROJECT MAY INCLUDE:

8 (I) COMMUNITY SERVICES, INCLUDING CHILD CARE AND
9 RECREATIONAL SERVICES;

10 (II) REDEVELOPMENT ASSISTANCE;

11 (III) JOB TRAINING FOR INDIVIDUALS WHOSE INCOMES DO NOT
12 EXCEED THE UPPER INCOME LIMITS THAT THE SECRETARY SETS UNDER § 4-212 OF
13 THIS ARTICLE;

14 (IV) EDUCATION; AND

15 (V) CRIME PREVENTION.

16 (B) CONTENTS.

17 A PROPOSAL UNDER THIS SECTION SHALL INCLUDE:

18 (1) THE PROJECT TO BE CONDUCTED;

19 (2) THE PRIORITY FUNDING AREA THAT WILL BENEFIT FROM THE
20 PROJECT;

21 (3) A DESCRIPTION OF THE APPLICANT'S EXPERIENCE AND
22 CAPABILITIES;

23 (4) THE ESTIMATED COSTS OF THE PROJECT;

24 (5) A DESCRIPTION OF THE PLANS FOR IMPLEMENTING THE PROJECT;
25 AND

26 (6) ANY OTHER INFORMATION THAT THE DEPARTMENT DETERMINES IS
27 NECESSARY.

28 (C) APPROVAL PROCESS -- IN GENERAL.

29 (1) THE DEPARTMENT MAY NOT APPROVE A PROPOSAL SUBMITTED
30 UNDER THIS SECTION UNLESS THE PROPOSAL IS APPROVED BY THE GOVERNING
31 BODY OR AUTHORIZED DESIGNEE OF:

1 (I) EACH COUNTY THAT INCLUDES ANY OF THE PRIORITY
2 FUNDING AREA THAT BENEFITS FROM THE PROJECT, IF THE PROJECT IS NOT IN A
3 MUNICIPAL CORPORATION;

4 (II) EACH MUNICIPAL CORPORATION THAT INCLUDES ANY OF THE
5 PRIORITY FUNDING AREA THAT BENEFITS FROM THE PROJECT; OR

6 (III) EACH POLITICAL SUBDIVISION THAT INCLUDES ANY OF THE
7 PRIORITY FUNDING AREA THAT BENEFITS FROM THE PROJECT, IF THE PRIORITY
8 FUNDING AREA IS PARTLY WITHIN AND PARTLY OUTSIDE OF ANY MUNICIPAL
9 CORPORATION.

10 (2) AN APPROVAL SHALL:

11 (I) BE IN WRITING; AND

12 (II) STATE THE MAXIMUM AMOUNT OF CONTRIBUTIONS TO THE
13 APPROVED PROJECT THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER § 6-404 OF THIS
14 SUBTITLE.

15 (3) THE SUM OF CONTRIBUTIONS ELIGIBLE FOR A TAX CREDIT UNDER §
16 6-404 OF THIS SUBTITLE FOR ALL APPROVED PROJECTS FOR A FISCAL YEAR MAY NOT
17 EXCEED \$2,000,000.

18 (D) SAME -- STANDARDS.

19 IN APPROVING OR DISAPPROVING A PROPOSAL AND IN DETERMINING THE
20 MAXIMUM AMOUNT OF CONTRIBUTIONS ELIGIBLE FOR TAX CREDITS UNDER § 6-404
21 OF THIS SUBTITLE, THE DEPARTMENT:

22 (1) SHALL CONSIDER:

23 (I) THE NEED FOR THE PROJECT IN RELATION TO THE NEED FOR
24 OTHER PROPOSED PROJECTS;

25 (II) THE ANTICIPATED BENEFIT TO THE PRIORITY FUNDING AREA;

26 (III) THE CAPACITY OF THE APPLICANT TO RAISE MONEY FOR THE
27 PROJECT;

28 (IV) THE READINESS OF THE APPLICANT TO PROCEED WITH THE
29 PROJECT;

30 (V) THE ABILITY OF THE APPLICANT TO COMPLETE THE PROJECT
31 AS PROPOSED;

32 (VI) THE GEOGRAPHIC DISTRIBUTION OF PROJECTS; AND

33 (VII) ANY OTHER RELEVANT FACTORS;

1 (2) MAY GIVE PREFERENCE TO A PROPOSAL THAT BENEFITS A
2 DESIGNATED NEIGHBORHOOD UNDER § 6-305 OF THIS TITLE;

3 (3) MAY REQUEST DATA AND ASSISTANCE FROM OTHER UNITS OF THE
4 STATE; AND

5 (4) SHALL APPORTION AMONG ALL APPROVED PROJECTS THE LIMIT
6 IMPOSED BY SUBSECTION (C)(3) OF THIS SECTION.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, §§ 4-705 and 4-701(e) and (f).

9 The Housing Article Review Committee notes, for consideration by the
10 General Assembly, that subsection (c)(1)(iii) of this section makes explicit
11 what was only implied in the former law -- that approval of a proposal is
12 needed by the governing body or authorized designee of each political
13 subdivision that includes any part of a priority funding area that is partly
14 inside and partly outside of a municipal corporation.

15 In subsection (d)(2) of this section, the reference to a "designated
16 neighborhood under § 6-305 of this title" is substituted for the former
17 defined term "designated revitalization area" to conform to the
18 terminology used in this title.

19 In subsection (d)(4) of this section, the former reference to limits "on the
20 sum of contributions eligible for tax credits for the fiscal year" is deleted as
21 implicit in the cross-reference to "subsection (c)(3) of this section".

22 Defined terms: "Approved project" § 6-401

23 "County" § 1-101

24 "Department" § 1-101

25 "Nonprofit organization" § 6-401

26 "Political subdivision" § 1-101

27 "Priority funding area" § 6-401

28 6-406. REGULATIONS.

29 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

30 REVISOR'S NOTE: This section formerly was Art. 83B, § 4-706.

31 The former reference to "necessary" regulations is deleted as surplusage.

32 No other changes are made.

1 TITLE 7. ASSISTED HOUSING PRESERVATION ACT.

2 SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

3 7-101. DEFINITIONS.

4 (A) IN GENERAL.

5 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

6 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 9-101(a).

7 No changes are made.

8 (B) ASSISTED HOUSEHOLD.

9 "ASSISTED HOUSEHOLD" MEANS ONE OR MORE INDIVIDUALS WHO OCCUPY A
10 RENTAL UNIT IN AN ASSISTED PROJECT.

11 REVISOR'S NOTE: This subsection is new language derived without
12 substantive change from the first clause of former Art. 83B, § 9-101(b).

13 Defined term: "Assisted project" § 7-101

14 (C) ASSISTED PROJECT.

15 "ASSISTED PROJECT" MEANS A PROPERTY THAT QUALIFIES UNDER § 7-105 OF
16 THIS SUBTITLE.

17 REVISOR'S NOTE: This subsection is added to provide a convenient reference
18 to "assisted project".

19 (D) ASSISTED UNIT.

20 "ASSISTED UNIT" MEANS A DWELLING UNIT THAT IS IN AN ASSISTED PROJECT
21 AND IS SUBJECT TO REGULATORY REQUIREMENTS REGARDING:

22 (1) THE RENT THE OWNER MAY CHARGE; OR

23 (2) THE MAXIMUM ANNUAL INCOME OF THE HOUSEHOLD OCCUPYING
24 THE UNIT.

25 REVISOR'S NOTE: This subsection is new language derived without
26 substantive change from former Art. 83B, § 9-101(d).

27 In item (2) of this subsection, the reference to "household" is substituted
28 for the former reference to "tenant" to clarify that the maximum annual
29 income is of all who live in the unit.

30 Also in item (2) of this subsection, the former clause "which may depend
31 upon the income of the tenant for assisted projects where a given

1 percentage of the total number of units are required to be occupied by
2 income qualifying tenants" is deleted as surplusage.

3 Defined term: "Assisted project" § 7-101

4 (E) DESIGNATED HOUSEHOLD.

5 "DESIGNATED HOUSEHOLD" MEANS A HOUSEHOLD THAT QUALIFIES UNDER §
6 7-213 OF THIS TITLE.

7 REVISOR'S NOTE: This subsection is new language added to provide a
8 convenient reference to "designated household".

9 (F) NOTICE OF INTENT.

10 "NOTICE OF INTENT" MEANS A NOTICE OF INTENT TO TAKE A PROTECTED
11 ACTION IN ACCORDANCE WITH SUBTITLE 2 OF THIS TITLE.

12 REVISOR'S NOTE: This subsection is new language added to provide a
13 convenient reference to a notice of intent to take protected action.

14 Defined term: "Protected action" § 7-101

15 (G) OWNER.

16 "OWNER" MEANS A PERSON WHO HOLDS LEGAL TITLE TO AN ASSISTED
17 PROJECT OR ANY MORTGAGEE IN POSSESSION, RECEIVER, TRUSTEE, OR OTHER
18 PERSON THAT MAY TAKE A PROTECTED ACTION.

19 REVISOR'S NOTE: This subsection is new language derived without
20 substantive change from former Art. 83B, § 9-101(g).

21 The former phrase "or combination of persons" is deleted as implicit in the
22 reference to "person".

23 The former defined term "property owner" is deleted because that term is
24 not used in this title.

25 The Housing Article Review Committee notes, for consideration by the
26 General Assembly, that in this subsection the definition of the term
27 "owner" does not expressly include a mortgagor, the person for whom the
28 term "owner", as used in this title, is primarily intended. "Owner" is
29 defined to mean in part a person who holds legal title to the assisted
30 project, but it is the mortgagee who holds legal title to mortgaged property.
31 A mortgagor holds only equitable title. This definition of "owner" may
32 cover "mortgagor" only if it is concluded that the reference to "other person
33 that may take a protected action" implicitly includes a mortgagor.

34 Defined terms: "Assisted project" § 7-101

35 "Person" § 1-101

36 "Protected action" § 7-101

1 (H) OWNER'S OFFER.

2 "OWNER'S OFFER" MEANS THE WRITTEN OFFER MADE BY THE OWNER TO
3 PARTIES HAVING A RIGHT OF FIRST PURCHASE UNDER § 7-204 OF THIS TITLE.

4 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 9-101(h).

5 The only changes are in style.

6 (I) PROJECT-BASED § 8 RENTAL ASSISTANCE.

7 (1) "PROJECT-BASED § 8 RENTAL ASSISTANCE" MEANS FEDERAL
8 RENTAL ASSISTANCE UNDER § 8 OF THE UNITED STATES HOUSING ACT OF 1937, 42
9 U.S.C. § 1437F, TO THE OWNER OR LENDER OF A HOUSING PROJECT UNDER A NEW
10 CONSTRUCTION PROGRAM, A SUBSTANTIAL REHABILITATION PROGRAM, A LOAN
11 MANAGEMENT ASSISTANCE PROGRAM, OR A PROPERTY DISPOSITION PROGRAM.

12 (2) "PROJECT-BASED § 8 RENTAL ASSISTANCE" DOES NOT INCLUDE
13 RENTAL ASSISTANCE MADE DIRECTLY TO A TENANT UNDER EXISTING CERTIFICATE
14 OR VOUCHER PROGRAMS.

15 REVISOR'S NOTE: This subsection is new language derived without
16 substantive change from former Art. 83B, § 9-101(i).

17 (J) PROTECTED ACTION.

18 "PROTECTED ACTION" MEANS A SALE, CONVEYANCE, TRANSFER, PREPAYMENT,
19 TERMINATION, FAILURE TO RENEW, OR EXPIRATION UNDER § 7-102(A) OF THIS TITLE.

20 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 9-101(j).

21 The only changes are in style.

22 (K) RELOCATION EXPENSES.

23 "RELOCATION EXPENSES" MEANS COSTS INCURRED TO:

24 (1) HIRE CONTRACTORS, LABOR, VEHICLES, OR EQUIPMENT TO
25 TRANSPORT PERSONAL PROPERTY;

26 (2) PACK AND UNPACK PERSONAL PROPERTY;

27 (3) DISCONNECT AND RECONNECT UTILITIES, SUCH AS WATER,
28 TELEPHONE, GAS, OR ELECTRIC, AND TO PERFORM RELATED SERVICES;

29 (4) DISCONNECT AND INSTALL PERSONAL PROPERTY;

30 (5) INSURE PERSONAL PROPERTY TO BE MOVED;

31 (6) PAY RENTAL APPLICATION FEES AND MAKE SECURITY DEPOSITS;

32 AND

1 (7) PAY OTHER COSTS THAT THE SECRETARY DETERMINES ARE
2 REASONABLE.

3 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 9-101(k).

4 In item (3) of this subsection, the reference to "perform" related services is
5 added for clarity.

6 The only other changes are in style.

7 Defined term: "Secretary" § 1-101

8 (L) TENANT PROTECTION ASSISTANCE.

9 "TENANT PROTECTION ASSISTANCE" MEANS PAYMENTS TO, AND EXTENSIONS
10 OF LEASES FOR, THE OCCUPANT OR FORMER OCCUPANT OF AN ASSISTED UNIT IN
11 CONNECTION WITH A PROTECTED ACTION AS REQUIRED UNDER § 7-212 OF THIS
12 TITLE.

13 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 9-101(n).

14 The only changes are in style.

15 Defined terms: "Assisted unit" § 7-101

16 "Protected action" § 7-101

17 REVISOR'S NOTE TO SECTION:

18 Former Art. 83B, § 9-101(f), which defined "local jurisdiction", is deleted in
19 light of the defined term "political subdivision" in § 1-101 of this article to
20 the same effect.

21 7-102. SCOPE OF TITLE.

22 (A) PROTECTED ACTIONS SUBJECT TO TITLE.

23 EACH OWNER OF AN ASSISTED PROJECT IS SUBJECT TO THIS TITLE IF THE
24 OWNER TAKES OR INTENDS TO TAKE ANY OF THE FOLLOWING PROTECTED ACTIONS:

25 (1) THE PREPAYMENT IN FULL BEFORE THE MATURITY DATE OF
26 MORTGAGE FINANCING THAT IS:

27 (I) INSURED UNDER § 221(D)(3) OF THE NATIONAL HOUSING ACT, 12
28 U.S.C. § 1715L(D)(3), AND ASSISTED UNDER § 101 OF THE HOUSING AND URBAN
29 DEVELOPMENT ACT OF 1965, 12 U.S.C. § 1701S, OR UNDER § 8 OF THE UNITED STATES
30 HOUSING ACT OF 1937, 42 U.S.C. § 1437(F);

31 (II) INSURED UNDER § 221(D)(3) OF THE NATIONAL HOUSING ACT, 12
32 U.S.C. § 1715L(D)(3), AND BEARS INTEREST AT A RATE DETERMINED UNDER § 221(D)(5)
33 OF THE NATIONAL HOUSING ACT;

1 (III) INSURED OR ASSISTED UNDER § 202 OR § 236(A) OR (B) OF THE
2 NATIONAL HOUSING ACT, 12 U.S.C. § 1701Q OR 12 U.S.C. § 1715Z-1(A) OR (B);

3 (IV) INSURED OR ASSISTED UNDER § 515 OF THE HOUSING ACT OF
4 1949, 42 U.S.C. § 1485; OR

5 (V) HELD BY THE UNITED STATES DEPARTMENT OF HOUSING AND
6 URBAN DEVELOPMENT AND INSURED OR ASSISTED, OR FORMERLY INSURED OR
7 ASSISTED, UNDER A PROGRAM AUTHORIZED BY A STATUTE REFERRED TO IN ITEM (1)
8 OF THIS SUBSECTION;

9 (2) THE TERMINATION BEFORE EXPIRATION OF OR FAILURE TO
10 EXERCISE ANY STATED RENEWAL OPTION UNDER AN AGREEMENT PROVIDING FOR
11 PROJECT-BASED § 8 RENTAL ASSISTANCE FOR ANY UNITS IN AN ASSISTED PROJECT;

12 (3) THE EXPIRATION, INCLUDING A FAILURE TO EXTEND AFTER THE
13 EXPIRATION, OF AN AGREEMENT PROVIDING FOR PROJECT-BASED § 8 RENTAL
14 ASSISTANCE TO ANY UNITS IN AN ASSISTED PROJECT; OR

15 (4) THE SALE OR CONVEYANCE OF AN ASSISTED PROJECT BY THE
16 OWNER IN CONJUNCTION WITH, OR WITHIN 1 YEAR AFTER THE EFFECTIVE DATE OF,
17 ANY OF THE EVENTS DESCRIBED IN ITEM (1), (2), OR (3) OF THIS SUBSECTION.

18 (B) ACTIVITIES SUBJECT TO TITLE.

19 ANY SALE, CONVEYANCE, OR OTHER TRANSFER OF AN ASSISTED PROJECT IS
20 SUBJECT TO THIS TITLE, INCLUDING:

21 (1) THE SALE OR OTHER TRANSFER OF ANY GENERAL PARTNERSHIP
22 INTERESTS OF THE OWNER;

23 (2) THE SALE OR OTHER TRANSFER, IN ANY 1 CALENDAR YEAR, OF:

24 (I) MORE THAN 10% OF THE LIMITED PARTNERSHIP INTERESTS OF
25 AN OWNER; OR

26 (II) MORE THAN 10% OF AN OWNER'S STOCK;

27 (3) THE TRANSFER BY A BENEFICIARY OF BENEFICIAL OR EQUITABLE
28 INTERESTS UNDER A TRUST IN WHICH THE TRUSTEE HOLDS TITLE TO THE ASSISTED
29 PROJECT; AND

30 (4) OTHER TRANSFER DETERMINED BY THE SECRETARY.

31 (C) EXEMPTIONS FROM CERTAIN REQUIREMENTS.

32 BY REGULATION, THE SECRETARY SHALL ESTABLISH STANDARDS AND
33 PROCEDURES FOR INTERESTED PERSONS TO BE EXEMPTED FROM ANY
34 REQUIREMENT OF §§ 7-203 THROUGH 7-219 OF THIS TITLE:

1 (1) IF TITLE II OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT
 2 OF 1987, 12 U.S.C. §§ 4101 THROUGH 4124, CONTINUES, IS AMENDED, OR IS EXTENDED,
 3 OR IF A SUCCESSOR FEDERAL LAW IS ENACTED; AND

4 (2) TO DIMINISH THE BURDENS OF DUAL REGULATION OR TO PREVENT
 5 INCONSISTENT OR INEQUITABLE APPLICATION OF FEDERAL AND STATE LAW.

6 (D) EXCLUSIONS.

7 THIS TITLE DOES NOT APPLY TO AN ASSISTED PROJECT IF:

8 (1) BEFORE ANY PROTECTED ACTION, THE OWNER OR PURCHASER
 9 RECORDS, IN A FORM SATISFACTORY TO THE SECRETARY, A COVENANT RUNNING
 10 WITH THE LAND ON WHICH THE ASSISTED PROJECT IS LOCATED THAT PRESERVES
 11 THE EXISTING LOW-INCOME RENTAL RESTRICTIONS OF THE FEDERAL HOUSING
 12 PROGRAM:

13 (I) FOR THE TERM REMAINING AS OF THE DATE OF PREPAYMENT
 14 OF ANY MORTGAGE DESCRIBED UNDER SUBSECTION (A)(1) OF THIS SECTION; AND

15 (II) FOR THE TERM REMAINING AS OF THE DATE OF TERMINATION,
 16 INCLUDING ALL STATED AND UNEXERCISED RENEWAL TERMS, OF ANY RENTAL
 17 ASSISTANCE AGREEMENT DESCRIBED UNDER SUBSECTION (A)(2) OF THIS SECTION
 18 OR, IF GREATER, FOR 5 YEARS; OR

19 (2) THE SALE OR CONVEYANCE OF THE ASSISTED PROJECT:

20 (I) IS SUBJECT TO CONTINUATION OF THE EXISTING MORTGAGE
 21 FINANCING DESCRIBED UNDER SUBSECTION (A)(1) OF THIS SECTION; AND

22 (II) OCCURS BEFORE THE DATE OF A TERMINATION, FAILURE TO
 23 RENEW, OR EXPIRATION OF PROJECT-BASED § 8 RENTAL ASSISTANCE DESCRIBED
 24 UNDER SUBSECTION (A)(2) OF THIS SECTION.

25 REVISOR'S NOTE: This section is new language derived without substantive
 26 change from former Art. 83B, §§ 9-102 and 9-101(l).

27 In the introductory language of subsection (c) of this section, the former
 28 reference to a "rule" is deleted. *See* General Revisor's Note to article.

29 In subsection (d)(1) of this section, the former reference to preserving
 30 restrictions "for the project" is deleted as implicit.

31 The Housing Article Review Committee notes, for consideration by the
 32 General Assembly, that the power given to the Secretary to determine
 33 unilaterally what transfers fall within this title may go beyond the
 34 constitutional limits of the Secretary's authority.

35 Also the Housing Article Review Committee notes, for consideration by the
 36 General Assembly, that many of the protected actions listed in subsection

1 (a)(1) of this section may be preempted by the Low-Income Housing
2 Preservation and Resident Homeownership Act, 12 U.S.C. §§ 4101 - 4147.

3 Defined terms: "Assisted project" § 7-101

4 "Owner" § 7-101

5 "Person" § 1-101

6 "Project-based § 8 rental assistance" § 7-101

7 "Protected action" § 7-101

8 "Secretary" § 1-101

9 7-103. REGULATIONS.

10 THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THIS TITLE.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 9-112.

13 The former reference to "standards and requirements" is deleted as
14 surplusage.

15 Defined term: "Secretary" § 1-101

16 7-104. LIMITS ON GROSS ANNUAL INCOME OF ASSISTED HOUSEHOLDS.

17 A HOUSEHOLD QUALIFIES AS AN ASSISTED HOUSEHOLD IF ITS GROSS ANNUAL
18 INCOME DOES NOT EXCEED:

19 (1) UPPER INCOME LIMITS IMPOSED BY ANY FEDERAL, STATE, OR LOCAL
20 GOVERNMENT PROGRAM PROVIDING FINANCIAL ASSISTANCE TO THE ASSISTED
21 PROJECT; OR

22 (2) UPPER INCOME LIMITS THAT THE SECRETARY ESTABLISHES, WHICH
23 MAY VARY FOR A PARTICULAR PROJECT OR A PARTICULAR AREA OF THE STATE TO
24 THE EXTENT NECESSARY TO ACHIEVE THE PURPOSES OF THIS TITLE.

25 REVISOR'S NOTE: This section is new language derived without substantive
26 change from, except for the first clause, former Art. 83B, § 9-101(b).

27 It is revised as a substantive provision for clarity.

28 In item (2) of this section, the former phrase "from time to time" is deleted
29 as unnecessary.

30 The Housing Article Review Committee notes, for consideration by the
31 General Assembly, that the meaning of the reference to the "gross annual
32 income" of a household is unclear.

33 Defined terms: "Assisted household" § 7-101

34 "Assisted project" § 7-101

35 "Secretary" § 1-101

1 7-105. ASSISTED PROJECT.

2 A PROPERTY QUALIFIES AS AN ASSISTED PROJECT IF:

3 (1) IT IS A BUILDING OR BUILDINGS UNDER COMMON OWNERSHIP
4 CONTAINING 10 OR MORE DWELLING UNITS INTENDED TO BE LEASED TO ASSISTED
5 HOUSEHOLDS FOR OCCUPANCY AS THEIR PRIMARY RESIDENCES; AND

6 (2) (I) A LOAN FINANCING THE PROPERTY IS INSURED OR ASSISTED
7 UNDER § 221(D)(3), § 202, OR § 236(A) OR (B) OF THE NATIONAL HOUSING ACT, 12 U.S.C.
8 § 1701Q, § 1715L(D)(3), OR § 1715Z-1, OR § 515 OF THE HOUSING ACT OF 1949, 42 U.S.C. §
9 1485; OR

10 (II) THE PROJECT, THE OWNER OF THE PROJECT, OR A LENDER TO
11 THE PROJECT RECEIVES PROJECT-BASED § 8 RENTAL ASSISTANCE.

12 REVISOR'S NOTE: This section is new language derived without substantive
13 change from former Art. 83B, § 9-101(c).

14 Defined terms: "Assisted household" § 7-101

15 "Assisted project" § 7-101

16 "Owner" § 7-101

17 "Project-based § 8 rental assistance" § 7-101

18 7-106. EFFECT OF TITLE.

19 THIS TITLE DOES NOT REDUCE ANY OBLIGATION OR RIGHT OF A TENANT,
20 POLITICAL SUBDIVISION, OR OWNER UNDER TITLE 11 OF THE REAL PROPERTY
21 ARTICLE.

22 REVISOR'S NOTE: This section is new language derived without substantive
23 change from former Art. 83B, § 9-113.

24 The defined term "political subdivision" is substituted for the former
25 reference to "local government" to conform to the terminology used
26 throughout this article.

27 Defined terms: "Owner" § 7-101

28 "Political subdivision" § 1-101

29 SUBTITLE 2. PROTECTED ACTIONS.

30 7-201. NOTICE OF INTENT -- REQUIRED.

31 (A) IN GENERAL.

32 THE OWNER OF AN ASSISTED PROJECT SHALL GIVE WRITTEN NOTICE OF
33 INTENT NOT LESS THAN 1 YEAR AND NOT MORE THAN 2 YEARS BEFORE THE
34 EFFECTIVE DATE OF THE PROTECTED ACTION.

1 (B) PERSONS TO RECEIVE NOTICE OF INTENT.

2 THE OWNER SHALL GIVE THE NOTICE OF INTENT TO:

3 (1) THE CHIEF EXECUTIVE OFFICER OF EACH POLITICAL SUBDIVISION
4 IN WHICH THE ASSISTED PROJECT IS LOCATED;

5 (2) EACH PUBLIC HOUSING AUTHORITY IN A POLITICAL SUBDIVISION IN
6 WHICH THE ASSISTED PROJECT IS LOCATED;

7 (3) EACH TENANT ASSOCIATION THAT REPRESENTS A RENTAL UNIT IN
8 THE ASSISTED PROJECT, IF THE TENANT ASSOCIATION HAS GIVEN THE OWNER THE
9 TITLE AND MAILING ADDRESS OF A REPRESENTATIVE TO RECEIVE THE NOTICE OF
10 INTENT;

11 (4) EACH ASSISTED HOUSEHOLD OF THE ASSISTED PROJECT; AND

12 (5) THE SECRETARY, WHO SHALL NOTIFY EVERY OTHER PERSON WHO
13 HAS REQUESTED THE NOTICE OF INTENT.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 9-103(a)(1) and (b).

16 In subsection (a) of this section, the former reference to the giving of a
17 written notice of intent "in accordance with the provisions of this section"
18 is deleted as surplusage.

19 In subsection (b)(1) and (2) of this section, the defined term "political
20 subdivision" is substituted for the former reference to a "local jurisdiction"
21 to conform to the terminology used throughout this article. *See* § 1-101 of
22 this article.

23 Former Art. 83B, § 9-103(a)(2), which prohibited, with an exception, a
24 notice of intent from being given before January 1, 1990, is deleted as
25 obsolete.

26 Defined terms: "Assisted project" § 7-101

27 "Notice of intent" § 7-101

28 "Owner" § 7-101

29 "Person" § 1-101

30 "Political subdivision" § 1-101

31 "Protected action" § 7-101

32 "Secretary" § 1-101

33 7-202. SAME -- CONTENTS.

34 (A) IN GENERAL.

35 A NOTICE OF INTENT, OTHER THAN ONE SENT TO AN ASSISTED HOUSEHOLD,
36 SHALL:

1 (1) STATE THAT THE OWNER INTENDS TO BEGIN OR ALLOW A
2 PROTECTED ACTION;

3 (2) GIVE ENOUGH INFORMATION SO THAT THE DEPARTMENT CAN
4 DECIDE WHETHER THE PROPOSED PROTECTED ACTION WILL BE LAWFUL ON ITS
5 EFFECTIVE DATE;

6 (3) STATE THE EXPECTED IMPACT OF THE PROTECTED ACTION DURING
7 THE 3 YEARS AFTER THE PROPOSED ACTION ON:

8 (I) RENTS IN THE ASSISTED PROJECT; AND

9 (II) CONTINUED OCCUPANCY IN THE ASSISTED PROJECT BY
10 EXISTING ASSISTED HOUSEHOLDS;

11 (4) GIVE THE INFORMATION ABOUT THE ASSISTED PROJECT FROM THE
12 MOST RECENT TENANT RECERTIFICATION DOCUMENTS REQUIRED BY THE UNITED
13 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, THE UNITED
14 STATES DEPARTMENT OF AGRICULTURE, OR THE DEPARTMENT OF HOUSING AND
15 COMMUNITY DEVELOPMENT ON:

16 (I) THE NUMBER OF ASSISTED HOUSEHOLDS;

17 (II) THE NUMBER OF ASSISTED UNITS BY NUMBER OF BEDROOMS;

18 (III) THE DISTRIBUTION OF ASSISTED HOUSEHOLDS BY RACE,
19 GENDER, INCOME, AND FAMILY SIZE;

20 (IV) THE NUMBER OF HOUSEHOLDS WITH ELDERLY INDIVIDUALS
21 OR INDIVIDUALS WITH DISABILITIES; AND

22 (V) THE NUMBER OF HOUSEHOLDS WITH MINORS;

23 (5) GIVE FINANCIAL INFORMATION ON THE ASSISTED PROJECT FOR THE
24 3 YEARS BEFORE THE NOTICE OF INTENT THAT IS:

25 (I) REQUIRED BY THE DEPARTMENT; AND

26 (II) BASED ON FINANCIAL INFORMATION KEPT BY THE OWNER;
27 AND

28 (6) INCLUDE A LIST, BASED ON INFORMATION THAT IS REASONABLY
29 AVAILABLE, OF ALL HOUSEHOLDS IN THE ASSISTED PROJECT WHOSE LEASES WERE
30 TERMINATED IN THE 180 DAYS BEFORE THE NOTICE OF INTENT.

31 (B) NOTICE OF INTENT TO ASSISTED HOUSEHOLDS.

32 A NOTICE OF INTENT SENT TO AN ASSISTED HOUSEHOLD SHALL CONTAIN:

33 (1) A BRIEF SUMMARY OF THE PROTECTED ACTION;

1 (2) A BRIEF STATEMENT OF THE EXPECTED IMPACT OF THE PROTECTED
 2 ACTION ON RENTS AND ON THE EXISTING ASSISTED HOUSEHOLD'S CONTINUED
 3 OCCUPANCY DURING THE 5 YEARS AFTER THE PROTECTED ACTION;

4 (3) A BRIEF SUMMARY STATEMENT OF THE ASSISTED HOUSEHOLD'S
 5 RIGHTS AND OBLIGATIONS UNDER THIS TITLE;

6 (4) A STATEMENT THAT EACH POLITICAL SUBDIVISION IN WHICH THE
 7 ASSISTED PROJECT IS LOCATED, A LOCAL PUBLIC HOUSING AUTHORITY, AND THE
 8 DEPARTMENT MAY HAVE ADDITIONAL INFORMATION ABOUT THE PROTECTED
 9 ACTION AND SOURCES OF TECHNICAL ASSISTANCE AND FINANCING FOR THE
 10 EXERCISE OF A RIGHT OF FIRST PURCHASE UNDER THIS TITLE;

11 (5) THE NAME, ADDRESS, AND PHONE NUMBER OF THE OWNER'S AGENT
 12 TO WHOM THE ASSISTED HOUSEHOLD MAY APPLY FOR TENANT PROTECTION
 13 ASSISTANCE UNDER THIS TITLE; AND

14 (6) ANY OTHER INFORMATION THE SECRETARY CONSIDERS NECESSARY
 15 TO FURTHER THE PURPOSES OF THIS TITLE.

16 REVISOR'S NOTE: This section is new language derived without substantive
 17 change from former Art. 83B, § 9-103(c) and (d).

18 In subsection (a)(1) of this section, the former phrase "of an assisted
 19 project" is deleted as implicit in the defined term "owner".

20 In subsection (a)(4)(iv) of this section, the reference to "individuals with
 21 disabilities" is substituted for the former reference to "handicapped" to
 22 conform to the terminology used throughout this article.

23 In subsection (b)(4) of this section, the reference to a "local" housing
 24 authority is added to the reference to a "public" housing authority to
 25 conform to the terminology used in § 7-204(a)(1)(ii) of this subtitle.

26 Also in subsection (b)(4) of this section, the reference to "each political
 27 subdivision in which the assisted project is located" is substituted for the
 28 former reference to "the local jurisdictions" to conform to the terminology
 29 used in § 7-204(a)(1)(i) of this subtitle.

30 Defined terms: "Assisted household" § 7-101

31 "Assisted project" § 7-101

32 "Assisted unit" § 7-101

33 "Department" § 1-101

34 "Notice of intent" § 7-101

35 "Owner" § 7-101

36 "Political subdivision" § 1-101

37 "Protected action" § 7-101

38 "Secretary" § 1-101

1 7-203. PREREQUISITES FOR TAKING PROTECTED ACTION.

2 (A) IN GENERAL.

3 AN OWNER MAY NOT TAKE A PROTECTED ACTION UNLESS THE OWNER HAS
4 PROVIDED ALL TENANT PROTECTION ASSISTANCE REQUIRED BY THIS TITLE.

5 (B) SALE OR CONVEYANCE.

6 BEFORE A SALE OR CONVEYANCE OF AN ASSISTED PROJECT THAT IS A
7 PROTECTED ACTION, THE OWNER SHALL OFFER THE RIGHT OF FIRST PURCHASE IN
8 ACCORDANCE WITH THIS SUBTITLE.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 9-104(a).

11 In subsection (a) of this section, the former reference to an owner "of an
12 assisted project" is deleted as implicit in the defined term "owner".

13 Defined terms: "Assisted project" § 7-101

14 "Owner" § 7-101

15 "Protected action" § 7-101

16 "Sale or conveyance of an assisted project" § 7-101

17 "Tenant protection assistance" § 7-101

18 7-204. RIGHT OF FIRST PURCHASE -- OFFER.

19 (A) IN GENERAL.

20 (1) THE OWNER SHALL OFFER THE RIGHT OF FIRST PURCHASE BY
21 WRITTEN NOTICE TO:

22 (I) EACH POLITICAL SUBDIVISION IN WHICH THE ASSISTED
23 PROJECT IS LOCATED;

24 (II) EACH LOCAL PUBLIC HOUSING AUTHORITY;

25 (III) EACH GROUP THAT REPRESENTS TENANTS AT THE ASSISTED
26 PROJECT AND HAS REGISTERED WITH THE SECRETARY;

27 (IV) EACH LOW-INCOME HOUSING DEVELOPER THAT HAS
28 REGISTERED WITH THE SECRETARY AND IS EXEMPT FROM TAXATION UNDER § 501(A)
29 OF THE INTERNAL REVENUE CODE; AND

30 (V) ANY OTHER PERSON THAT HAS EXPERIENCE IN THE
31 OWNERSHIP OR OPERATION OF LOW-INCOME HOUSING PROJECTS, IS UNRELATED
32 TO THE OWNER, AND HAS REGISTERED WITH THE SECRETARY.

33 (2) THE OWNER SHALL DELIVER THE OFFER:

34 (I) WITH OR AFTER THE NOTICE OF INTENT; AND

1 (II) TO A PERSON REGISTERED WITH THE SECRETARY WITHIN 10
2 DAYS AFTER THE SECRETARY GIVES THE OWNER THE TITLE AND MAILING ADDRESS
3 OF THE PERSON.

4 (3) THE OWNER SHALL DELIVER A COPY OF THE OFFER TO THE
5 DEPARTMENT.

6 (B) CONTENTS.

7 THE OWNER'S OFFER SHALL INCLUDE:

8 (1) THE TERMS OF THE OFFER, INCLUDING:

9 (I) THE DATE OF THE OFFER;

10 (II) THE PURCHASE PRICE, AS DETERMINED UNDER § 7-205(B) OF
11 THIS SUBTITLE;

12 (III) A DATE FOR SETTLEMENT, WHICH MUST BE 1 YEAR OR MORE
13 AFTER THE LATER OF:

14 1. THE DATE OF THE OWNER'S OFFER; AND

15 2. THE DATE OF THE NOTICE OF INTENT;

16 (IV) A PROVISION STATING THAT:

17 1. THE BUYER'S OBLIGATION IS CONTINGENT ON THE
18 BUYER'S OBTAINING FINANCING; AND

19 2. THE CONTINGENCY WILL NOT EXPIRE BEFORE THE
20 SETTLEMENT;

21 (V) A REQUIREMENT THAT THE FIRST \$10,000 OF ANY DEPOSIT BY
22 THE PURCHASER BE NONREFUNDABLE, EXCEPT AS PROVIDED IN § 7-205(C)(1)(III) OF
23 THIS SUBTITLE; AND

24 (VI) OTHER TERMS DETERMINED UNDER § 7-205(B) OF THIS
25 SUBTITLE; AND

26 (2) A SUMMARY OF THE PROCEDURES AND TIMING TO EXERCISE THE
27 RIGHT OF FIRST PURCHASE, AS SPECIFIED IN THIS SUBTITLE AND IN ANY
28 DEPARTMENTAL REGULATIONS.

29 (C) DATE OF OWNER'S OFFER.

30 THE DATE OF THE OWNER'S OFFER IS THE DATE ON WHICH IT IS DELIVERED TO
31 THE LAST POLITICAL SUBDIVISION TO WHICH IT MUST BE DELIVERED.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 9-104(b) and (c).

1 In subsection (a)(1)(i) of this section, the reference to the "political
2 subdivision in which the assisted project is located" is substituted for the
3 former reference to an applicable "local jurisdiction" for clarity.

4 In subsection (a)(1)(iv) of this section, the former phrase "of 1986, as
5 amended, or the corresponding provision of any succeeding internal
6 revenue law", is deleted in light of rule of statutory construction in Art. 1,
7 § 21.

8 In subsection (a)(2)(ii) of this section, the reference to a "person" is
9 substituted for the former reference "individual, partnership, or
10 corporation" for consistency within this article. *See* § 1-101 of this article.

11 Defined terms: "Assisted project" § 7-101

12 "Department" § 1-101

13 "Notice of intent" § 7-101

14 "Owner" § 7-101

15 "Owner's offer" § 7-101

16 "Person" § 1-101

17 "Political subdivision" § 1-101

18 "Secretary" § 1-101

19 7-205. SAME -- TERMS; APPRAISAL; PRICE ADJUSTMENT.

20 (A) "FAIR MARKET VALUE" DEFINED.

21 IN THIS SECTION, "FAIR MARKET VALUE" MEANS THE PRICE THAT A WILLING
22 BUYER WOULD PAY A WILLING SELLER, NEITHER UNDER ANY COMPULSION TO BUY
23 OR TO SELL, FOR A RESIDENTIAL RENTAL PROJECT, ASSUMING:

24 (1) THE HIGHEST AND BEST USE UNDER CURRENT ZONING; AND

25 (2) NO REQUIREMENTS TO RENT TO LOW-INCOME TENANTS OTHER
26 THAN THE REQUIREMENTS OF ANY FEDERAL LAW, § 7-214 OF THIS SUBTITLE, OR
27 OTHER STATE LAW, LOCAL LAW, GOVERNMENTAL PROGRAM, AGREEMENT,
28 COVENANT, OR RESTRICTION THAT WILL CONTINUE TO AFFECT THE PROJECT AFTER
29 SALE OR CONVEYANCE.

30 (B) TERMS; APPRAISAL.

31 (1) EXCEPT AS REQUIRED UNDER § 7-204(B) OF THIS SUBTITLE, IF THE
32 OWNER RECEIVES AN OFFER TO PURCHASE THE ASSISTED PROJECT IN THE FORM OF
33 A BINDING PURCHASE CONTRACT FROM AN UNRELATED BONA FIDE PURCHASER,
34 THE TERMS OF THE OWNER'S OFFER SHALL BE SUBSTANTIALLY THE SAME AS THOSE
35 OFFERED BY THE BONA FIDE PURCHASER, INCLUDING PURCHASE PRICE, TERMS OF
36 PAYMENT, FINANCING CONTINGENCIES, AND ASSUMABLE OR PURCHASE MONEY
37 FINANCING.

38 (2) IF THE OWNER HAS NOT RECEIVED AN OFFER THAT QUALIFIES
39 UNDER PARAGRAPH (1) OF THIS SUBSECTION:

1 (I) THE PURCHASE PRICE OF THE OWNER'S OFFER SHALL BE THE
2 LESSER OF:

3 1. THE PURCHASE PRICE OF ANY OFFER THAT DOES NOT
4 QUALIFY UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

5 2. THE FAIR MARKET VALUE OF THE PROPERTY AS
6 DETERMINED UNDER SUBSECTION (D) OF THIS SECTION;

7 (II) THE OWNER'S OFFER SHALL BE ACCOMPANIED BY A WRITTEN
8 APPRAISAL OF THE FAIR MARKET VALUE OF THE ASSISTED PROJECT PREPARED IN
9 ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; AND

10 (III) THE REMAINING TERMS OF THE PURCHASE CONTRACT:

11 1. SHALL BE AS REQUIRED UNDER § 7-204(B) OF THIS
12 SUBTITLE;

13 2. SHALL OTHERWISE CONFORM TO TERMS THAT ARE
14 ACCEPTED AS REASONABLE IN THAT MARKET; AND

15 3. ARE SUBJECT TO FINAL REVIEW BY THE DEPARTMENT.

16 (C) ACCEPTANCE.

17 (1) (I) ANY PARTY IDENTIFIED IN § 7-204(A) OF THIS SUBTITLE MAY
18 ACCEPT THE OWNER'S OFFER WITHIN 120 DAYS AFTER THE DATE OF THE OWNER'S
19 OFFER.

20 (II) IF MORE THAN ONE PARTY SUBMITS A TIMELY ACCEPTANCE OF
21 THE OWNER'S OFFER, THE SECRETARY SHALL SELECT AS PURCHASER THE PARTY
22 THAT, IN THE SECRETARY'S DISCRETION, THE SECRETARY DETERMINES WILL MOST
23 BENEFIT THE ASSISTED HOUSEHOLDS.

24 (III) THE OWNER SHALL RETURN THE ENTIRE DEPOSIT MADE BY
25 EACH PARTY WHOSE OFFER WAS NOT ACCEPTED.

26 (2) IF A PARTY THAT HAS ACCEPTED THE OWNER'S OFFER WITHDRAWS
27 THE ACCEPTANCE, ANY REMAINING PARTY IDENTIFIED IN § 7-204(A) OF THIS
28 SUBTITLE MAY ACCEPT THE OWNER'S OFFER IN ACCORDANCE WITH PARAGRAPH (1)
29 OF THIS SUBSECTION WITHIN:

30 (I) 120 DAYS AFTER THE DATE OF THE OFFER; OR

31 (II) 60 DAYS AFTER THE ACCEPTANCE IS WITHDRAWN.

32 (3) THE ACCEPTANCE SHALL BE FOLLOWED BY SETTLEMENT OF THE
33 PURCHASE OF THE ASSISTED PROJECT BY THE OWNER'S STATED CLOSING DATE OR
34 ANY EXTENSION AGREED TO BY THE OWNER.

35 (D) PRICE ADJUSTMENT.

1 (1) (I) IF THE OWNER IS REQUIRED BY SUBSECTION (B)(2) OF THIS
 2 SECTION TO SUBMIT AN APPRAISAL, ACCEPTANCE OF THE OWNER'S OFFER MADE
 3 UNDER THIS SUBTITLE MAY STATE AN ADJUSTED PURCHASE PRICE BASED ON AN
 4 ALTERNATE FAIR MARKET VALUE.

5 (II) THE ALTERNATE FAIR MARKET VALUE SHALL BE SUPPORTED
 6 BY A WRITTEN APPRAISAL PREPARED BY AN APPRAISER SELECTED BY THE
 7 PURCHASER AND DELIVERED TO THE OWNER.

8 (2) IF THE OWNER OBJECTS TO THE ADJUSTED PURCHASE PRICE, THE
 9 OWNER AND THE PURCHASER MAY:

10 (I) SET THE PURCHASE PRICE AT THE AVERAGE OF THE FAIR
 11 MARKET VALUES EACH PARTY HAS OBTAINED BY APPRAISAL; OR

12 (II) HAVE THE TWO APPRAISERS SELECT A THIRD APPRAISER,
 13 WHOSE FEE SHALL BE SHARED EQUALLY, AND WHOSE FAIR MARKET VALUE SHALL
 14 BE BINDING.

15 (3) EACH APPRAISER WHO SUBMITS AN APPRAISAL UNDER THIS
 16 SUBTITLE MUST BE A MEMBER IN GOOD STANDING OF THE AMERICAN INSTITUTE OF
 17 REAL ESTATE APPRAISERS OR THE SOCIETY OF REAL ESTATE APPRAISERS.

18 REVISOR'S NOTE: This section is new language derived without substantive
 19 change from former Art. 83B, §§ 9-101(b) and 9-104(d), (e), and (f).

20 In subsection (a)(2) of this section, the former reference to a "regulation" is
 21 deleted as implicit in the reference to a "federal law, § 7-214 of this
 22 subtitle, or other State law, [or] local law".

23 In subsection (b)(2)(i) of this section, the former phrase "deemed to be" is
 24 deleted as unnecessary.

25 In subsection (c)(1)(i) and (2) of this section, the references to "§ 7-204(a) of
 26 this subtitle" are substituted for the former erroneous references to
 27 "subsection (a) of this section" for clarity.

28 In subsection (c)(1) of this section, the former phrase "whichever [period] is
 29 longer" is deleted as surplusage.

30 In subsection (c)(1)(ii) of this section, the phrase "the Secretary shall select
 31 as purchaser the party that, in the Secretary's discretion, the Secretary
 32 determines" is substituted for the former phrase "the Secretary shall
 33 determine which party shall have the right to accept the owner's offer
 34 based upon which parties acceptance in the Secretary's sole discretion" for
 35 clarity.

36 Also in subsection (c)(1)(ii) of this section, the reference to a "timely"
 37 acceptance is substituted for the former reference to "the original 120-day
 38 period" for brevity.

1 In subsection (c)(1)(iii) of this section, the reference to a "party" is
2 substituted for the former reference to a "person" for consistency
3 throughout this section.

4 In subsection (d)(1)(ii) of this section, the reference to the "purchaser" is
5 substituted for the former reference to the "party exercising the right of
6 first purchase" for brevity.

7 In subsection (d)(2)(ii) of this section, the former reference that the fair
8 market valuation shall be binding "on the owner and the party exercising
9 the right of first purchase" is deleted as implied in the reference to
10 "binding".

11 Defined terms: "Assisted household" § 7-101

12 "Assisted project" § 7-101

13 "Department" § 1-101

14 "Fair market value" § 7-101

15 "Owner" § 7-101

16 "Owner's offer" § 7-101

17 "Secretary" § 1-101

18 7-206. SALE OR CONVEYANCE IF OWNER'S OFFER IS NOT ACCEPTED.

19 (A) SCOPE.

20 THIS SECTION APPLIES IF THE OWNER'S OFFER IS NOT ACCEPTED AND THE
21 ACCEPTANCE PERIOD UNDER § 7-205(C) OF THIS SUBTITLE HAS EXPIRED.

22 (B) TERMS AND CONDITIONS NOT MORE FAVORABLE.

23 THE OWNER MAY SELL OR CONVEY THE ASSISTED PROJECT TO ANY PERSON ON
24 TERMS AND CONDITIONS NOT MORE FAVORABLE TO THE PURCHASER THAN THOSE
25 OF THE OWNER'S OFFER.

26 (C) TERMS AND CONDITIONS MORE FAVORABLE.

27 THE OWNER MAY SELL OR CONVEY THE ASSISTED PROJECT ON TERMS AND
28 CONDITIONS MORE FAVORABLE TO THE PURCHASER THAN THOSE OF THE ORIGINAL
29 OFFER UNDER THIS SUBTITLE ONLY AFTER THE OWNER AGAIN OFFERS THE RIGHT
30 OF FIRST PURCHASE AS REQUIRED BY THIS SUBTITLE BASED ON THE NEW TERMS
31 AND CONDITIONS.

32 REVISOR'S NOTE: This section is new language derived without substantive
33 change from former Art. 83B, § 9-104(i).

34 Defined terms: "Assisted project" § 7-101

35 "Owner" § 7-101

36 "Owner's offer" § 7-101

37 "Person" § 1-101

1 7-207. ADDITIONAL REQUIRED NOTICES.

2 (A) SCOPE.

3 THIS SECTION APPLIES IF:

4 (1) NONE OF THE PARTIES IDENTIFIED IN § 7-204(A) OF THIS SUBTITLE
5 EXERCISES THE RIGHT OF FIRST PURCHASE;

6 (2) THE ASSISTED PROJECT HAS NOT BEEN CONVEYED IN ACCORDANCE
7 WITH § 7-206 OF THIS SUBTITLE; AND

8 (3) THE OWNER HAS NOT TAKEN A PROTECTED ACTION WITHIN 2 YEARS
9 AFTER THE ORIGINAL NOTICE OF INTENT.

10 (B) REQUIRED NOTICES.

11 (1) BEFORE TAKING A PROTECTED ACTION, THE OWNER SHALL SERVE
12 ANOTHER NOTICE OF INTENT ON EACH PARTY IDENTIFIED IN § 7-201(B) OF THIS
13 SUBTITLE.

14 (2) BEFORE TAKING A PROTECTED ACTION UNDER § 7-102(A)(4) OF THIS
15 TITLE, THE OWNER SHALL SERVE NOTICE OF A RIGHT OF FIRST PURCHASE AS
16 REQUIRED BY THIS SUBTITLE.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 9-104(h).

19 Defined terms: "Assisted project" § 7-101

20 "Owner" § 7-101

21 "Protected action" § 7-101

22 7-208. COVENANTS AS TO USE OF PROPERTY.

23 (A) REQUIRED FOR ASSISTED PROJECT UNDER RIGHT OF FIRST PURCHASE.

24 AT THE SETTLEMENT FOR AN ASSISTED PROJECT UNDER A RIGHT OF FIRST
25 PURCHASE, THE PURCHASER SHALL EXECUTE AND RECORD, IN A FORM THAT THE
26 SECRETARY APPROVES, A COVENANT RUNNING WITH THE LAND.

27 (B) RESTRICTIONS.

28 THE COVENANT SHALL RESTRICT THE USE OF ALL ASSISTED UNITS TO
29 RESIDENTIAL RENTAL PROPERTY FOR ASSISTED HOUSEHOLDS, OR TO SOME OTHER
30 PURPOSE APPROVED BY THE SECRETARY, FOR AT LEAST THE GREATEST OF:

31 (1) THE REMAINING TERM OF THE MORTGAGE AS OF THE DATE OF ITS
32 PREPAYMENT;

1 (2) THE REMAINING TERM OF THE RENTAL ASSISTANCE AGREEMENT,
2 INCLUDING ALL STATED RENEWAL TERMS, AS OF THE DATE OF ITS TERMINATION;
3 AND

4 (3) 20 YEARS.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, § 9-104(g).

7 In subsection (b)(1) of this section, the former reference to "under §
8 9-102(b)(1) of this title" is deleted as surplusage. Similarly, in subsection
9 (b)(2) of this section, the former reference to "under § 9-102(b)(2) of this
10 title" is deleted.

11 Defined terms: "Assisted household" § 7-101

12 "Assisted project" § 7-101

13 "Assisted unit" § 7-101

14 "Secretary" § 1-101

15 7-209. RIGHT OF FIRST PURCHASE -- ASSIGNMENT.

16 A RIGHT OF FIRST PURCHASE UNDER THIS SUBTITLE MAY BE ASSIGNED ONLY
17 TO ANOTHER PARTY HAVING THE RIGHT OF FIRST PURCHASE UNDER THIS
18 SUBTITLE.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 9-104(j).

21 7-210. SAME -- POLITICAL SUBDIVISIONS AND HOUSING AUTHORITIES.

22 (A) IN GENERAL.

23 A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY MAY EXERCISE A RIGHT
24 OF FIRST PURCHASE UNDER THIS SUBTITLE AND MAY DEVELOP, ACQUIRE, IMPROVE,
25 OWN, OPERATE, AND MANAGE A RENTAL HOUSING PROJECT ACQUIRED UNDER THE
26 RIGHT OF FIRST PURCHASE AND DO ALL THINGS NECESSARY OR CONVENIENT TO
27 EXERCISE THESE RIGHTS.

28 (B) EFFECT ON ARTICLE 44A RESTRICTIONS ON TENANT INCOME.

29 IN ANY RENTAL HOUSING PROJECT PURCHASED UNDER A RIGHT OF FIRST
30 PURCHASE UNDER THIS SUBTITLE AND OWNED OR MANAGED BY A HOUSING
31 AUTHORITY AUTHORIZED UNDER ARTICLE 44A OF THE CODE, THIS SUBTITLE
32 SUPERSEDES ARTICLE 44A, §§ 1-401 THROUGH 1-403 AND ALL OTHERWISE
33 APPLICABLE RESTRICTIONS ON TENANT INCOME UNDER ARTICLE 44A.

34 REVISOR'S NOTE: This section is new language derived without substantive
35 change from former Art. 83B, § 9-104(k).

36 In subsection (a) of this section, the defined term "political subdivision" is

1 substituted for the former reference to a "local government" for consistency
2 within this article. *See* § 1-101 of this article.

3 Defined term: "Political subdivision" § 1-101

4 7-211. SAME -- NO APPLICATION TO PLAN OF ACTION.

5 THE RIGHT OF FIRST PURCHASE UNDER THIS SUBTITLE DOES NOT APPLY TO
6 THE PREPAYMENT OF A MORTGAGE AND SALE OF AN ASSISTED PROJECT IF THE
7 PREPAYMENT AND SALE ARE DONE UNDER A PLAN OF ACTION APPROVED BY THE
8 SECRETARY OF HOUSING AND URBAN DEVELOPMENT UNDER § 225 OF THE HOUSING
9 AND COMMUNITY DEVELOPMENT ACT OF 1987, 12 U.S.C. § 4107.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 9-104(l).

12 The former phrase "otherwise constituting a protected action" is deleted as
13 surplusage.

14 Defined term: "Assisted project" § 7-101

15 7-212. TENANT PROTECTION ASSISTANCE.

16 (A) IN GENERAL.

17 AN OWNER THAT GIVES NOTICE OF INTENT SHALL PROVIDE TENANT
18 PROTECTION ASSISTANCE UNDER SUBSECTION (B) OF THIS SECTION UNLESS:

19 (1) THE OWNER HAS OFFERED THE RIGHT OF FIRST PURCHASE IN
20 ACCORDANCE WITH THIS SUBTITLE; AND

21 (2) THE ASSISTED PROJECT IS PURCHASED BY A PARTY LISTED IN §
22 7-204(A) OF THIS SUBTITLE IN CONJUNCTION WITH A PROTECTED ACTION.

23 (B) AMOUNT OF TENANT PROTECTION ASSISTANCE.

24 TENANT PROTECTION ASSISTANCE CONSISTS OF:

25 (1) PAYING EACH ASSISTED HOUSEHOLD \$475 ON OR BEFORE THE DAY
26 THAT THE ASSISTED HOUSEHOLD VACATES THE UNIT;

27 (2) REIMBURSING EACH ASSISTED HOUSEHOLD FOR RELOCATION
28 EXPENSES EXCEEDING \$475 AND UP TO \$950, ACTUALLY AND REASONABLY
29 INCURRED; AND

30 (3) OFFERING EACH ASSISTED HOUSEHOLD THAT IS CURRENT IN ITS
31 RENT AND HAS NOT VIOLATED ANY OTHER MATERIAL TERM OF ITS LEASE, A LEASE
32 EXTENSION FOR AT LEAST 1 YEAR FROM THE GIVING OF THE NOTICE OF INTENT.

33 (C) RENT UNDER LEASE EXTENSION.

1 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
2 PERIODIC RENT DURING THE EXTENDED LEASE UNDER SUBSECTION (B)(3) OF THIS
3 SECTION MAY NOT EXCEED THE AMOUNT THAT THE ASSISTED HOUSEHOLD MUST
4 CONTRIBUTE FOR PERIODIC RENT UNDER THE ASSISTED HOUSEHOLD'S CURRENT
5 LEASE.

6 (2) THE PERIODIC RENT MAY BE INCREASED ONLY ON THE
7 ANNIVERSARY OF THE ASSISTED HOUSEHOLD'S CURRENT LEASE, AND THE
8 INCREASE MAY NOT EXCEED THE LESSER OF:

9 (I) THE INCREASE ALLOWED BY APPLICABLE FEDERAL, STATE, OR
10 LOCAL LAW; AND

11 (II) THE PRODUCT OF THE AMOUNT THE HOUSEHOLD MUST
12 CONTRIBUTE FOR PERIODIC RENT FOR THE PRECEDING YEAR MULTIPLIED BY THE
13 PERCENTAGE INCREASE FOR THE U.S. CONSUMER PRICE INDEX THAT THE
14 SECRETARY SELECTS FOR THE MOST RECENT 12-MONTH PERIOD.

15 (3) EXCEPT AS ALLOWED OR REQUIRED BY THE SECRETARY, ALL OTHER
16 TERMS AND CONDITIONS GOVERNING THE EXTENDED LEASE SHALL BE THE SAME
17 AS THOSE OF THE LEASE IN EFFECT ON THE DAY PRECEDING THE GIVING OF THE
18 NOTICE OF INTENT.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from former Art. 83B, § 9-105.

21 In subsection (b) of this section, the former phrase "an amount equal to the
22 sum of" is deleted as surplusage.

23 In subsection (c)(1) and (2) of this section, the references to "periodic rent"
24 are substituted for the former reference to the "rate of rent" for clarity.

25 In subsection (c)(3) of this section, the former reference to "procedures" is
26 deleted as included in the reference to "terms and conditions".

27 Defined terms: "Assisted household" § 7-101

28 "Assisted project" § 7-101

29 "Designated household" § 7-101

30 "Notice of intent" § 7-101

31 "Owner" § 7-101

32 "Protected action" § 7-101

33 "Relocation expenses" § 7-101

34 "Secretary" § 1-101

35 "Tenant protection assistance" § 7-101

1 7-213. DESIGNATED HOUSEHOLD.

2 AN ASSISTED HOUSEHOLD IS A DESIGNATED HOUSEHOLD IF IT INCLUDES:

3 (1) AN INDIVIDUAL WHO HAS BEEN A MEMBER OF THE HOUSEHOLD FOR
4 AT LEAST 12 MONTHS BEFORE THE NOTICE OF INTENT IS GIVEN AND WHO:

5 (I) IS AT LEAST 62 YEARS OLD ON THE DAY THAT THE NOTICE OF
6 INTENT IS GIVEN; OR

7 (II) QUALIFIES AS A PERSON WITH DISABILITIES UNDER § 3(B)(3) OF
8 THE UNITED STATES HOUSING ACT OF 1937, 42 U.S.C. § 1437(F); OR

9 (2) A MINOR.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 9-106(a).

12 It is revised as a substantive provision for clarity.

13 Defined terms: "Assisted household" § 7-101

14 "Designated household" § 7-101

15 "Notice of intent" § 7-101

16 "Person" § 1-101

17 7-214. EXTENDED LEASES FOR DESIGNATED HOUSEHOLDS -- IN GENERAL.

18 (A) OFFER REQUIRED.

19 (1) THIS SUBSECTION APPLIES IF A PROTECTED ACTION AFFECTS A
20 UNIT OCCUPIED BY A DESIGNATED HOUSEHOLD THAT:

21 (I) IS CURRENT IN ITS RENT AND HAS NOT VIOLATED ANY OTHER
22 MATERIAL TERM OF THE LEASE;

23 (II) WITHIN 60 DAYS AFTER THE GIVING OF THE NOTICE OF
24 INTENT, PROVIDES THE OWNER WITH WRITTEN NOTICE SHOWING THAT THE
25 HOUSEHOLD QUALIFIES AS A DESIGNATED HOUSEHOLD AND STATING THAT THE
26 HOUSEHOLD IS APPLYING FOR AN EXTENDED LEASE UNDER THIS SECTION; AND

27 (III) EXECUTES THE EXTENDED LEASE FORM DELIVERED IN
28 ACCORDANCE WITH § 7-216(A)(2) OF THIS SUBTITLE AND RETURNS IT TO THE OWNER
29 WITHIN 60 DAYS AFTER THE GIVING OF THE NOTICE OF INTENT.

30 (2) EXCEPT FOR A PROTECTED ACTION UNDER § 7-102(A)(3) OF THIS
31 TITLE, AN OWNER MAY NOT TAKE A PROTECTED ACTION THAT AFFECTS A UNIT IN AN
32 ASSISTED PROJECT OCCUPIED BY A DESIGNATED HOUSEHOLD WITHOUT OFFERING
33 TO THE DESIGNATED HOUSEHOLD AN EXTENDED LEASE FOR AT LEAST 3 YEARS
34 BEGINNING ON THE DAY OF THE GIVING OF THE NOTICE OF INTENT.

35 (B) SET ASIDE REQUIREMENT.

1 (1) THE OWNER SHALL SET ASIDE AT LEAST 20% OF THE ASSISTED
2 UNITS IN AN ASSISTED PROJECT FOR DESIGNATED HOUSEHOLDS TO RECEIVE
3 EXTENDED LEASES UNDER THIS SUBTITLE.

4 (2) IF THE NUMBER OF ASSISTED UNITS OCCUPIED BY DESIGNATED
5 HOUSEHOLDS THAT MEET THE STANDARDS OF SUBSECTION (A) OF THIS SECTION
6 EXCEEDS 20% OF THE ASSISTED UNITS, THE OWNER SHALL ALLOCATE THE
7 AVAILABLE UNITS:

8 (I) FIRST TO DESIGNATED HOUSEHOLDS WITH AN INDIVIDUAL
9 DESCRIBED UNDER § 7-213(1) OF THIS SUBTITLE WITH PRIORITY BASED ON LENGTH
10 OF CONTINUOUS RESIDENCE; AND

11 (II) THEN TO DESIGNATED HOUSEHOLDS THAT DO NOT CONTAIN
12 SUCH AN INDIVIDUAL BUT INCLUDE A MINOR, BASED ON LENGTH OF CONTINUOUS
13 RESIDENCE.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 9-106(b) and (j).

16 In subsection (a)(1)(ii) of this section, the reference to "the household
17 qualifies as a designated household" is substituted for the former reference
18 to a member of the household being "a handicapped citizen or a senior
19 citizen who has been a member of the household for at least 12 months
20 preceding the giving of the notice of intent" or "a minor" for brevity.

21 Defined terms: "Assisted project" § 7-101

22 "Assisted unit" § 7-101

23 "Designated household" § 7-101

24 "Notice of intent" § 7-101

25 "Owner" § 7-101

26 "Protected action" § 7-101

27 7-215. SAME -- SALE OR CONVEYANCE OF ASSISTED PROJECT.

28 IF AN ASSISTED PROJECT INCLUDES A UNIT OCCUPIED BY A DESIGNATED
29 HOUSEHOLD AND THE ASSISTED PROJECT IS SOLD OR CONVEYED AFTER A
30 PROTECTED ACTION:

31 (1) THE PROVISIONS OF THIS SUBTITLE CONCERNING EXTENDED
32 LEASES CONTINUE TO APPLY DESPITE THE SALE OR CONVEYANCE;

33 (2) THE NEW LANDLORD SHALL PROVIDE EACH DESIGNATED
34 HOUSEHOLD WITH WRITTEN NOTICE OF THE SALE OR CONVEYANCE; AND

35 (3) ON OR BEFORE THE EXECUTION OF A CONTRACT OF SALE, THE
36 SELLER SHALL PROVIDE THE PURCHASER WITH WRITTEN DISCLOSURE OF EACH
37 UNIT OCCUPIED BY A DESIGNATED HOUSEHOLD SUBJECT TO THE PROVISIONS
38 CONCERNING EXTENDED LEASES FOR DESIGNATED HOUSEHOLDS.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 9-106(h).

3 In the introductory language of this section, the reference to "a unit
4 occupied by a designated household" is substituted for the former reference
5 to "this section" for clarity.

6 Defined terms: "Assisted project" § 7-101

7 "Designated household" § 7-101

8 "Protected action" § 7-101

9 7-216. SAME -- APPLICATION.

10 (A) APPLICATION; LEASE.

11 ALONG WITH THE NOTICE OF INTENT, THE OWNER SHALL DELIVER TO EACH
12 ASSISTED HOUSEHOLD:

13 (1) AN APPLICATION FORM ON WHICH THE ASSISTED HOUSEHOLD MAY
14 INCLUDE THE INFORMATION REQUIRED BY § 7-214(A) OF THIS SUBTITLE;

15 (2) AN EXTENDED LEASE FORM FOR A DESIGNATED HOUSEHOLD THAT
16 CONTAINS THE TERMS REQUIRED BY THIS SUBTITLE AND CLEARLY INDICATES THAT
17 THE LEASE WILL BE EFFECTIVE ONLY IF:

18 (I) THE ASSISTED HOUSEHOLD EXECUTES AND RETURNS THE
19 LEASE FORM WITHIN 60 DAYS AFTER THE GIVING OF THE NOTICE OF INTENT; AND

20 (II) THE ASSISTED HOUSEHOLD IS ALLOCATED ONE OF THE UNITS
21 MADE AVAILABLE TO DESIGNATED HOUSEHOLDS, BASED ON ITS RANKING UNDER §
22 7-214(B) OF THIS SUBTITLE AND THE NUMBER OF ASSISTED HOUSEHOLDS
23 EXECUTING AND RETURNING LEASES; AND

24 (3) A NOTICE THAT SETS FORTH THE RIGHTS AND OBLIGATIONS OF THE
25 ASSISTED HOUSEHOLD UNDER THE PROVISIONS OF THIS SUBTITLE CONCERNING
26 EXTENDED LEASES FOR DESIGNATED HOUSEHOLDS.

27 (B) NOTICE OF QUALIFICATIONS AND LEASE EFFECTIVENESS.

28 WITHIN 75 DAYS AFTER THE GIVING OF THE NOTICE OF INTENT, THE OWNER
29 SHALL NOTIFY EACH ASSISTED HOUSEHOLD THAT SUBMITS THE DOCUMENTATION
30 REQUIRED BY § 7-214 OF THIS SUBTITLE:

31 (1) WHETHER THE HOUSEHOLD MEETS THE STANDARDS OF § 7-214 OF
32 THIS SUBTITLE, OR, IF NOT, AN EXPLANATION OF WHICH STANDARDS HAVE NOT
33 BEEN MET; AND

34 (2) WHETHER THE EXTENDED LEASE HAS BECOME EFFECTIVE.

35 (C) TERMS AND CONDITIONS.

1 (1) (I) AN EXTENDED LEASE FOR A DESIGNATED HOUSEHOLD SHALL
 2 BE FOR A TERM BEGINNING ON ACCEPTANCE AND ENDING AT LEAST 3 YEARS AFTER
 3 THE GIVING OF THE NOTICE OF INTENT.

4 (II) THE INITIAL PERIODIC RENT FOR THE EXTENDED LEASE MAY
 5 NOT EXCEED THE AMOUNT THE HOUSEHOLD IS REQUIRED TO CONTRIBUTE FOR
 6 RENT UNDER THE HOUSEHOLD'S CURRENT LEASE.

7 (2) THE PERIODIC RENT MAY BE INCREASED ONLY ON THE
 8 ANNIVERSARY OF THE ASSISTED HOUSEHOLD'S EXTENDED LEASE, AND THE
 9 INCREASE MAY NOT EXCEED THE PRODUCT OF THE AMOUNT THE HOUSEHOLD MUST
 10 CONTRIBUTE FOR PERIODIC RENT FOR THE PRECEDING YEAR MULTIPLIED BY THE
 11 PERCENTAGE INCREASE FOR THE U.S. CONSUMER PRICE INDEX THAT THE
 12 SECRETARY SELECTS FOR THE MOST RECENT 12-MONTH PERIOD.

13 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE EXTENDED
 14 LEASE SHALL CONTAIN THE SAME TERMS AND CONDITIONS AS THE LEASE IN
 15 EFFECT ON THE DAY BEFORE THE GIVING OF THE NOTICE OF INTENT.

16 REVISOR'S NOTE: This section is new language derived without substantive
 17 change from former Art. 83B, § 9-106(c), (d), and (f).

18 In subsection (a) of this section, the former reference to a household
 19 "entitled to receive the notice of intent" is deleted as surplusage.

20 In subsection (a)(2) of this section, the references to a lease "form" are
 21 added because a lease does not exist before the parties agree to it.

22 In subsection (c)(2) of this section, the reference to a rental fee increase
 23 allowed "only" on the anniversary of the assisted household's current lease
 24 is substituted for the former reference to "annually" to conform to §
 25 7-212(c)(2) of this subtitle.

26 The Housing Article Review Committee notes, for consideration by the
 27 General Assembly, that subsection (c)(1)(ii) of this section prohibits the
 28 initial periodic rent for an extended lease from exceeding the amount of
 29 the household's rental contribution under the household's current lease.
 30 The General Assembly may wish to clarify that this provision prohibits a
 31 household's rental contribution from increasing in the first year of an
 32 extended lease.

33 Defined terms: "Assisted household" § 7-101

34 "Designated household" § 7-101

35 "Notice of intent" § 7-101

36 "Owner" § 7-101

37 "Secretary" § 1-101

1 7-217. SAME -- ADDITIONAL NOTICE.

2 WITHIN 75 DAYS AFTER GIVING THE NOTICE OF INTENT, THE OWNER SHALL
3 PROVIDE TO EACH PARTY REQUIRED TO RECEIVE THE NOTICE OF INTENT:

4 (1) A NOTICE INDICATING THE NUMBER OF UNITS IN THE ASSISTED
5 PROJECT BEING MADE AVAILABLE TO DESIGNATED HOUSEHOLDS UNDER § 7-214(B)
6 OF THIS SUBTITLE;

7 (2) A LIST OF THE HOUSEHOLDS MEETING THE STANDARDS OF § 7-214(A)
8 OF THIS SUBTITLE, INDICATING THE RANKING OF EACH UNDER § 7-214(B) OF THIS
9 SUBTITLE;

10 (3) A LIST OF THE HOUSEHOLDS RETURNING THE DOCUMENTS
11 REQUIRED BY § 7-214(A) OF THIS SUBTITLE THAT DO NOT MEET ALL OF THE
12 STANDARDS OF THAT SUBSECTION AND COPIES OF THE NOTICES SENT TO THOSE
13 HOUSEHOLDS UNDER § 7-216(B) OF THIS SUBTITLE; AND

14 (4) A LIST OF THE HOUSEHOLDS WITH EFFECTIVE EXTENDED LEASES.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 9-106(e).

17 In item (4) of this section, the reference to effective "extended" leases is
18 added for clarity.

19 Defined terms: "Assisted project" § 7-101

20 "Designated household" § 7-101

21 "Notice of intent" § 7-101

22 "Owner" § 7-101

23 7-218. TERMINATION BY DESIGNATED HOUSEHOLD.

24 (A) IN GENERAL.

25 (1) A DESIGNATED HOUSEHOLD MAY TERMINATE AN EXTENDED LEASE
26 AT ANY TIME BY GIVING WRITTEN NOTICE TO THE LANDLORD:

27 (I) AT LEAST 1 MONTH IN ADVANCE, IF LESS THAN 12 MONTHS
28 REMAIN ON THE LEASE; OR

29 (II) AT LEAST 3 MONTHS IN ADVANCE, IF 12 MONTHS OR MORE
30 REMAIN ON THE LEASE.

31 (2) AN EXTENDED LEASE FOR A DESIGNATED HOUSEHOLD UNDER THIS
32 SUBTITLE SHALL INCLUDE THE TERMINATION PROVISIONS OF THIS SECTION.

33 (B) ENDING OF EXTENDED TENANCY.

34 THE EXTENDED TENANCY OF A DESIGNATED HOUSEHOLD ENDS:

1 (1) 90 DAYS AFTER THE LAST MEMBER OF THE ASSISTED HOUSEHOLD
2 WHO LIVED IN THE UNIT ON THE DATE OF THE NOTICE OF INTENT DIES OR MOVES
3 FROM THE UNIT;

4 (2) ON EVICTION FOR FAILURE TO PAY RENT OR FOR VIOLATION OF
5 ANOTHER MATERIAL TERM OF THE EXTENDED LEASE; OR

6 (3) ON VOLUNTARY TERMINATION BY THE DESIGNATED HOUSEHOLD
7 UNDER SUBSECTION (A) OF THIS SECTION.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 9-106(g) and (i).

10 In subsection (a)(1) of this section, the reference to "the landlord" is
11 substituted for the former reference to "the owner or any subsequent
12 titleholder" for clarity and brevity.

13 The Housing Article Review Committee notes, for consideration by the
14 General Assembly, that subsection (b) of this section allows members of an
15 assisted household to continue living as a designated household after the
16 death or departure of the individual whose age or infirmity qualified the
17 household to be a designated household.

18 Defined terms: "Assisted household" § 7-101

19 "Designated household" § 7-101

20 "Notice of intent" § 7-101

21 7-219. RELOCATION DURING REHABILITATION.

22 (A) IN GENERAL.

23 THIS SECTION APPLIES IF A PROTECTED ACTION INVOLVES SUBSTANTIAL
24 REHABILITATION OR RECONSTRUCTION THAT DOES NOT ALLOW CONTINUED
25 OCCUPANCY OF A UNIT BECAUSE OF DANGER TO THE HEALTH AND SAFETY OF THE
26 HOUSEHOLD.

27 (B) NOTICE TO VACATE REQUIRED.

28 (1) THE OWNER SHALL GIVE NOTICE OF THE RECONSTRUCTION OR
29 REHABILITATION AT LEAST 1 YEAR BEFORE THE DATE WHEN THE UNIT MUST BE
30 VACATED.

31 (2) THE NOTICE SHALL EXPLAIN THE HOUSEHOLD'S RIGHTS UNDER
32 THIS SECTION.

33 (C) RELOCATION.

34 (1) TO ALLOW WORK TO BE PERFORMED IN A UNIT, A DESIGNATED
35 HOUSEHOLD WITH AN EXTENDED LEASE UNDER § 7-216 OF THIS SUBTITLE MAY BE
36 REQUIRED TO:

1 (I) VACATE THE UNIT NOT EARLIER THAN 1 YEAR AFTER THE
2 GIVING OF THE NOTICE OF INTENT; AND

3 (II) RELOCATE AT THE EXPENSE OF THE OWNER TO A
4 COMPARABLE UNIT IN THE ASSISTED PROJECT.

5 (2) (I) IF A COMPARABLE UNIT IS NOT AVAILABLE, THE DESIGNATED
6 HOUSEHOLD MAY BE REQUIRED TO VACATE THE ASSISTED PROJECT UNTIL THE
7 WORK IS COMPLETED.

8 (II) WHEN THE WORK IS COMPLETED, THE OWNER SHALL NOTIFY
9 THE DESIGNATED HOUSEHOLD OF THE COMPLETION OF THE WORK.

10 (III) THE DESIGNATED HOUSEHOLD HAS 30 DAYS TO RETURN TO
11 THE ORIGINAL OR A COMPARABLE RENTAL UNIT AFTER THE OWNER NOTIFIES THE
12 DESIGNATED HOUSEHOLD THAT THE WORK IS COMPLETED.

13 (IV) THE TERM OF THE EXTENDED LEASE BEGINS WHEN THE
14 DESIGNATED HOUSEHOLD RETURNS TO THE ASSISTED PROJECT.

15 (3) THE OWNER SHALL PAY ALL REASONABLE RELOCATION EXPENSES
16 OF A DESIGNATED HOUSEHOLD REQUIRED AS A RESULT OF SUBSECTION (D) OF THIS
17 SECTION.

18 (D) RELOCATION EXPENSES.

19 (1) THE OWNER SHALL PAY RELOCATION EXPENSES IN ACCORDANCE
20 WITH § 7-212(B)(2) OF THIS SUBTITLE ON OR BEFORE THE DATE WHEN THE
21 DESIGNATED HOUSEHOLD VACATES THE UNIT.

22 (2) THE OWNER SHALL ALSO REIMBURSE A DESIGNATED HOUSEHOLD
23 THAT RETURNS TO ITS UNIT UNDER SUBSECTION (C)(2) OF THIS SECTION FOR ITS
24 RELOCATION EXPENSES IN ACCORDANCE WITH § 7-212(B) OF THIS SUBTITLE.

25 (E) COMPENSATION.

26 (1) IN ACCORDANCE WITH THE SCHEDULE OF FAIR MARKET RENTS OF
27 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN
28 EFFECT ON THE MOVING DATE, WITHIN 15 DAYS AFTER THAT DATE, THE OWNER
29 SHALL PAY COMPENSATION EQUIVALENT TO 3 MONTHS' RENT FOR A UNIT OF
30 COMPARABLE SIZE AND QUALITY TO EACH DESIGNATED HOUSEHOLD ELIGIBLE
31 UNDER THIS SUBSECTION.

32 (2) A DESIGNATED HOUSEHOLD IS ELIGIBLE FOR COMPENSATION
33 UNDER THIS SUBSECTION IF IT:

34 (I) IS CURRENT IN ITS RENT PAYMENTS AND HAS NOT VIOLATED
35 ANY OTHER MATERIAL TERM OF ITS LEASE;

1 (II) INCLUDES AN INDIVIDUAL DESCRIBED UNDER § 7-213(1) OF
2 THIS SUBTITLE AND:

3 1. DOES NOT HAVE AN EXTENDED LEASE; OR

4 2. CANNOT HAVE AN EXTENDED LEASE BECAUSE THE
5 NUMBER OF ASSISTED UNITS SET ASIDE UNDER § 7-214(B) OF THIS SUBTITLE IS LESS
6 THAN THE NUMBER OF QUALIFIED HOUSEHOLDS; OR

7 (III) OTHERWISE QUALIFIES FOR AN EXTENDED LEASE BUT IS
8 REQUIRED TO VACATE ITS UNIT UNDER SUBSECTION (C)(2) OF THIS SECTION.

9 REVISOR'S NOTE: This section is new language derived without substantive
10 change from former Art. 83B, § 9-106(k) and (l).

11 In subsection (d)(2) of this section, the former reference to a "rental unit" is
12 deleted as surplusage.

13 Defined terms: "Assisted project" § 7-101

14 "Designated household" § 7-101

15 "Notice of intent" § 7-101

16 "Owner" § 7-101

17 "Protected action" § 7-101

18 "Relocation expenses" § 7-101

19 7-220. RENTAL HOUSING EMERGENCY.

20 (A) LEGISLATIVE FINDINGS.

21 (1) AFTER NOTICE AND PUBLIC HEARING, A POLITICAL SUBDIVISION
22 MAY FIND THAT, BECAUSE OF A PROTECTED ACTION, A LOW-INCOME AND
23 MODERATE-INCOME RENTAL HOUSING EMERGENCY EXISTS IN ALL OR PART OF ITS
24 JURISDICTION.

25 (2) THE POLITICAL SUBDIVISION SHALL MAKE FINDINGS AS TO:

26 (I) THE NATURE AND INCIDENCE OF PROTECTED ACTIONS;

27 (II) THE RESULTING HARDSHIP TO AND DISPLACEMENT OF
28 TENANTS; AND

29 (III) THE SCARCITY OF LOW-INCOME AND MODERATE-INCOME
30 RENTAL HOUSING.

31 (B) AUTHORIZED ACTIONS.

32 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ON
33 FINDING THAT THERE IS AN EMERGENCY UNDER THIS SECTION, A POLITICAL
34 SUBDIVISION MAY ENACT A LAW, ORDINANCE, OR REGULATION TO:

1 (I) GRANT TO A DESIGNATED HOUSEHOLD A RIGHT TO AN
 2 EXTENDED LEASE FOR A PERIOD IN ADDITION TO THAT GRANTED UNDER § 7-214 OF
 3 THIS SUBTITLE; OR

4 (II) EXTEND ANY OTHER PROVISION OF THIS SUBTITLE
 5 CONCERNING EXTENDED LEASES.

6 (2) A POLITICAL SUBDIVISION MAY NOT REQUIRE THAT:

7 (I) MORE THAN 20% OF ASSISTED UNITS IN AN ASSISTED PROJECT
 8 BE SET ASIDE FOR EXTENDED LEASES FOR DESIGNATED HOUSEHOLDS; OR

9 (II) THE TERM OF AN EXTENDED LEASE FOR ANY HOUSEHOLD
 10 MADE A DESIGNATED HOUSEHOLD BY THE POLITICAL SUBDIVISION EXCEED 3
 11 YEARS.

12 (3) THE POLITICAL SUBDIVISION MAY REQUIRE THAT THE NOTICE
 13 REQUIRED UNDER § 7-216(A)(3) OF THIS SUBTITLE BE MODIFIED TO DISCLOSE THE
 14 EFFECTS OF ANY ACTIONS TAKEN UNDER THIS SECTION.

15 (C) COPIES OF LAW.

16 WITHIN 10 DAYS AFTER ENACTING A LAW, ORDINANCE, OR REGULATION IN
 17 ACCORDANCE WITH THIS SECTION, A POLITICAL SUBDIVISION SHALL SEND A COPY
 18 TO THE SECRETARY OF STATE AND THE SECRETARY OF HOUSING AND COMMUNITY
 19 DEVELOPMENT.

20 REVISOR'S NOTE: This section is new language derived without substantive
 21 change from former Art. 83B, § 9-107.

22 Throughout this section, the defined term "political subdivision" is
 23 substituted for the former reference to a "local government" for consistency
 24 within this article. *See* § 1-101 of this article.

25 In subsection (a) of this section, the former reference to a political
 26 subdivision's ability to "recognize and declare" is deleted as included in the
 27 reference to "find".

28 Defined terms: "Assisted project" § 7-101

29 "Assisted unit" § 7-101

30 "Designated household" § 7-101

31 "Political subdivision" § 1-101

32 "Protected action" § 7-101

33 SUBTITLE 3. RIGHTS AND DUTIES.

34 7-301. DUTIES OF TENANTS.

35 IN CONNECTION WITH A PROTECTED ACTION, EACH TENANT SHALL
 36 COOPERATE WITH THE OWNER IN PROVIDING INFORMATION NECESSARY TO

1 CERTIFY ELIGIBILITY FOR HOUSING SUBSIDY PAYMENTS AND IN EXECUTING ALL
2 NECESSARY DOCUMENTS.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, § 9-109(2).

5 Defined terms: "Owner" § 7-101

6 "Protected action" § 7-101

7 7-302. RELINQUISHMENT OF RIGHTS BY TENANT PROHIBITED.

8 (A) IN GENERAL.

9 A TENANT MAY NOT:

10 (1) WAIVE OR ASSIGN THE TENANT'S RIGHTS UNDER THIS TITLE; OR

11 (2) RECEIVE CONSIDERATION TO RELINQUISH RIGHTS UNDER THIS
12 TITLE.

13 (B) EFFECT.

14 A WAIVER OR RELINQUISHMENT MADE IN VIOLATION OF THIS SECTION IS VOID.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 9-108(a).

17 In subsection (a) of this section, the former phrase "by written contract or
18 otherwise" is deleted as surplusage.

19 In subsection (b) of this section, the former reference to void "ab initio" is
20 deleted as surplusage.

21 7-303. OWNER'S NOTICE TO NEW TENANT AFTER NOTICE OF INTENT.

22 IF A NEW TENANT MOVES INTO AN ASSISTED UNIT AFTER A NOTICE OF INTENT
23 IS GIVEN, THE OWNER SHALL GIVE THE NEW TENANT WRITTEN NOTICE THAT:

24 (1) SETS FORTH ANY RENT INCREASE THAT THE OWNER PLANS AFTER
25 THE PROTECTED ACTION; AND

26 (2) STATES THAT THE NEW TENANT WILL NOT BE ENTITLED TO TENANT
27 PROTECTION ASSISTANCE.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 9-108(d).

30 The Housing Article Review Committee notes, for consideration by the
31 General Assembly, that this section explicitly states what was only implied
32 in the former law -- that the duty of an owner under this question is to
33 notify only new tenants who move into an assisted unit after a notice of

1 intent has been given.

2 Defined terms: "Assisted unit" § 7-101

3 "Notice of intent" § 7-101

4 "Owner" § 7-101

5 "Protected action" § 7-101

6 "Tenant protection assistance" § 7-101

7 7-304. TERMINATION OF LEASE BY OWNER WITHOUT CAUSE PROHIBITED.

8 BEFORE TAKING A PROTECTED ACTION, AN OWNER MAY NOT TERMINATE
9 WITHOUT CAUSE THE LEASEHOLD INTEREST OF A TENANT OCCUPYING AN ASSISTED
10 UNIT TO AVOID THE OWNER'S OBLIGATIONS UNDER THIS TITLE.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 9-108(b).

13 Defined terms: "Assisted unit" § 7-101

14 "Owner" § 7-101

15 "Protected action" § 7-101

16 7-305. EXCESS RENT AS GROUNDS FOR LEASE TERMINATION AND POSSESSION OF
17 PREMISES.

18 (A) "EXCESS RENT" DEFINED.

19 IN THIS SECTION, "EXCESS RENT" MEANS RENT THAT EXCEEDS THE RENT
20 PAYABLE BY A TENANT UNDER THE TENANT'S LEASE AS OF THE DATE OF THE
21 NOTICE OF INTENT, ADJUSTED AS ALLOWED UNDER § 7-212(C) OF THIS TITLE.

22 (B) NONPAYMENT OF EXCESS RENT.

23 UNTIL 1 YEAR HAS PASSED SINCE THE OWNER GAVE NOTICE OF INTENT, AND
24 THE OWNER COMPLIES WITH THE REQUIREMENTS OF THIS TITLE, NONPAYMENT OF
25 EXCESS RENT IS NOT GROUNDS FOR AN OWNER TO:

26 (1) TERMINATE A LEASE OF AN ASSISTED UNIT; OR

27 (2) SUE FOR POSSESSION OF THE LEASED PROPERTY.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 9-108(c).

30 In the introductory language of subsection (b) of this section, the reference
31 to "the owner" giving notice of intent is added for clarity.

32 Also in the introductory language of subsection (b) of this section, the
33 former reference to the "last to occur" is deleted in light of the conjunction
34 "and", which indicates that both factors must exist.

35 Also in the introductory language of subsection (b) of this section, the

1 former reference to the nonpayment of rent not allowed to be "considered
2 legally sufficient" grounds is deleted as surplusage.

3 Defined terms: "Assisted unit" § 7-101

4 "Notice of intent" § 7-101

5 "Owner" § 7-101

6 7-306. DUTIES OF OWNER IN CONNECTION WITH PROTECTED ACTION.

7 (A) IN GENERAL.

8 IN CONNECTION WITH A PROTECTED ACTION, AN OWNER:

9 (1) MAY NOT TERMINATE OR ALTER THE TERMS AND CONDITIONS OF A
10 LEASE ENTERED INTO BEFORE THE EFFECTIVE DATE OF THE PROTECTED ACTION;

11 (2) MAY NOT INTERFERE WITH THE EFFORTS OF INDIVIDUAL TENANTS
12 TO OBTAIN HOUSING SUBSIDIES OR OTHER PUBLIC ASSISTANCE;

13 (3) MAY NOT DISCRIMINATE BASED ON SOURCE OF INCOME OR RECEIPT
14 OF A HOUSING SUBSIDY;

15 (4) MAY NOT INTERFERE WITH THE RIGHTS OF A TENANT TO OCCUPY
16 AN ASSISTED UNIT UNDER AN EXISTING LEASE OR APPLICABLE FEDERAL, STATE, OR
17 LOCAL LAW; AND

18 (5) SHALL COOPERATE WITH A TENANT TO EXECUTE ALL NECESSARY
19 DOCUMENTS TO ENABLE THE PAYMENT OF HOUSING SUBSIDIES TO OR FOR THE
20 TENANT.

21 (B) INTERFERENCE WITH APPLICATION FOR PUBLIC ASSISTANCE.

22 IF THE OWNER HAS INTERFERED WITH A TENANT'S APPLICATION FOR A
23 HOUSING SUBSIDY OR OTHER PUBLIC ASSISTANCE, THE NONPAYMENT OF ANY
24 AMOUNT OF RENT FOR AN ASSISTED UNIT IN EXCESS OF 30% OF THE TENANT'S
25 INCOME IS NOT GROUNDS FOR THE OWNER TO TERMINATE THE LEASE OR SUE FOR
26 POSSESSION OF THE LEASED PROPERTY.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 9-109(1) and (3).

29 In subsection (a)(4) of this section, the former reference to "any existing"
30 rights of tenants is deleted as surplusage.

31 Defined terms: "Assisted project" § 7-101

32 "Owner" § 7-101

33 "Protected action" § 7-101

1 7-307. OWNER'S SWORN STATEMENT OF COMPLIANCE.

2 THE PERSON RESPONSIBLE FOR THE CLOSING OF A REAL ESTATE
3 TRANSACTION SHALL FILE WITH THE DEPARTMENT A WRITTEN STATEMENT, MADE
4 AND SIGNED BY THE OWNER UNDER THE PENALTIES OF PERJURY, THAT THE
5 TRANSACTION COMPLIES WITH THIS TITLE, IF THE TRANSACTION INCLUDES:

6 (1) A SALE OR CONVEYANCE OF AN ASSISTED PROJECT OR THE REAL
7 PROPERTY ASSOCIATED WITH IT, AND:

8 (I) IS A PROTECTED ACTION; OR

9 (II) OCCURRED WITHIN 10 YEARS AFTER A PROTECTED ACTION FOR
10 WHICH THE OWNER FAILED TO COMPLY WITH THIS TITLE; OR

11 (2) A RELEASE OF:

12 (I) A MORTGAGE SECURED BY AN ASSISTED PROJECT; OR

13 (II) A REGULATORY AGREEMENT OR OTHER DOCUMENT EXECUTED
14 IN CONNECTION WITH THE MORTGAGE THAT RESTRICTS THE INCOME LEVELS OF
15 THE TENANTS OR THE RENTAL RATES OF THE ASSISTED PROJECT.

16 REVISOR'S NOTE: This section is new language derived without substantive
17 change from former Art. 83B, §§ 9-101(m) and 9-110(a).

18 In the introductory language of this section, the defined word "person" is
19 substituted for the former defined term "settlement agent" for clarity.

20 Defined terms: "Assisted project" § 7-101

21 "Department" § 1-101

22 "Owner" § 7-101

23 "Person" § 1-101

24 "Protected action" § 7-101

25 SUBTITLE 4. ENFORCEMENT.

26 7-401. AUTHORIZED ENFORCEMENT ENTITIES.

27 THIS TITLE MAY BE ENFORCED AT LAW OR EQUITY BY:

28 (1) THE DEPARTMENT;

29 (2) AN ASSISTED HOUSEHOLD IN OCCUPANCY WHEN THE OWNER
30 DELIVERED OR SHOULD HAVE DELIVERED A NOTICE OF INTENT;

31 (3) A POLITICAL SUBDIVISION WHERE THE ASSISTED PROJECT IS
32 LOCATED; OR

33 (4) THE PUBLIC HOUSING AUTHORITY.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 9-110(b).

3 In item (3) of this section, the defined term "political subdivision" is
4 substituted for the former reference to a "local government" to conform to
5 the terminology used throughout this article. *See* § 1-101 of this article.

6 Defined terms: "Assisted household" § 7-101

7 "Assisted project" § 7-101

8 "Department" § 1-101

9 "Notice of intent" § 7-101

10 "Owner" § 7-101

11 "Political subdivision" § 1-101

12 7-402. ENFORCEMENT BY INJUNCTION.

13 TO ENFORCE THIS TITLE, A COURT MAY ENJOIN AN ACTION:

14 (1) PROHIBITED BY THIS TITLE; OR

15 (2) TAKEN BEFORE PRELIMINARY ACTIONS REQUIRED BY THIS TITLE
16 HAVE BEEN COMPLETED.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 9-110(c).

19 7-403. CONSUMER PROTECTION DIVISION.

20 A VIOLATION OF THIS TITLE IS WITHIN THE SCOPE OF THE ENFORCEMENT
21 DUTIES AND POWERS OF THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE
22 OF THE ATTORNEY GENERAL UNDER TITLE 13 OF THE COMMERCIAL LAW ARTICLE, IF
23 THE VIOLATION RESULTS IN:

24 (1) DISPLACEMENT OF A TENANT OR FORMER TENANT FROM AN
25 ASSISTED UNIT;

26 (2) INCREASED RENTS FOR A TENANT OR FORMER TENANT OF AN
27 ASSISTED UNIT; OR

28 (3) ANOTHER VIOLATION OF THE RIGHTS OF A TENANT OR FORMER
29 TENANT OF AN ASSISTED UNIT.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 9-110(d).

32 Defined term: "Assisted unit" § 7-101

33 7-404. FALSE STATEMENTS OR REPORTS.

34 (A) PROHIBITED.

1 (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
2 FALSE STATEMENT OR REPORT IN A DOCUMENT THAT IS REQUIRED TO BE
3 SUBMITTED UNDER THIS TITLE.

4 (2) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A
5 FALSE STATEMENT OR REPORT TO INFLUENCE THE ACTION OF THE DEPARTMENT IN
6 CONNECTION WITH THIS TITLE.

7 (B) PENALTY.

8 A PERSON WHO VIOLATES THIS TITLE IS SUBJECT TO CIVIL LIABILITY AND TO A
9 CIVIL PENALTY NOT EXCEEDING \$1,000,000.

10 REVISOR'S NOTE: This section is new language derived without substantive
11 change from former Art. 83B, § 9-111.

12 In subsection (a) of this section, the former reference to a document that is
13 required to be submitted to "the Secretary, the Department, or any other
14 person or entity" under this title is deleted as surplusage.

15 The former reference to a civil "monetary" penalty is deleted as implicit in
16 setting a maximum penalty.

17 Defined terms: "Department" § 1-101

18 "Person" § 1-101

19 SUBTITLE 5. SHORT TITLE.

20 7-501. SHORT TITLE.

21 THIS TITLE IS THE ASSISTED HOUSING PRESERVATION ACT.

22 REVISOR'S NOTE: This section formerly was Art. 83B, § 9-114.

23 The only changes are in style.

24 TITLE 8. COMMUNITY ACTION AGENCIES.

25 8-101. DEFINITIONS.

26 (A) IN GENERAL.

27 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

28 REVISOR'S NOTE: This subsection formerly was the first sentence of Art. 83B,
29 § 12-101(a).

30 The only changes are in style.

31 (B) COMMUNITY ACTION AGENCY.

1 "COMMUNITY ACTION AGENCY" MEANS:

2 (1) A GOVERNMENTAL UNIT IN A POLITICAL SUBDIVISION;

3 (2) A GOVERNMENTAL UNIT CREATED BY A COMBINATION OF
4 POLITICAL SUBDIVISIONS;

5 (3) AN AGENCY DESIGNATED AS A COMMUNITY ACTION AGENCY UNDER
6 THE ECONOMIC OPPORTUNITY ACT OF 1964 AS AMENDED BY THE COMMUNITY
7 SERVICES BLOCK GRANT PROGRAM, 42 U.S.C. §§ 9901 THROUGH 9926; OR

8 (4) A PRIVATE, NONPROFIT ORGANIZATION THAT MEETS THE
9 REQUIREMENTS FOR DESIGNATION AS A COMMUNITY ACTION AGENCY.

10 REVISOR'S NOTE: This subsection is new language derived without
11 substantive change from former Art. 83B, § 12-101(a)(1).

12 In item (1) of this subsection, the former phrase "of the State" is deleted as
13 included in the defined term "political subdivision".

14 In item (3) of this subsection, the former reference to "relevant provisions"
15 is deleted as surplusage.

16 In item (4) of this subsection, the defined term "nonprofit organization" is
17 substituted for the former reference to "nonprofit community organization"
18 to conform to the terminology used throughout this article.

19 The Housing Article Review Committee notes, for consideration by the
20 General Assembly, that this subsection, which defines "community action
21 agency" in part to mean a governmental unit in a political subdivision or a
22 governmental unit created by a combination of political subdivisions, may
23 be overbroad. The definition seems to apply to any governmental unit,
24 even one that has nothing to do with helping to fight poverty in the State.

25 Defined terms: "Designation" § 8-101

26 "Governmental unit" § 1-101

27 "Nonprofit organization" § 1-101

28 "Political subdivision" § 1-101

29 (C) DESIGNATION.

30 "DESIGNATION" MEANS THE SELECTION OF A PROPOSED COMMUNITY ACTION
31 AGENCY BY A GOVERNING BODY.

32 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 12-101(a)(2).

33 The former phrase "of a political subdivision" is deleted as unnecessary in
34 light of the definition of "governing body".

35 The only other changes are in style.

1 Defined terms: "Community action agency" § 8-101

2 "Governing body" § 8-101

3 (D) GOVERNING BODY.

4 "GOVERNING BODY" MEANS:

5 (1) THE COUNTY COUNCIL, BOARD OF COMMISSIONERS, OR OTHER
6 LEGISLATIVE BODY OF A POLITICAL SUBDIVISION THAT COLLECTIVELY POSSESSES
7 THE POWER TO ADOPT AND CARRY OUT LOCAL LAWS AND ORDINANCES; OR

8 (2) IN BALTIMORE CITY, THE BOARD OF ESTIMATES.

9 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 12-101(a)(3).

10 The only changes are in style.

11 Defined term: "Political subdivision" § 4-101

12 REVISOR'S NOTE TO SECTION: Former Art. 83B, § 12-101(a)(5), which
13 defined "[l]ocal initiative" to be the amount of federal funds received by a
14 community action agency for conduct, administration, and general
15 community programming, is deleted because the phrase "local initiative" is
16 not used in this title.

17 8-102. LEGISLATIVE FINDING.

18 THE GENERAL ASSEMBLY FINDS THAT THE ECONOMIC AND SOCIAL
19 WELL-BEING OF STATE RESIDENTS IS INTRINSIC TO THE STRENGTH AND VIABILITY
20 OF THE STATE AS A WHOLE.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, § 12-101(b)(1).

23 The reference to "finds" is substituted for the former reference to
24 "recognizes" for consistency with similar provisions in other revised
25 articles of the Code. *See, e.g.*, CS § 8-102 and BR § 3-102.

26 The reference to "residents" is substituted for the former reference to
27 "citizens" because the meaning of the word "citizen" is unclear in this
28 context and to conform to the terminology used throughout this title.

29 8-103. PURPOSES OF TITLE.

30 THE PURPOSES OF THIS TITLE ARE TO:

31 (1) STRENGTHEN THE ABILITY OF COMMUNITIES TO PLAN AND
32 COORDINATE AVAILABLE FEDERAL, STATE, LOCAL, AND PRIVATE RESOURCES BY
33 MAKING THE RESOURCES MORE RESPONSIVE TO LOCAL NEEDS AND CONDITIONS;
34 AND

1 (2) STRENGTHEN, SUPPLEMENT, AND COORDINATE EFFORTS TO
2 COMBAT THE CAUSES AND PROBLEMS OF POVERTY IN THE STATE BY:

3 (I) MOBILIZING RESOURCES OF PRIVATE AND PUBLIC ECONOMIC
4 ENTITIES TO INCREASE OPPORTUNITIES FOR LOW-INCOME STATE RESIDENTS TO
5 DEVELOP SKILLS, KNOWLEDGE, AND CAPABILITIES;

6 (II) DEVELOPING THE FULL POTENTIAL OF LOW-INCOME STATE
7 RESIDENTS SO THAT EVERYONE CAN LIVE IN DECENCY AND DIGNITY AND ACHIEVE
8 INDIVIDUAL AND FAMILY SELF-SUFFICIENCY; AND

9 (III) PROMOTING THE DEVELOPMENT, EVALUATION, AND USE OF
10 NEW APPROACHES TO ATTACK THE CAUSES AND PROBLEMS OF POVERTY.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 12-101(b)(2) and (c).

13 In item (2)(i) and (ii) of this section, the references to "State residents" are
14 substituted for the former reference to "citizens" because the meaning of
15 the word "citizen" is unclear in this context and to conform to the
16 terminology used throughout this title.

17 Also in item (2)(i) and (ii) of this section, the former reference to "poor"
18 residents is deleted as included in the reference to "low-income" residents.

19 In item (2)(iii) of this section, the phrase "causes and problems" is
20 substituted for the former phrase "origins and issues" to conform to the
21 terminology of item (2) of this section and § 8-107(a) of this title.

22 Also in item (2)(iii) of this section, the former reference to "innovative" is
23 deleted in light of the reference to "new".

24 8-104. MAKING, CHANGING, OR REVOKING DESIGNATION.

25 (A) IN GENERAL.

26 A POLITICAL SUBDIVISION MAY DESIGNATE A COMMUNITY ACTION AGENCY TO
27 SERVE A COMMUNITY WITHIN THE POLITICAL SUBDIVISION OR MAY CHANGE OR
28 REVOKE A DESIGNATION BY:

29 (1) AN ACT, ORDINANCE, OR RESOLUTION OF ITS GOVERNING BODY; OR

30 (2) AN ORDER OF ITS CHIEF EXECUTIVE, IF THE CHIEF LEGAL OFFICER
31 CERTIFIES IN WRITING THAT THE CHIEF EXECUTIVE HAS POWER TO MAKE THE
32 DESIGNATION.

33 (B) NOTICE AND HEARING.

34 (1) THE GOVERNING BODY SHALL NOTIFY THE PUBLIC AND HOLD A
35 PUBLIC HEARING BEFORE A DESIGNATION IS MADE, CHANGED, OR REVOKED.

1 (2) A TRANSITION OR CLOSE-DOWN PLAN SHALL ACCOMPANY THE
2 NOTIFICATION OF A PROPOSED CHANGE OR REVOCATION OF A DESIGNATION.

3 (C) EFFECTIVE DATE FOR CHANGE OR REVOCATION.

4 A CHANGE IN OR REVOCATION OF A DESIGNATION TAKES EFFECT AT THE
5 START OF THE STATE FISCAL YEAR.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 12-101(d).

8 In subsection (a) of this section, the defined term "political subdivision" is
9 substituted for the former reference to a "governing body" for clarity.

10 Defined terms: "Community action agency" § 8-101

11 "Designation" § 8-101

12 "Governing body" § 8-101

13 "Political subdivision" § 1-101

14 8-105. COMMUNITY ACTION BOARD.

15 (A) IN GENERAL.

16 (1) A COMMUNITY ACTION AGENCY SHALL ADMINISTER ITS PROGRAMS
17 THROUGH A COMMUNITY ACTION BOARD.

18 (2) A COMMUNITY ACTION BOARD CONSISTS OF AT LEAST 15 MEMBERS,
19 OF WHOM:

20 (I) ONE-THIRD ARE ELECTED PUBLIC OFFICIALS CURRENTLY
21 HOLDING OFFICE, OR THEIR DESIGNEES;

22 (II) AT LEAST ONE-THIRD ARE CHOSEN BY A DEMOCRATIC
23 SELECTION METHOD DESIGNED TO ASSURE THAT THEY WILL REPRESENT
24 LOW-INCOME PERSONS IN THE COMMUNITY; AND

25 (III) THE OTHERS ARE OFFICIALS OR MEMBERS OF BUSINESS,
26 INDUSTRY, LABOR, RELIGIOUS, WELFARE, EDUCATION, OR OTHER MAJOR GROUPS
27 AND INTERESTS IN THE COMMUNITY.

28 (3) A MEMBER CHOSEN TO REPRESENT A GEOGRAPHIC AREA SHALL
29 RESIDE IN THE AREA.

30 (4) A PERSON SELECTED UNDER PARAGRAPH (2)(II) OR (III) OF THIS
31 SUBSECTION MAY NOT SERVE FOR MORE THAN 5 YEARS CONSECUTIVELY OR FOR
32 MORE THAN A TOTAL OF 10 YEARS.

33 (B) GOVERNMENTAL UNIT AS COMMUNITY ACTION AGENCY.

34 IF A COMMUNITY ACTION AGENCY IS A GOVERNMENTAL UNIT:

1 (1) ITS COMMUNITY ACTION BOARD MAY SERVE AS AN ADVISORY BODY;
2 AND

3 (2) WITH THE APPROVAL OF THE GOVERNING BODY, THE
4 GOVERNMENTAL UNIT MAY DELEGATE TO THE COMMUNITY ACTION BOARD ANY OF
5 ITS POWERS OR RESPONSIBILITIES UNDER THIS TITLE.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from former Art. 83B, § 12-101(e)(1) and (2)(iii).

8 In subsection (a)(2)(ii) of this section, the reference to "low-income"
9 persons is substituted for the former reference to "poor" to conform to the
10 terminology used in § 8-103(2)(i) and (ii) of this title.

11 Also in subsection (a)(2)(ii) of this section, the reference to the "community"
12 is substituted for the former reference to the "area served" to conform to
13 the terminology used in subsection (a)(2)(iii) of this section.

14 In subsection (b)(1) of this section, the reference to the "community action
15 board" is substituted for the former reference to the board of directors to
16 conform to the terminology used throughout this subtitle.

17 The Housing Article Review Committee notes, for consideration by the
18 General Assembly, that although subsection (a) of this section specifies
19 that a community action board consists of at least 15 members, the
20 subsection does not specify the person who has the power to appoint those
21 members to the board.

22 The Housing Article Review Committee also notes, for consideration by the
23 General Assembly, that in subsection (b)(2) of this section, the reference to
24 the ability of a governmental unit to delegate to the community action
25 board any of its powers or responsibilities "under this title" is added to
26 avoid the misleading implication that this subsection allows a
27 governmental unit to delegate any of its powers or responsibilities without
28 limit.

29 Defined terms: "Community action agency" § 8-101

30 "Governing body" § 8-101

31 "Governmental unit" § 1-101

32 8-106. POWERS OF COMMUNITY ACTION AGENCY.

33 (A) POWERS.

34 (1) A COMMUNITY ACTION AGENCY MAY ACCEPT AND ADMINISTER:

35 (I) FINANCIAL ASSISTANCE RECEIVED UNDER THIS TITLE;

36 (II) MONEY AND CONTRIBUTIONS FROM PRIVATE OR LOCAL
37 PUBLIC SOURCES FOR COMMUNITY ACTION PROGRAMS;

1 (III) MONEY FROM STATE OR FEDERAL ASSISTANCE PROGRAMS
 2 UNDER WHICH A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION MAY ACT AS A
 3 GRANTEE, CONTRACTOR, OR SPONSOR OF PROJECTS SUITABLE FOR COMMUNITY
 4 ACTION PROGRAMS; AND

5 (IV) FEDERAL MONEY FROM FEDERAL BLOCK GRANTS PREVIOUSLY
 6 DESIGNATED AS ANTIPOVERTY MONEY, SUBJECT TO APPLICABLE FEDERAL LAW.

7 (2) A COMMUNITY ACTION AGENCY MAY TRANSFER MONEY AND
 8 DELEGATE RESPONSIBILITY TO A SUBSIDIARY BOARD, COUNCIL, OR SIMILAR
 9 AGENCY FOR PROJECTS DESIGNED TO FURTHER COMMUNITY ACTION PROGRAM
 10 OBJECTIVES.

11 (B) POLICY FINDINGS.

12 RESPONSIBILITY FOR MAKING POLICY DETERMINATIONS, INCLUDING THE
 13 CHARACTERS, FUNDING, EXTENT, AND ADMINISTRATION OF AND BUDGETING FOR
 14 PROGRAMS OR PROJECTS AFFECTING A PARTICULAR GEOGRAPHIC AREA IN A
 15 COMMUNITY MAY BE DELEGATED BY A COMMUNITY ACTION AGENCY TO A
 16 SUBSIDIARY BOARD, COUNCIL, OR SIMILAR AGENCY IF THE SUBSIDIARY BODY IS
 17 BROADLY REPRESENTATIVE OF THE AREA.

18 REVISOR'S NOTE: This section is new language derived without substantive
 19 change from former Art. 83B, § 12-101(g) and (e)(2)(i) and (ii).

20 In the introductory language of subsection (a)(1) of this section, the former
 21 phrase "[i]n addition to the powers set forth elsewhere in this section" is
 22 deleted as surplusage.

23 In subsection (a)(1)(iii) of this section, the defined term "nonprofit
 24 organization" is substituted for the former reference to a "nonprofit
 25 agency" to conform to the terminology used throughout this article.

26 In subsection (a)(1)(iv) of this section, the former reference to a federal
 27 "regulation" is deleted as included in the broad reference to a federal "law".

28 In subsection (a)(2) of this section, the reference to a "community action"
 29 program is added to clarify the type of program.

30 Defined terms: "Community action agency" § 8-101

31 "Financial assistance" § 1-101

32 "Nonprofit organization" § 1-101

33 8-107. DUTIES OF COMMUNITY ACTION AGENCY.

34 (A) PROGRAM PLAN.

35 A COMMUNITY ACTION AGENCY SHALL PLAN SYSTEMATICALLY FOR AN
 36 EFFECTIVE COMMUNITY ACTION PROGRAM, AND IN DOING SO SHALL:

1 (1) EVALUATE INFORMATION ON THE CAUSES AND PROBLEMS OF
2 POVERTY IN THE COMMUNITY;

3 (2) ASSESS THE USE AND IMPACT OF CURRENT FINANCIAL ASSISTANCE;
4 AND

5 (3) ESTABLISH PRIORITIES AMONG PROJECTS, ACTIVITIES, AND TARGET
6 AREAS TO ACHIEVE THE BEST AND MOST EFFICIENT USE OF RESOURCES.

7 (B) ENCOURAGING AND ASSISTING SUBSIDIARY BODIES.

8 A COMMUNITY ACTION AGENCY SHALL:

9 (1) ENCOURAGE SUBSIDIARY BOARDS, COUNCILS, AND AGENCIES
10 ENGAGED IN PROJECTS RELATED TO A COMMUNITY ACTION PROGRAM TO PLAN FOR,
11 SECURE, AND ADMINISTER AVAILABLE FINANCIAL ASSISTANCE ON A COOPERATIVE
12 BASIS; AND

13 (2) PROVIDE TECHNICAL AND ORGANIZATIONAL ASSISTANCE TO THE
14 SUBSIDIARY BOARDS, COUNCILS, AND AGENCIES.

15 (C) SUPPLEMENTING LOCAL ANTI-POVERTY EFFORTS.

16 A COMMUNITY ACTION AGENCY SHALL ACTIVELY SUPPLEMENT LOCAL
17 EFFORTS TO COMBAT POVERTY BY:

18 (1) FOCUSING RESOURCES ON THE MOST NEEDY;

19 (2) PROVIDING EMPLOYMENT OPPORTUNITIES FOR LOW-INCOME
20 PERSONS;

21 (3) CLOSING SERVICE GAPS; AND

22 (4) ENABLING LOW-INCOME PERSONS TO PARTICIPATE IN COMMUNITY
23 ACTION PROGRAMS AND PROJECTS.

24 (D) COMMUNITY PROJECTS.

25 A COMMUNITY ACTION AGENCY SHALL INITIATE AND SPONSOR COMMUNITY
26 PROJECTS TO HELP MEET THE NEEDS OF LOW-INCOME PERSONS WITH PARTICULAR
27 EMPHASIS ON:

28 (1) ESTABLISHING A POOL OF RESOURCES TO SERVE A VARIETY OF
29 COMMUNITY ACTION PROGRAMS;

30 (2) DEVELOPING VERSATILE APPROACHES AND SERVICES; AND

31 (3) IMPLEMENTING STOPGAP MEASURES PENDING THE EXPANSION OR
32 MODIFICATION OF COMMUNITY ACTION PROGRAMS.

33 (E) ENCOURAGING RESIDENT PARTICIPATION.

1 A COMMUNITY ACTION AGENCY SHALL:

2 (1) ESTABLISH PROCEDURES FOR COMMUNITY RESIDENTS TO:

3 (I) INFLUENCE THE CHARACTER OF THEIR COMMUNITY ACTION
4 PROGRAMS; AND

5 (II) PARTICIPATE REGULARLY IN IMPLEMENTING THOSE
6 PROGRAMS;

7 (2) PROVIDE THE NECESSARY TECHNICAL AND ADVISORY SUPPORT TO
8 ENABLE LOW-INCOME PERSONS AND COMMUNITY GROUPS TO SECURE PUBLIC AND
9 PRIVATE FINANCIAL ASSISTANCE FOR THEMSELVES.

10 (F) SUPPORTING COMMUNITY ACTION PROGRAMS.

11 A COMMUNITY ACTION AGENCY SHALL JOIN WITH AND ENCOURAGE BUSINESS,
12 LABOR, AND OTHER PRIVATE OR PUBLIC OFFICIALS AND ORGANIZATIONS TO
13 SUPPORT COMMUNITY ACTION PROGRAMS THAT:

14 (1) USE PRIVATE RESOURCES AND CAPABILITIES FOR NEW
15 EMPLOYMENT OPPORTUNITIES;

16 (2) STIMULATE INVESTMENTS THAT MEASURABLY REDUCE POVERTY IN
17 AREAS OF CONCENTRATED POVERTY; AND

18 (3) PROVIDE RESIDENTS IN THOSE AREAS WITH METHODS TO WORK
19 WITH PRIVATE ORGANIZATIONS, FIRMS, AND INSTITUTIONS TO SEEK SOLUTIONS TO
20 PROBLEMS OF COMMON CONCERN.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, § 12-101(h).

23 In the introductory language of subsection (a) of this section, the former
24 phrase "[i]n addition to the duties set forth elsewhere in this section" is
25 deleted as implicit in the requirement that a community action agency
26 fulfill the enumerated items in this title.

27 In subsection (a)(1) of this section, the former reference to a "target"
28 community is deleted as surplusage.

29 In the introductory language of subsection (c) of this section, the former
30 reference to "affirmative" action is deleted as surplusage.

31 In the introductory language of subsection (d) of this section, and in
32 subsection (e)(2) of this section, the references to "low-income" persons are
33 substituted for the former references to "poor" to conform to the
34 terminology used throughout this subtitle.

35 In subsection (e)(2) of this section, the reference to "community" groups is
36 substituted for the former reference to "neighborhood" groups to conform to

1 the terminology used throughout this subtitle.

2 Defined terms: "Community action agency" § 8-101

3 "Financial assistance" § 1-101

4 8-108. FINANCIAL ASSISTANCE.

5 THE SECRETARY MAY PROVIDE FINANCIAL ASSISTANCE TO DESIGNATED
6 COMMUNITY ACTION AGENCIES IN ACCORDANCE WITH DISTRIBUTION STANDARDS
7 SET BY REGULATION.

8 REVISOR'S NOTE: This section is new language derived without substantive
9 change from former Art. 83B, § 12-101(f)(1).

10 Defined terms: "Community action agency" § 8-101

11 "Financial assistance" § 1-101

12 "Secretary" § 1-101

13 8-109. REGULATIONS.

14 (A) SECRETARY TO ADOPT REGULATIONS.

15 THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THIS TITLE.

16 (B) FEDERAL MONEY ALLOCATION.

17 THE REGULATIONS SHALL INCLUDE PROVISIONS THAT:

18 (1) ENSURE THAT EACH DESIGNATED COMMUNITY ACTION AGENCY
19 RECEIVES AT LEAST AS MUCH FEDERAL MONEY AS THE COMMUNITY ACTION
20 AGENCY RECEIVED IN FEDERAL FISCAL YEAR 1994, UNLESS THE FEDERAL FUNDING
21 IS REDUCED; AND

22 (2) ALLOCATE REMAINING FEDERAL MONEY TO THOSE COMMUNITY
23 ACTION AGENCIES THAT RECEIVED A LESSER SHARE OF PROGRAM FEDERAL MONEY
24 IN FEDERAL FISCAL YEAR 1994 THAN THEY WOULD HAVE RECEIVED BASED ON THE
25 NUMBER OF PERSONS IN THE LOCAL JURISDICTION WITH HOUSEHOLD INCOME
26 BELOW THE POVERTY LINE SET BY THE FEDERAL OFFICE OF MANAGEMENT AND
27 BUDGET AS A PERCENTAGE OF THE NUMBER OF PERSONS IN THE STATE WITH
28 HOUSEHOLD INCOME BELOW THAT LINE.

29 (C) DISTRIBUTION STANDARDS.

30 (1) BY REGULATION, THE SECRETARY SHALL ADOPT STANDARDS FOR
31 DISTRIBUTING FINANCIAL ASSISTANCE UNDER § 8-108 OF THIS SUBTITLE.

32 (2) THE DISTRIBUTION STANDARDS SHALL INCLUDE THE PERCENTAGE
33 OF PERSONS IN POVERTY, BASED ON THE MOST CURRENT CENSUS POPULATION
34 INFORMATION.

1 (3) THE DISTRIBUTION STANDARDS MAY ADDRESS SPECIFIC PROBLEMS
2 IN RURAL COMMUNITIES, MINIMUM FINANCING NECESSARY TO MAINTAIN PROGRAM
3 OPERATIONS, AND THE POTENTIAL FOR ADDITIONAL LOCAL AND PRIVATE
4 FINANCING.

5 REVISOR'S NOTE: This section formerly was Art. 83B, § 12-101(f), (i), and
6 (a)(4).

7 In subsection (a) of this section, the reference to "this title" is substituted
8 for the former reference to "the purposes of the community services
9 program" for clarification that there is not one specific community services
10 program, rather several community action agencies that implement
11 programs based upon the purpose of this title.

12 In subsection (b)(1) of this section, the former phrase "with respect to the
13 allocation of federal funds" is deleted as surplusage.

14 In subsection (b)(2) of this section, the former definition of "[p]overty level
15 population" is revised as a part of the substantive provision and the former
16 term "poverty level population" is deleted as surplusage.

17 Defined terms: "Financial assistance" § 1-101

18 "Person" § 1-101

19 "Secretary" § 1-101

20 TITLE 9. COMMUNITY REINVESTMENT FUND.

21 SUBTITLE 1. DEFINITIONS; FINDINGS.

22 9-101. DEFINITIONS.

23 (A) IN GENERAL.

24 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

25 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 10-102(a).

26 No changes are made.

27 (B) BOARD.

28 "BOARD" MEANS THE COMMUNITY REINVESTMENT BOARD.

29 REVISOR'S NOTE: This subsection formerly was the first clause of Art. 83B, §
30 10-102(b).

31 The only changes are in style.

32 (C) COMMUNITY REINVESTMENT ASSISTANCE.

1 "COMMUNITY REINVESTMENT ASSISTANCE" MEANS A LOAN, ASSURANCE,
2 GUARANTEE, GRANT, PAYMENT, CREDIT ENHANCEMENT, OR OTHER ASSISTANCE
3 PROVIDED BY THE FUND AS SET FORTH IN § 9-404 OF THIS TITLE, OR A COMMITMENT
4 TO PROVIDE THE ASSISTANCE.

5 REVISOR'S NOTE: This subsection is new language derived without
6 substantive change from former Art. 83B, § 10-102(c).

7 Defined term: "Fund" § 9-101

8 (D) COMMUNITY REINVESTMENT PROJECT.

9 "COMMUNITY REINVESTMENT PROJECT" MEANS A PROJECT OR PROGRAM
10 ELIGIBLE UNDER § 9-402 OF THIS TITLE TO RECEIVE COMMUNITY REINVESTMENT
11 ASSISTANCE FROM THE FUND.

12 REVISOR'S NOTE: This subsection is new language derived without
13 substantive change from former Art. 83B, § 10-102(d).

14 Defined term: "Fund" § 9-101

15 (E) FUND.

16 "FUND" MEANS THE COMMUNITY REINVESTMENT FUND.

17 REVISOR'S NOTE: This subsection formerly was the first clause of Art. 83B, §
18 10-102(e).

19 The only changes are in style.

20 (F) LIMITED INCOME HOUSEHOLD.

21 "LIMITED INCOME HOUSEHOLD" MEANS A HOUSEHOLD OR INDIVIDUAL WHOSE
22 INCOME DOES NOT EXCEED THE UPPER INCOME LIMITS THAT THE SECRETARY
23 ESTABLISHES.

24 REVISOR'S NOTE: This subsection is new language derived without
25 substantive change from former Art. 83B, § 10-102(f).

26 Defined terms: "Person" § 1-101

27 "Secretary" § 1-101

28 (G) MEMBER.

29 "MEMBER" MEANS A MEMBER OF THE BOARD.

30 REVISOR'S NOTE: This subsection is new language derived without
31 substantive change from the first clause of former Art. 83B, § 10-102(h).

32 The defined term "member" is substituted for the former term "[t]rustees"
33 for clarity.

1 9-102. FINDINGS.

2 (A) IN GENERAL.

3 THE GENERAL ASSEMBLY FINDS THAT:

4 (1) SOME COMMUNITIES AND NEIGHBORHOODS IN THE STATE ARE IN
5 ECONOMIC AND SOCIAL DISTRESS BECAUSE OF A SHORTAGE OF SIGNIFICANT
6 PRIVATE INVESTMENT;

7 (2) FINANCIAL INSTITUTIONS IN THE STATE ARE RECOGNIZING A
8 HEIGHTENED RESPONSIBILITY TO PROVIDE FINANCIAL ASSISTANCE TO THESE
9 COMMUNITIES AND NEIGHBORHOODS; AND

10 (3) FEDERAL AND STATE REGULATORS ARE REQUIRING MORE
11 COMMUNITY REINVESTMENT BY THESE FINANCIAL INSTITUTIONS.

12 (B) PROMOTING FINANCIAL VEHICLE TO FACILITATE REINVESTMENT.

13 THE GENERAL ASSEMBLY THEREFORE FINDS THAT THE PUBLIC INTEREST IS
14 SERVED BY PROMOTING THE DEVELOPMENT OF A FINANCIAL VEHICLE TO BE
15 OPERATED BY PRIVATE FINANCIAL INSTITUTIONS TO:

16 (1) INCREASE COMMUNITY REINVESTMENT TO NEIGHBORHOODS AND
17 COMMUNITIES IN THE STATE THAT HAVE URGENT NEED FOR REINVESTMENT;

18 (2) MAKE COMMUNITY REINVESTMENT BY FINANCIAL INSTITUTIONS
19 EASIER AND MORE DESIRABLE BY SPREADING THE FINANCIAL RISK AND OFFERING
20 THE EXPERIENCE OF THE STATE IN PROVIDING COMMUNITY REINVESTMENT
21 LENDING; AND

22 (3) FORGE PARTNERSHIPS AMONG FINANCIAL INSTITUTIONS AND THE
23 STATE IN MEETING COMMUNITY REINVESTMENT GOALS.

24 REVISOR'S NOTE: This section is new language derived without substantive
25 change from former Art. 83B, § 10-101.

26 In the introductory language of subsection (a) of this section, the former
27 reference to a "declar[ation]" is deleted in light of the reference to a
28 "find[ing]" for brevity.

29 In subsection (a)(3) of this section, the reference to "regulators" is
30 substituted for the former reference to "regulatory agencies" for brevity.

31 Also in subsection (a)(3) of this section, the former reference to
32 reinvestment "activity" is deleted as surplusage.

33 In the introductory language of subsection (b) of this section, the former
34 reference to "the State's" promoting the development of a financial vehicle
35 is deleted as implicit in the reference to "the public interest".

1 Defined term: "Financial assistance" § 1-101

2 SUBTITLE 2. COMMUNITY REINVESTMENT BOARD.

3 9-201. ESTABLISHED.

4 THERE IS A COMMUNITY REINVESTMENT BOARD.

5 REVISOR'S NOTE: This section is new language added to state expressly what
6 formerly was only implied - that the Community Reinvestment Board
7 exists.

8 9-202. MEMBERSHIP.

9 (A) COMPOSITION.

10 (1) THE BOARD CONSISTS OF AT LEAST 17 MEMBERS.

11 (2) THE SECRETARY OF THE DEPARTMENT OF HOUSING AND
12 COMMUNITY DEVELOPMENT AND THE SECRETARY OF BUSINESS AND ECONOMIC
13 DEVELOPMENT OR THEIR DESIGNEES ARE NONVOTING MEMBERS.

14 (3) THE GOVERNOR SHALL APPOINT AT LEAST 15 VOTING MEMBERS.

15 (B) VOTING MEMBERS.

16 (1) SUBJECT TO THE REQUIREMENTS OF THIS SUBSECTION, THE
17 VOTING MEMBERS SHALL BE APPOINTED AND REMOVED IN ACCORDANCE WITH THE
18 ORGANIZATIONAL DOCUMENTS OF THE FUND.

19 (2) AT LEAST TWO-THIRDS OF THE VOTING MEMBERS SHALL
20 REPRESENT:

21 (I) THE COMMERCIAL BANKING OR SAVINGS INSTITUTION
22 INDUSTRY IN THE STATE OR OTHER PARTICIPANTS THAT HAVE PLEDGED OR
23 CONTRIBUTED MONEY OR OTHER SUBSTANTIAL ASSISTANCE TO THE FUND; OR

24 (II) TRADE ORGANIZATIONS CONSISTING OF OR OTHERWISE
25 REPRESENTING TWO OR MORE MEMBERS OF THE COMMERCIAL BANKING OR
26 SAVINGS INSTITUTION INDUSTRY IN THE STATE OR OTHER PARTICIPANTS THAT
27 HAVE CONTRIBUTED MONEY OR OTHER SUBSTANTIAL ASSISTANCE TO THE FUND.

28 (3) AT LEAST 20% OF THE VOTING MEMBERS SHALL REPRESENT
29 COMMUNITY GROUPS OR OTHER ENTITIES THAT MAY BE ELIGIBLE TO RECEIVE
30 COMMUNITY REINVESTMENT ASSISTANCE.

31 (4) THE MAJORITY OF VOTING MEMBERS SHALL REPRESENT THE
32 GROUPS DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION.

33 (C) QUALIFICATION.

1 A MEMBER OF THE BOARD MAY BE A DIRECTOR OR MEMBER OR MAY HAVE
2 SOME OTHER LEGAL STATUS REQUIRED BY OR APPROPRIATE TO THE TYPE OF
3 ENTITY CONSTITUTING THE FUND.

4 (D) TENURE.

5 (1) THE TERM OF A VOTING MEMBER MAY NOT EXCEED 3 YEARS.

6 (2) A VOTING MEMBER MAY BE REAPPOINTED.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from the second clause of former Art. 83B, §§ 10-102(h) and
9 10-105(b), (c), and, as it related to the appointment and removal of voting
10 trustees, (e).

11 In subsection (a)(2) of this section, the former references to nonvoting "ex
12 officio" members are deleted as surplusage.

13 In subsection (b)(1) of this section, the former reference to the voting
14 members "following the initial appointments" is deleted as obsolete.

15 In subsection (b)(3) of this section, the former reference to "organizations"
16 is deleted as included in the reference to "other entities".

17 The Housing Article Review Committee notes, for consideration by the
18 General Assembly, that in subsection (c) of this section, the defined term
19 "member" is substituted for the former reference to "[t]rustee[s]" for clarity.
20 Former Art. 83B, § 10-102(h) which defined "trustees" to mean "the
21 members of the Board, which persons may be directors or trustees or have
22 such other legal status requisite or appropriate to the type of entity
23 constituting the Fund", seemed to imply that the Fund could be an entity
24 other than a trust.

25 Defined terms: "Board" § 9-101

26 "Community reinvestment assistance" § 9-101

27 "Fund" § 9-101

28 "Member" § 9-101

29 9-203. MEETINGS.

30 THE BOARD SHALL SET THE TIMES AND PLACES OF ITS MEETINGS.

31 REVISOR'S NOTE: This section is new language derived without substantive
32 change from former Art. 83B, § 10-105(d).

33 Defined term: "Board" § 9-101

34 9-204. OPERATION, POWERS, AND DUTIES.

35 (A) OPERATION OF BOARD.

1 SUBJECT TO THE REQUIREMENTS OF THIS TITLE, THE ORGANIZATIONAL
2 DOCUMENTS OF THE FUND SHALL GOVERN THE OPERATION OF THE BOARD,
3 INCLUDING QUORUM AND VOTING REQUIREMENTS.

4 (B) POWERS.

5 THE BOARD HAS ALL POWERS ARISING FROM THE DOCUMENTS AND
6 PROCEDURES CREATING AND ORGANIZING THE FUND AS AN INDEPENDENT LEGAL
7 ENTITY.

8 (C) DUTIES -- IN GENERAL.

9 THE BOARD SHALL:

10 (1) OPERATE THE FUND;

11 (2) KEEP PROPER RECORDS OF THE BOARD'S ACCOUNTS;

12 (3) ESTABLISH STANDARDS AND GUIDELINES FOR:

13 (I) THE TERMS AND CONDITIONS OF COMMUNITY REINVESTMENT
14 ASSISTANCE AND OTHER FUND REINVESTMENTS; AND

15 (II) ALLOCATING COMMUNITY REINVESTMENT ASSISTANCE AND
16 OTHER FUND INVESTMENTS;

17 (4) APPORTION AMONG FUND TRANSACTIONS THE OPERATING COSTS
18 OF THE FUND; AND

19 (5) WITHIN THE FIRST 90 DAYS OF EACH FISCAL YEAR, MAKE AN
20 ANNUAL REPORT OF FUND ACTIVITIES TO THE GOVERNOR AND, SUBJECT TO § 2-1246
21 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

22 (D) SAME -- LOAN COMMITTEE.

23 (1) THE BOARD SHALL APPOINT A LOAN COMMITTEE TO REVIEW AND
24 MAKE DETERMINATIONS ON SPECIFIC REQUESTS OR CATEGORIES OF REQUESTS
25 FOR COMMUNITY REINVESTMENT ASSISTANCE TO COMMUNITY REINVESTMENT
26 PROJECTS.

27 (2) THE LOAN COMMITTEE MAY REVIEW AND MAKE
28 RECOMMENDATIONS TO THE BOARD ON OTHER MATTERS AS THE BOARD
29 DETERMINES, INCLUDING ELIGIBILITY GUIDELINES AND FINANCING POLICIES FOR
30 COMMUNITY REINVESTMENT PROJECTS.

31 (3) THE LOAN COMMITTEE CONSISTS OF:

32 (I) THE SECRETARY OF HOUSING AND COMMUNITY
33 DEVELOPMENT AND THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT
34 OR THEIR DESIGNEES AS NONVOTING MEMBERS; AND

1 (II) THE VOTING MEMBERS THAT THE BOARD APPOINTS OR THEIR
2 DESIGNEES.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, §§ 10-106 and 10-105(a), (f), and, as it
5 related to quorum and voting requirements, (e).

6 In subsection (b) of this section, the former phrase "[i]n addition to any
7 other powers set forth in this title" is deleted as surplusage.

8 In subsection (c)(1) of this section, the former reference to the vesting in
9 the Community Reinvestment Board of the "general administration" of the
10 Community Reinvestment Fund is deleted as implicit in the reference to
11 requirement that the Board "operate" the Fund.

12 In subsection (d)(3)(i) of this section, the former reference to "ex officio"
13 nonvoting members is deleted as surplusage.

14 The Housing Article Review Committee notes, for consideration by the
15 General Assembly, that in subsection (d)(3)(ii) of this section, the phrase
16 "the voting members that the Board appoints or their designees" is
17 substituted for the former phrase "members of the Board or their designees
18 as determined and appointed by the Board" to clarify that only voting
19 members may be appointed by the Board and not designees of voting
20 members, who are each designated by their voting members.

21 Defined terms: "Board" § 9-101

22 "Community reinvestment assistance" § 9-101

23 "Community reinvestment project" § 9-101

24 "Fund" § 9-101

25 "Secretary" § 1-101

26 SUBTITLE 3. COMMUNITY REINVESTMENT FUND.

27 9-301. ESTABLISHED; PURPOSE OF FUND.

28 (A) ESTABLISHED.

29 THERE IS A COMMUNITY REINVESTMENT FUND.

30 (B) PURPOSE OF FUND.

31 THE PURPOSE OF THE FUND IS TO ADMINISTER THE USE AND REINVESTMENT
32 OF MONEY THAT MAY BE CREDITED, PAID, OR OTHERWISE TRANSFERRED TO THE
33 FUND FROM ANY ENTITY APPROVED BY THE BOARD TO PARTICIPATE IN THE FUND,
34 INCLUDING A BANK, SAVINGS INSTITUTION, OR OTHER FINANCIAL INSTITUTION.

35 REVISOR'S NOTE: Subsection (a) of this section is new language added to
36 state expressly what formerly was only implied - that the Community
37 Reinvestment Fund exists.

1 Subsection (b) of this section is new language derived without substantive
2 change from former Art. 83B, § 10-104(a)(1).

3 Defined terms: "Board" § 9-101

4 "Fund" § 9-101

5 9-302. STATUS; EXEMPTIONS.

6 (A) IN GENERAL.

7 (1) THE FUND IS A PRIVATE, INDEPENDENT LEGAL ENTITY TO BE
8 ASSISTED BY THE DEPARTMENT UNDER THIS TITLE AND IS NOT A GOVERNMENTAL
9 UNIT OF THE STATE.

10 (2) ANY DIVIDENDS, ROYALTIES, OR OTHER EARNINGS RECEIVED FROM
11 COMMUNITY REINVESTMENT ASSISTANCE, OR FROM ANY OTHER INVESTMENT
12 MADE BY THE BOARD UNDER THIS TITLE, IS MONEY OF THE FUND, AND IS NOT
13 MONEY OF THE STATE.

14 (B) EXEMPTION FROM BOARD OF PUBLIC WORKS OR STATE APPROVAL.

15 EXCEPT AS SPECIFIED IN THIS TITLE, THE ORGANIZATION AND OPERATION OF
16 THE BOARD AND THE FUND ARE NOT SUBJECT TO APPROVAL BY THE BOARD OF
17 PUBLIC WORKS OR BY ANY STATE OFFICIAL OR UNIT.

18 (C) BOARD AND FUND PERSONNEL.

19 A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD OR THE FUND IS NOT A STATE
20 OFFICIAL BY VIRTUE OF ANY STATUS WITH OR ACTION FOR THE FUND.

21 REVISOR'S NOTE: This section is new language derived without substantive
22 change from former Art. 83B, §§ 10-102(e), 10-104(a)(3), and 10-110(a)
23 and (b)(2) and (3)(i).

24 In subsection (a)(2) of this section, the former phrase "for any ... purpose" is
25 deleted as surplusage.

26 In subsection (c) of this section, the reference to "status" is added to state
27 expressly what was formerly implied - that neither the status nor an
28 action of an individual who is a member, employee, or agent of the Board
29 makes the individual a State official.

30 Defined terms: "Board" § 9-101

31 "Department" § 1-101

32 "Fund" § 9-101

33 "Governmental unit" § 1-101

34 "Member" § 9-101

35 9-303. ORGANIZATION.

36 (A) FORM OF ENTITY.

1 THE BOARD SHALL DETERMINE THE FORM OF THE INDEPENDENT LEGAL
2 ENTITY CONSTITUTING THE FUND IN ACCORDANCE WITH THE ORGANIZATIONAL
3 DOCUMENTS OF THE FUND.

4 (B) CONTRIBUTOR'S INVESTMENT RETURN.

5 IN ACCORDANCE WITH THE ORGANIZATIONAL DOCUMENTS OF THE FUND, AN
6 ENTITY CONTRIBUTING MONEY TO THE FUND MAY BE ENTITLED TO RECEIVE:

7 (1) INTERESTS IN THE FUND IN PROPORTION TO THE ENTITY'S
8 CONTRIBUTION, IN AN AMOUNT AND IN A FORM THAT THE BOARD DETERMINES; AND

9 (2) A RETURN ON ITS CONTRIBUTION TO THE FUND BASED ON:

10 (I) THE ENTITY'S SHARE; AND

11 (II) A FIXED RATE OF RETURN OR THE AMOUNT OF ANY
12 DIVIDENDS, ROYALTIES, OR OTHER EARNINGS OF THE FUND, OR ON ANOTHER
13 FORMULA AND IN A FORM THAT THE BOARD DETERMINES.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, § 10-104(b).

16 In subsection (b)(1) of this section, the reference to "interests" is
17 substituted for the former reference to "[a] share or portion of the
18 interests" for brevity.

19 Defined terms: "Board" § 9-101

20 "Fund" § 9-101

21 9-304. APPLICATION OF OTHER LAWS.

22 (A) STATE FINANCE AND PROCUREMENT ARTICLE.

23 TITLES 11 THROUGH 17 OF THE STATE FINANCE AND PROCUREMENT ARTICLE
24 DO NOT APPLY TO THE OPERATION OF OR ANY TRANSACTIONS MADE BY THE FUND.

25 (B) STATE GOVERNMENT ARTICLE.

26 MEETINGS OF THE BOARD OR ITS MEMBERS OR OF EMPLOYEES OR AGENTS OF
27 THE FUND ARE NOT SUBJECT TO STATE REQUIREMENTS FOR OPEN OR PUBLIC
28 MEETINGS, INCLUDING ANY REQUIREMENTS FOR OPEN SESSIONS UNDER TITLE 10,
29 SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 10-110(b)(1) and (3)(ii).

32 Defined terms: "Board" § 9-101

33 "Fund" § 9-101

34 "Governmental unit" § 1-101

35 "Member" § 9-101

1 9-305. USE OF FUND MONEY.

2 (A) REQUIRED USE.

3 THE BOARD SHALL USE THE MONEY ADMINISTERED BY THE FUND TO PROVIDE
4 COMMUNITY REINVESTMENT ASSISTANCE IN ACCORDANCE WITH THIS TITLE, ANY
5 OTHER APPLICABLE LAW, AND THE ORGANIZATIONAL DOCUMENTS OF THE FUND.

6 (B) OPTIONAL USES.

7 THE BOARD MAY USE THE MONEY THAT THE FUND ADMINISTERS TO:

8 (1) ASSURE A REASONABLE RETURN ON MONEY HELD BY THE FUND
9 BEFORE DISBURSING MONEY FOR COMMUNITY REINVESTMENT ASSISTANCE;

10 (2) PAY EXPENSES INCURRED IN ITS FORMATION AND OPERATION,
11 INCLUDING EXPENSES FOR ADMINISTRATIVE, LEGAL, ACTUARIAL, AND OTHER
12 SERVICES; AND

13 (3) REDEEM INTERESTS IN THE FUND.

14 REVISOR'S NOTE: This section is new language derived without substantive
15 change from former Art. 83B, §§ 10-107 and 10-104(a)(2).

16 In subsection (b)(3) of this section, the reference to "interests" is
17 substituted for the former reference to "shares or portions of the interests"
18 for brevity.

19 Defined terms: "Board" § 9-101

20 "Community reinvestment assistance" § 9-101

21 "Community reinvestment project" § 9-101

22 "Fund" § 9-101

23 9-306. DUTIES OF DEPARTMENT.

24 THE DEPARTMENT SHALL TAKE ANY NECESSARY ACTION, INCLUDING
25 PROVIDING TECHNICAL ASSISTANCE, TO ENCOURAGE AND FACILITATE THE
26 CREATION OF THE FUND.

27 REVISOR'S NOTE: This section is new language derived without substantive
28 change from former Art. 83B, § 10-103(a)(1) and (2).

29 The former reference requiring the Department to "encourage" action is
30 deleted in light of the requirement that the Department "take" action.

31 Also the former reference to any "proper" action is deleted in light of the
32 reference to any "necessary" action.

33 Defined terms: "Department" § 1-101

34 "Fund" § 9-101

1 9-307. POWERS OF DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND
2 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT.

3 (A) PAYING EXPENSES OF ORGANIZING FUND.

4 THE DEPARTMENT MAY PROVIDE MONEY FOR ADMINISTRATIVE, LEGAL, AND
5 OTHER ORGANIZATIONAL EXPENSES OF THE FUND.

6 (B) PROVIDING AND CHARGING FOR TECHNICAL ASSISTANCE.

7 THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE
8 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT MAY:

9 (1) PROVIDE TECHNICAL ASSISTANCE FOR:

10 (I) OPERATING AND ADMINISTERING THE FUND; AND

11 (II) UNDERWRITING PROPOSED COMMUNITY REINVESTMENT
12 PROJECTS; AND

13 (2) CHARGE REASONABLE AND CUSTOMARY FEES FOR THE TECHNICAL
14 ASSISTANCE.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 10-103(a)(3) and (b).

17 In subsection (a) of this section, the former reference to expenses "incurred
18 in forming the private and independent legal entity constituting the Fund"
19 is deleted as surplusage.

20 Defined terms: "Community reinvestment project" § 9-101

21 "Department" § 1-101

22 "Fund" § 9-101

23 SUBTITLE 4. REINVESTMENT ASSISTANCE.

24 9-401. HOUSEHOLD INCOME LIMITS.

25 THE SECRETARY SHALL ESTABLISH UPPER INCOME LIMITS FOR LIMITED
26 INCOME HOUSEHOLDS, TAKING INTO CONSIDERATION FACTORS THAT INCLUDE:

27 (1) THE TOTAL INCOME OF THE HOUSEHOLD AVAILABLE FOR HOUSING
28 NEEDS;

29 (2) THE SIZE OF THE HOUSEHOLD;

30 (3) THE COST AND CONDITION OF HOUSING FACILITIES;

31 (4) THE ABILITY OF THE HOUSEHOLD TO COMPETE SUCCESSFULLY IN
32 THE CONVENTIONAL PRIVATE HOUSING MARKET; AND

1 (5) RELEVANT STANDARDS AND DEFINITIONS ESTABLISHED FOR
2 FEDERAL HOUSING PROGRAMS.

3 REVISOR'S NOTE: This section is new language derived without substantive
4 change from former Art. 83B, § 10-108(a).

5 Defined terms: "Limited income household" § 9-101

6 "Secretary" § 1-101

7 9-402. REQUIREMENTS FOR COMMUNITY REINVESTMENT PROJECTS.

8 (A) MEETING SPECIFIED NEEDS.

9 A PROJECT QUALIFIES AS A COMMUNITY REINVESTMENT PROJECT IF THE
10 SECRETARY DETERMINES IN WRITING THAT THE COMMUNITY REINVESTMENT
11 PROJECT MEETS:

12 (1) AFFORDABLE HOUSING NEEDS OF LIMITED INCOME HOUSEHOLDS
13 IN THE STATE;

14 (2) CAPITAL, OPERATING, AND OTHER CREDIT NEEDS OF SMALL
15 BUSINESSES IN THE STATE, INCLUDING FARM BUSINESSES, IF THE ASSETS, INCOME,
16 AND NUMBER OF EMPLOYEES OF THE BUSINESS DO NOT EXCEED LIMITS THAT THE
17 SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT ESTABLISHES; OR

18 (3) CAPITAL, OPERATING, AND OTHER CREDIT NEEDS OF INDIVIDUALS,
19 COMMUNITY ORGANIZATIONS, AND BUSINESSES LOCATED IN OR SERVING
20 COMMUNITIES OR NEIGHBORHOODS IN THE STATE THAT HAVE URGENT NEEDS FOR
21 REINVESTMENT DUE TO DETERIORATING SOCIAL OR ECONOMIC CONDITIONS.

22 (B) CONFORMITY TO GUIDELINES AND POLICIES; APPROVAL BY LOAN
23 COMMITTEE.

24 A COMMUNITY REINVESTMENT PROJECT SHALL:

25 (1) CONFORM TO ELIGIBILITY GUIDELINES AND FINANCING POLICIES
26 CONSISTENT WITH THIS SUBTITLE THAT THE BOARD DEVELOPS AND THE
27 SECRETARY APPROVES; AND

28 (2) BE SUBMITTED TO AND APPROVED BY THE LOAN COMMITTEE
29 APPOINTED BY THE BOARD UNDER § 9-204(D) OF THIS TITLE.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, §§ 10-102(g) and 10-108(b).

32 In subsection (b)(2) of this section, the reference to "§ 9-204(d) of this title"
33 is added for clarity.

34 Defined terms: "Board" § 9-101

35 "Community reinvestment project" § 9-101

36 "Limited income household" § 9-101

1 "Secretary" § 1-101

2 9-403. APPLICATIONS FOR ASSISTANCE.

3 (A) IN GENERAL.

4 AN APPLICATION FOR COMMUNITY REINVESTMENT ASSISTANCE SHALL BE
5 MADE TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, TO THE
6 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, TO AN ENTITY
7 CONTRIBUTING TO THE FUND, OR, IF THE BOARD ALLOWS, DIRECTLY TO THE FUND.

8 (B) TECHNICAL ASSISTANCE.

9 THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE
10 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT MAY PROVIDE
11 TECHNICAL ASSISTANCE IN THE UNDERWRITING OR REVIEW OF A LOAN FOR WHICH
12 AN APPLICATION HAS BEEN SUBMITTED.

13 (C) LOAN COMMITTEE ACTION.

14 THE LOAN COMMITTEE SHALL BASE ITS ACTION ON AN APPLICATION ON THE
15 REVIEW OF THE APPLICATION AND RECOMMENDATIONS MADE BY ONE OR MORE
16 PARTIES LISTED IN SUBSECTION (A) OF THIS SECTION.

17 REVISOR'S NOTE: This section is new language derived without substantive
18 change from former Art. 83B, § 10-108(c).

19 Defined terms: "Board" § 9-101

20 "Community reinvestment assistance" § 9-101

21 "Fund" § 9-101

22 9-404. METHODS OF PROVIDING ASSISTANCE.

23 TO PROVIDE COMMUNITY REINVESTMENT ASSISTANCE, THE BOARD MAY:

24 (1) INVEST IN, PURCHASE, MAKE COMMITMENTS TO PURCHASE, OR
25 TAKE ASSIGNMENTS FROM MORTGAGE LENDERS OF NOTES AND MORTGAGES
26 EVIDENCING MORTGAGE LOANS;

27 (2) ACT AS A GUARANTOR OR CONDUIT FOR MORTGAGE BACKED
28 SECURITIES;

29 (3) MAKE LOANS TO RECIPIENTS OF COMMUNITY REINVESTMENT
30 ASSISTANCE OR TO MORTGAGE LENDERS;

31 (4) SELL AT PUBLIC OR PRIVATE SALE MORTGAGES, LOANS, OR OTHER
32 OBLIGATIONS HELD BY THE FUND;

33 (5) PURCHASE, MAKE, PARTICIPATE IN MAKING, OR ENTER INTO
34 COMMITMENTS TO PURCHASE LOANS;

1 (6) PACKAGE AND SELL LOANS; AND

2 (7) DO ANYTHING ELSE AUTHORIZED BY THE ORGANIZATIONAL
3 DOCUMENTS OF THE FUND.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 10-109.

6 Defined terms: "Board" § 9-101

7 "Community reinvestment assistance" § 9-101

8 "Fund" § 9-101

9 SUBTITLE 5. SHORT TITLE.

10 9-501. SHORT TITLE.

11 THIS TITLE IS THE COMMUNITY REINVESTMENT FUND ACT.

12 REVISOR'S NOTE: This section formerly was Art. 83B, § 10-111.

13 The only changes are in style.

14 TITLE 10. MARYLAND AFFORDABLE HOUSING TRUST.

15 SUBTITLE 1. GENERAL PROVISIONS.

16 10-101. DEFINITIONS.

17 (A) IN GENERAL.

18 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

19 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 11-101(a).

20 No changes are made.

21 (B) AWARD.

22 "AWARD" MEANS A GRANT, LOAN, DEFERRED PAYMENT LOAN, LOAN
23 GUARANTEE, OR OTHER FINANCIAL ASSISTANCE.

24 REVISOR'S NOTE: This subsection is new language derived without
25 substantive change from former Art. 83B, § 11-101(b).

26 The former reference to an award being "money from the Trust" is deleted
27 as surplusage.

28 The former reference to guarantees of loans "from other sources" is deleted
29 as surplusage.

30 Defined term: "Financial assistance" § 1-101

1 (C) BOARD.

2 "BOARD" MEANS THE BOARD OF TRUSTEES OF THE TRUST.

3 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 11-101(c).

4 No changes are made.

5 Defined term: "Trust" § 10-101

6 (D) FUND.

7 "FUND" MEANS THE MARYLAND AFFORDABLE HOUSING TRUST FUND.

8 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 11-101(d).

9 No changes are made.

10 (E) TRUST.

11 "TRUST" MEANS THE MARYLAND AFFORDABLE HOUSING TRUST.

12 REVISOR'S NOTE: This subsection formerly was Art. 83B, § 11-101(e).

13 No changes are made.

14 (F) TRUSTEE.

15 "TRUSTEE" MEANS A MEMBER OF THE BOARD.

16 REVISOR'S NOTE: This subsection is new language added to provide a concise
17 reference to a trustee of the Board of Trustees of the Trust.

18 Defined term: "Board" § 10-101

19 10-102. TRUST ESTABLISHED.

20 (A) IN GENERAL.

21 THERE IS A MARYLAND AFFORDABLE HOUSING TRUST.

22 (B) STATUS.

23 (1) THE TRUST IS AN INSTRUMENTALITY OF THE STATE AND IS A BODY
24 CORPORATE AND POLITIC.

25 (2) THE EXERCISE BY THE TRUST OF ITS POWERS UNDER THIS TITLE IS
26 AN ESSENTIAL PUBLIC FUNCTION.

27 (C) PURPOSE OF TRUST.

1 THE PURPOSE OF THE TRUST IS TO MAKE AFFORDABLE HOUSING MORE
2 AVAILABLE THROUGHOUT THE STATE.

3 (D) STAFF.

4 THE DEPARTMENT SHALL PROVIDE STAFF FOR THE TRUST.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from former Art. 83B, §§ 11-102(a) and (b) and 11-105(b).

7 In subsection (b) of this section, the former phrase "to be known as `The
8 Maryland Affordable Housing Trust'
9 "Trust".

10 Also in subsection (b) of this section, the former reference to a "public"
11 instrumentality of the State is deleted as surplusage.

12 Defined terms: "Department" § 1-101

13 "Trust" § 10-101

14 10-103. BOARD ESTABLISHED.

15 (A) IN GENERAL.

16 THERE IS A BOARD OF TRUSTEES OF THE TRUST.

17 (B) FUNCTION.

18 THE BOARD SHALL CONTROL THE TRUST AND EXERCISE ALL OF THE
19 CORPORATE POWERS OF THE TRUST.

20 REVISOR'S NOTE: Subsection (a) of this section is new language added to
21 state explicitly what was formerly only implied -- that a Board of Trustees
22 of the Trust exists.

23 Subsection (b) of this section is new language derived without substantive
24 change from former Art. 83B, § 11-103(a), as it described the function of
25 the Board.

26 Defined term: "Trust" § 10-101

27 10-104. MEMBERSHIP.

28 (A) COMPOSITION; APPOINTMENT.

29 (1) THE BOARD CONSISTS OF 14 TRUSTEES.

30 (2) THE NONVOTING TRUSTEES ARE:

31 (I) THE SECRETARY;

1 (II) A MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE
2 SPEAKER OF THE HOUSE; AND

3 (III) A MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT OF
4 THE SENATE.

5 (3) WITH THE ADVICE AND CONSENT OF THE SENATE, THE GOVERNOR
6 SHALL APPOINT 11 VOTING TRUSTEES, CONSISTING OF:

7 (I) THREE REPRESENTATIVES OF THE PUBLIC; AND

8 (II) ONE REPRESENTATIVE OF EACH OF THE FOLLOWING:

9 1. TITLE COMPANIES DOING BUSINESS IN THE STATE;

10 2. THE MARYLAND CENTER FOR COMMUNITY
11 DEVELOPMENT;

12 3. FINANCIAL INSTITUTIONS DOING BUSINESS IN THE
13 STATE;

14 4. POLITICAL SUBDIVISIONS;

15 5. NONPROFIT HOUSING DEVELOPERS;

16 6. FOR PROFIT HOUSING DEVELOPERS;

17 7. PUBLIC HOUSING AUTHORITIES; AND

18 8. SOCIAL SERVICES PROVIDERS.

19 (B) APPOINTMENT -- GEOGRAPHIC DISTRIBUTION.

20 IN APPOINTING TRUSTEES, THE GOVERNOR SHALL CONSIDER GEOGRAPHIC
21 REPRESENTATION.

22 (C) SERVICE AS TRUSTEE.

23 SERVICE AS A TRUSTEE IS NOT A STATE OFFICE OR STATE EMPLOYMENT FOR
24 PURPOSES OF ANY PROHIBITION AGAINST HOLDING TWO PUBLIC POSITIONS.

25 (D) TENURE; VACANCIES.

26 (1) THE TERM OF A VOTING TRUSTEE IS 4 YEARS.

27 (2) THE TERMS OF VOTING TRUSTEES ARE STAGGERED AS REQUIRED BY
28 THE TERMS PROVIDED FOR VOTING TRUSTEES ON OCTOBER 1, 2005.

29 (3) AT THE END OF A TERM, A VOTING TRUSTEE CONTINUES TO SERVE
30 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

1 (4) A VOTING TRUSTEE WHO IS APPOINTED AFTER A TERM HAS BEGUN
 2 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED
 3 AND QUALIFIES.

4 REVISOR'S NOTE: This section is new language derived without substantive
 5 change from former Art. 83B, § 11-103(b), (c), (d)(1), and (f).

6 In the introductory language of subsection (a)(2) of this section, the former
 7 reference to "ex officio" nonvoting trustees is deleted as surplusage.

8 In subsection (a)(3)(ii)4 of this section, the defined term "political
 9 subdivision" is substituted for the former reference to "local governments"
 10 to conform to the terminology used throughout this article.

11 In subsection (b) of this section, the former reference to geographic
 12 representation "of the State" is deleted as surplusage.

13 In subsection (c) of this section, the former narrow reference to a
 14 "statutory" prohibition is deleted as potentially misleading. Holding more
 15 than one office of profit is prohibited by the State Constitution. *See* Md.
 16 Constitution, Decl. of Rights, Article 35.

17 In subsection (d) of this section, the references to "voting" are added to
 18 distinguish between voting and nonvoting trustees.

19 In subsection (d)(2) of this section, the reference to terms being staggered
 20 as required by the terms provided for trustees on "October 1, 2005" is
 21 substituted for the former obsolete reference to terms being staggered as
 22 required by the terms provided on "October 1, 1992". This substitution is
 23 not intended to alter the terms of any trustee. *See* § ____ of Ch. ____, Acts
 24 of 2005. The terms of the trustees serving on October 1, 2005, end as
 25 follows: (1) 5 on September 30, 2006, (2) 3 on September 30, 2007, and (3)
 26 3 on September 30, 2008.

27 In subsection (d)(4) of this section, the reference to a successor who
 28 "qualifies" is added as standard language.

29 Defined terms: "Board" § 10-101

30 "Political subdivision" § 1-101

31 "Secretary" § 1-101

32 "Trustee" § 10-101

33 10-105. CHAIR.

34 THE GOVERNOR SHALL APPOINT ONE OF THE TRUSTEES TO SERVE AS CHAIR OF
 35 THE BOARD.

36 REVISOR'S NOTE: This section is new language derived without substantive
 37 change from former Art. 83B, § 11-103(d)(2).

1 The reference to a "chair" is substituted for the former reference to a
2 "chairperson" to conform to the terminology used throughout this article.
3 *See* General Revisor's Note to article.

4 Defined term: "Trustee" § 10-101

5 10-106. QUORUM.

6 (A) MAJORITY OF VOTING TRUSTEES.

7 A QUORUM IS A MAJORITY OF THE VOTING TRUSTEES THEN SERVING ON THE
8 BOARD.

9 (B) BOARD ACTION.

10 THE BOARD MAY ACT WITH A MAJORITY VOTE OF A QUORUM OF THE BOARD.

11 REVISOR'S NOTE: This section formerly was Art. 83B, § 11-103(e).

12 The only changes are in style.

13 Defined terms: "Board" § 10-101

14 "Trustee" § 10-101

15 10-107. DEBTS, OBLIGATIONS, LIABILITIES, CORPORATE EARNINGS, AND ASSETS.

16 (A) NATURE OF DEBTS, OBLIGATIONS, AND LIABILITIES OF TRUST.

17 THE DEBTS, OBLIGATIONS, AND LIABILITIES OF THE TRUST ARE THOSE OF THE
18 TRUST ONLY AND ARE NOT:

19 (1) A PLEDGE OF THE STATE'S CREDIT; OR

20 (2) THOSE OF THE STATE OR ITS OFFICERS, EMPLOYEES, OR
21 GOVERNMENTAL UNITS.

22 (B) NET EARNINGS AND CORPORATE ASSETS OF TRUST.

23 (1) THE NET EARNINGS OF THE TRUST MAY NOT INURE TO THE BENEFIT
24 OF A TRUSTEE, OFFICER, OR PRIVATE PERSON.

25 (2) A TRUSTEE, OFFICER, OR PRIVATE PERSON IS NOT ENTITLED TO
26 SHARE IN THE DISTRIBUTION OF THE CORPORATE ASSETS OF THE TRUST.

27 (3) IF THE TRUST IS DISSOLVED OR ABOLISHED, BY ACT OF THE
28 GENERAL ASSEMBLY OR OTHERWISE, ITS ASSETS SHALL BE DISTRIBUTED TO THE
29 STATE OR A GOVERNMENTAL UNIT OF THE STATE.

30 REVISOR'S NOTE: This section is new language derived without substantive
31 change from former Art. 83B, § 11-107.

1 In subsection (a) of this section, the former reference to "claims" is deleted
2 as included in the reference to "debts, obligations, and liabilities".

3 Defined terms: "Governmental unit" § 10-101

4 "Person" § 1-101

5 "Trust" § 10-101

6 "Trustee" § 10-101

7 10-108. AWARDS.

8 THE BOARD SHALL:

9 (1) RECEIVE APPLICATIONS FOR AWARDS FROM THE TRUST;

10 (2) MAKE THE FINAL DECISIONS ABOUT AWARDS; AND

11 (3) DEVELOP A PROCESS FOR MAKING AWARDS THAT ENCOURAGES A
12 BROAD GEOGRAPHIC DISTRIBUTION OF MONEY.

13 REVISOR'S NOTE: This section is new language derived without substantive
14 change from former Art. 83B, § 11-105(c).

15 In item (1) of this section, the phrase "from the Trust" is added for clarity.

16 Defined terms: "Award" § 10-101

17 "Board" § 10-101

18 10-109. EFFECT OF OTHER LAWS.

19 (A) ETHICS LAW.

20 THE BOARD SHALL COMPLY WITH THE MARYLAND PUBLIC ETHICS LAW.

21 (B) EXEMPTIONS.

22 THE BOARD IS EXEMPT FROM:

23 (1) TAXATION BY THE STATE OR ITS POLITICAL SUBDIVISIONS;

24 (2) THE GENERAL PROCUREMENT LAW PROVISIONS OF DIVISION II OF
25 THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

26 (3) THE ADMINISTRATIVE PROCEDURE ACT, TITLE 10, SUBTITLES 1
27 THROUGH 4, OF THE STATE GOVERNMENT ARTICLE.

28 REVISOR'S NOTE: This section formerly was Art. 83B, § 11-106(a) and (b).

29 The only changes are in style.

30 Defined terms: "Board" § 10-101

31 "Political subdivision" § 1-101

1 10-110. AUDIT; REPORTS.

2 (A) AUDIT.

3 THE BOOKS AND RECORDS OF THE TRUST ARE SUBJECT TO AUDIT:

4 (1) BY THE STATE, AT THE STATE'S DISCRETION; AND

5 (2) ANNUALLY BY AN INDEPENDENT AUDITOR APPROVED AND PAID BY
6 THE TRUST.

7 (B) REPORTS.

8 (1) WITHIN THE FIRST 90 DAYS OF EACH FISCAL YEAR, THE BOARD
9 SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE
10 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

11 (2) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND
12 FINANCIAL STATEMENT OF THE OPERATIONS OF THE TRUST AND A SUMMARY OF
13 THE ACTIVITIES OF THE TRUST DURING THE PRECEDING FISCAL YEAR.

14 REVISOR'S NOTE: This section formerly was Art. 83B, § 11-106(c) and (d).

15 The only changes are in style.

16 Defined terms: "Board" § 10-101

17 "Trust" § 10-101

18 SUBTITLE 2. MARYLAND AFFORDABLE HOUSING TRUST FUND.

19 10-201. ESTABLISHED.

20 THERE IS A MARYLAND AFFORDABLE HOUSING TRUST FUND.

21 REVISOR'S NOTE: This section is new language added to state explicitly what
22 was implied in the former law -- that a Maryland Affordable Housing
23 Trust Fund exists.

24 10-202. PURPOSES OF FUND.

25 (A) AWARDS.

26 THE BOARD SHALL USE THE FUND TO MAKE AWARDS TO:

27 (1) HELP ACQUIRE, BUILD, REHABILITATE, OR PRESERVE AFFORDABLE
28 HOUSING;

29 (2) HELP NONPROFIT ORGANIZATIONS DEVELOP AFFORDABLE
30 HOUSING; AND

1 (3) HELP PROMOTE AFFORDABLE HOUSING BY CONTRIBUTING TO PAY
2 THE OPERATING EXPENSES OF HOUSING DEVELOPMENTS.

3 (B) OPERATING AND STAFFING EXPENSES.

4 IN ANY FISCAL YEAR, THE BOARD MAY USE UP TO 5% OF THE FUND TO PAY
5 ACTUAL OPERATING AND STAFFING EXPENSES DIRECTLY RELATED TO THE
6 ACTIVITIES OF THE TRUST.

7 REVISOR'S NOTE: This section is new language derived without substantive
8 change from former Art. 83B, § 11-105(a).

9 Defined terms: "Board" § 10-101

10 "Fund" § 10-101

11 "Nonprofit organization" § 1-101

12 "Trust" § 10-101

13 10-203. STATUS.

14 THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER SHALL ACCOUNT
15 FOR THE FUND.

16 REVISOR'S NOTE: This section formerly was Art. 83B, § 11-104(c)(1).

17 The only changes are in style.

18 Defined term: "Fund" § 10-101

19 10-204. COMPOSITION.

20 THE FUND CONSISTS OF:

21 (1) MONEY THAT THE BOARD RECEIVES FROM ANY PUBLIC OR PRIVATE
22 SOURCE, INCLUDING A GIFT, GRANT, OR LEGACY;

23 (2) INTEREST EARNED ON TRUST ACCOUNTS HELD BY TITLE INSURERS
24 AND THEIR AGENTS UNDER § 22-103 OF THE INSURANCE ARTICLE;

25 (3) INVESTMENT EARNINGS OF THE FUND; AND

26 (4) REPAYMENTS OF PRINCIPAL OR PAYMENTS OF INTEREST ON LOANS
27 FROM THE FUND.

28 REVISOR'S NOTE: This section is new language derived without substantive
29 change from former Art. 83B, § 11-104(b), (c)(3) and (4), and, except as it
30 concerned the solicitation of money, (a).

31 In item (2) of this section, the former reference to "attorneys" approved
32 under IN § 22-103 is deleted as obsolete. *See* Ch. 635, Acts of 1995.

1 Defined terms: "Board" § 10-101

2 "Fund" § 10-101

3 "Trust" § 10-101

4 10-205. SOLICITATION OF MONEY.

5 THE BOARD MAY SOLICIT MONEY FOR THE FUND FROM ANY SOURCE.

6 REVISOR'S NOTE: This section is new language derived without substantive
7 change from the first clause of former Art. 83B, § 11-104(a), as it
8 concerned the solicitation of money.

9 It is revised as a separate section for emphasis.

10 Defined terms: "Board" § 10-101

11 "Fund" § 10-101

12 10-206. INVESTMENT OF FUND.

13 MONEY IN THE FUND SHALL BE INVESTED IN THE SAME WAY AS OTHER STATE
14 MONEY.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 11-104(c)(2).

17 The former reference to money "reinvested" is deleted as implicit in the
18 reference to money "invested".

19 The reference to investing the money in the Fund in the same way "as
20 other State money" is added as standard language when referring to
21 investments of the Fund.

22 Defined term: "Fund" § 10-101

23 SUBTITLE 3. CONSTRUCTION OF TITLE.

24 10-301. LIBERAL CONSTRUCTION.

25 THIS TITLE SHALL BE LIBERALLY CONSTRUED TO ACCOMPLISH ITS PURPOSES.

26 REVISOR'S NOTE: This section formerly was Art. 83B, § 11-102(c).

27 The only change is in style.

28 TITLE 11. MARYLAND STATE APPALACHIAN HOUSING FUND.

29 11-101. "FUND" DEFINED.

30 IN THIS TITLE, "FUND" MEANS THE MARYLAND STATE APPALACHIAN HOUSING
31 FUND.

1 REVISOR'S NOTE: This section is new language added to provide a convenient
2 reference to the "Maryland State Appalachian Housing Fund".

3 11-102. ESTABLISHED.

4 THERE IS A MARYLAND STATE APPALACHIAN HOUSING FUND.

5 REVISOR'S NOTE: This section is new language derived without substantive
6 change from part of the introductory language of former Art. 83B, §
7 13-101.

8 11-103. PURPOSE OF FUND.

9 THE DEPARTMENT SHALL USE THE FUND TO FULFILL ITS OBLIGATIONS UNDER
10 ANY CONTRACT OR AGREEMENT WITH THE APPALACHIAN REGIONAL COMMISSION.

11 REVISOR'S NOTE: This section is new language derived without substantive
12 change from former Art. 83B, § 13-102.

13 As to the Appalachian Regional Commission, *see* 40 U.S.C. § 14301.

14 Defined terms: "Department" § 1-101

15 "Fund" § 11-101

16 11-104. STATUS.

17 THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS NOT
18 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

19 REVISOR'S NOTE: This section is new language derived without substantive
20 change from part of the introductory language of former Art. 83B, §
21 13-101.

22 The reference to a "continuing" special fund is substituted for the former
23 reference to a "revolving" special fund to conform to the terminology of §
24 4-501(a) of this article.

25 The reference "not [being] subject to § 7-302 of the State Finance and
26 Procurement Article" is standard language added to special fund sections
27 to ensure that unspent balances in the Fund do not revert to the General
28 Fund of the State.

29 Defined term: "Fund" § 11-101

30 11-105. COMPOSITION.

31 THE FUND CONSISTS OF:

32 (1) RECEIPTS OF THE DEPARTMENT FROM THE APPALACHIAN
33 REGIONAL COMMISSION;

1 (2) INVESTMENT EARNINGS OF THE FUND; AND

2 (3) REPAYMENTS OF SITE DEVELOPMENT ADVANCES OR LOAN
3 PRINCIPAL OR PAYMENTS OF LOAN INTEREST MADE UNDER THIS TITLE.

4 REVISOR'S NOTE: This section is new language derived without substantive
5 change from former Art. 83B, § 13-101(1), (2), (3), and part of the
6 introductory language of the section.

7 In item (2) of this section, the reference to "investment earnings" is
8 substituted for the former reference to "[i]ncome from investments that the
9 State Treasurer makes under § 13-103 of this title" for brevity.

10 In item (3) of this section, the former reference to repayments of principal
11 or interest made "by the Department" under this title is deleted as
12 surplusage.

13 As to the reference to the Appalachian Regional Commission in item (1) of
14 this section, *see* 40 U.S.C. § 14301.

15 Defined terms: "Department" § 1-101

16 "Fund" § 11-101

17 11-106. INVESTMENTS.

18 THE STATE TREASURER SHALL INVEST MONEY IN THE FUND IN THE SAME WAY
19 AS OTHER STATE MONEY.

20 REVISOR'S NOTE: This section is new language derived without substantive
21 change from former Art. 83B, § 13-103.

22 The reference to "in the same way as other State money" is substituted for
23 the former reference to "in the manner provided by law with all interest
24 earned or gains realized from such investments to be credited to the
25 Maryland State Appalachian Housing Fund" to conform to the terminology
26 used in § 4-501(b) of this article.

27 Defined term: "Fund" § 11-101

28 GENERAL REVISOR'S NOTE TO ARTICLE

29 This revision contains the first of two divisions that will constitute the Housing
30 and Community Development Article. Division I of the article revises the laws
31 governing the housing, community, and heritage programs of the Department of
32 Housing and Community Development. Division II of the article will contain the
33 revision provisions relating to local housing authorities.

34 The Department of Legislative Services is charged with revising the law in a
35 clear, concise, and organized manner, without changing the effect of the law. One
36 precept of code revision has been that, once something is said, it should be said in the

1 same way every time. To that end, the Housing and Community Development Article
2 Review Committee conformed the language and organization of this Division I to that
3 of previously enacted revised articles to the extent possible.

4 It is the manifest intent both of the General Assembly and the Housing and
5 Community Development Article Review Committee that this bulk revision of the
6 substantive housing and community development law of the State render no
7 substantive change. The guiding principle of the preparation of this Division I is that
8 stated in *Welch v. Humphrey*, 200 Md. 410, 417 (1952):

9 [T]he principal function of a Code is to reorganize the statutes and state them in
10 simpler form. Consequently any changes made in them by a Code are presumed to be
11 for the purpose of clarity rather than change of meaning. Therefore, even a change in
12 the phraseology of a statute by a codification thereof will not ordinarily modify the
13 law, unless the change is so radical and material that the intention of the Legislature
14 to modify the law appears unmistakably from the language of the Code. (citations
15 omitted)

16 Accordingly, except to the extent that changes, which are noted in Revisor's Notes,
17 clarify the former law, the enactment of this Division I in no way is intended to make
18 any change to the substantive law of Maryland relating to housing, community, and
19 heritage programs.

20 Throughout this Division I, as in other revised articles, the word "regulations"
21 generally is substituted for the former references to "rules and regulations" to
22 distinguish, to the extent possible, between regulations of executive units and rules of
23 judicial or legislative units and to establish consistency in the use of the words. This
24 substitution conforms to the practice of the Division of State Documents. However, in
25 some instances, references to "rules" of executive agencies are retained to reflect that
26 the agency has adopted rules to govern the internal management of the agency.

27 Also throughout this Division I, for consistency, the word "money" is usually
28 substituted for the former references to "moneys" and "funds". In this Division I, a
29 reference to a "fund" usually indicates a special fund, which consists of revenues that
30 by law are dedicated to support a particular purpose and may not be used for other
31 purposes.

32 In many provisions in this Division I, as in other revised articles, the term "unit"
33 is substituted for former references to governmental entities such as an "agency", an
34 "office", or a "commission". In revised articles of the Code, the term "unit" is used as
35 the general term for an organization in government because it is broad enough to
36 include all such entities.

37 References to current units and positions are substituted for obsolete references
38 to entities and positions that have been abolished or have otherwise ceased to exist.

39 Also throughout this Division I, references to the "chair" of a committee or other
40 unit are substituted for former references to "chairman" in accordance with the style
41 manual of the Office of Policy Analysis of the Department of Legislative Services. SG
42 § 2-1238(11) requires the Office of Policy Analysis to include in the style manual "a

1 drafting rule that requires, to the extent practicable, the use of words that are neutral
2 as to gender except for a subject matter that specifically applies only to one gender
3 and except for a name or organizational title".

4 Also throughout this Division I, for clarity and consistency, references to the
5 "residents of the State" are substituted for former references to "citizens of the State"
6 and "citizens of this State" because the meaning of the word "citizen" is unclear and
7 the attribute of State residency seems the most relevant in the context of this Division
8 I.

9 In some instances, the staff of the Department of Legislative Services may
10 create "Special Revisor's Notes" to reflect the substantive effect of legislation enacted
11 during the 2005 Session on some provisions of this Division I.

12 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
13 read as follows:

14 **Article - Housing and Community Development**

15 **SUBTITLE 13. RADIUM PILOT GRANT PROGRAM.**

16 4-1301. "PROGRAM" DEFINED.

17 IN THIS SUBTITLE, "PROGRAM" MEANS THE RADIUM PILOT GRANT PROGRAM.

18 REVISOR'S NOTE: This section is new language added to provide a convenient
19 reference to the Radium Pilot Grant Program.

20 4-1302. ESTABLISHED.

21 THERE IS A RADIUM PILOT GRANT PROGRAM.

22 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1601(a).

23 The former reference to the Program being "within the Department" is
24 deleted in light of § 4-103 of this title.

25 No other changes are made.

26 4-1303. PURPOSE.

27 THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE TO
28 RESIDENTIAL WELL OWNERS WHO INCUR THE COST OF ADDING A WATER
29 TREATMENT SYSTEM TO REMOVE RADIUM OR GROSS ALPHA FROM WELL WATER.

30 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1601(b).

31 No changes are made.

32 Defined term: "Program" § 4-1301

1 4-1304. PARTICIPATION BY COUNTIES.

2 A COUNTY MAY PARTICIPATE IN THE PROGRAM.

3 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1601(c)(1).

4 The only changes are in style.

5 Defined terms: "County" § 1-101

6 "Program" § 4-1301

7 4-1305. GRANTS.

8 (A) AWARDED BY COUNTY.

9 A COUNTY THAT PARTICIPATES IN THE PROGRAM SHALL PROCESS GRANT
10 APPLICATIONS AND AWARD GRANTS TO RESIDENTIAL WELL OWNERS IN
11 ACCORDANCE WITH THIS SUBTITLE.

12 (B) AWARDED BY DEPARTMENT.

13 (1) THE DEPARTMENT MAY AWARD A GRANT UNDER THE PROGRAM
14 ONLY TO A RESIDENTIAL WELL OWNER WHO RESIDES IN A COUNTY THAT
15 PARTICIPATES IN THE PROGRAM.

16 (2) THE DEPARTMENT SHALL AWARD A GRANT EQUAL TO THE GRANT
17 AWARDED BY THE COUNTY.

18 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1601(d), (e), and
19 (c)(2).

20 The only changes are in style.

21 Defined terms: "County" § 1-101

22 "Department" § 1-101

23 "Program" § 4-1301

24 4-1306. ELIGIBILITY.

25 A RESIDENTIAL WELL OWNER IS ELIGIBLE FOR A GRANT UNDER THIS SUBTITLE
26 IF THE RESIDENTIAL WELL OWNER:

27 (1) TESTS A WELL AND FINDS THAT IT CONTAINS RADIUM OR GROSS
28 ALPHA LEVELS ABOVE THE LEVELS RECOMMENDED BY THE FEDERAL
29 ENVIRONMENTAL PROTECTION AGENCY;

30 (2) INSTALLS A WATER TREATMENT SYSTEM TO REMOVE EXCESS
31 LEVELS OF RADIUM OR GROSS ALPHA FROM WELL WATER; AND

32 (3) DOES NOT EARN MORE THAN 110% OF THE STATEWIDE OR
33 WASHINGTON, D.C. METROPOLITAN STATISTICAL AREA MEDIAN INCOME.

1 REVISOR'S NOTE: This section is new language derived without substantive
2 change from former Art. 83B, § 2-1601(f).

3 In the introductory language of this section, references to a "residential"
4 well owner are added to conform to § 4-1303 of this subtitle.

5 4-1307. GRANT FORMULA.

6 (A) IN GENERAL.

7 THE DEPARTMENT SHALL ESTABLISH FOR PARTICIPATING COUNTIES A
8 SLIDING SCALE FORMULA, BASED ON INCOME, UNDER WHICH RESIDENTIAL WELL
9 OWNERS WITH LOWER INCOMES ARE ELIGIBLE FOR LARGER GRANTS AND THOSE
10 WITH HIGHER INCOMES ARE ELIGIBLE FOR SMALLER GRANTS.

11 (B) GRANT CAP.

12 THE COMBINED COUNTY AND STATE GRANTS SHALL EQUAL AT LEAST 10% BUT
13 NOT MORE THAN 25% OF THE COST OF THE WATER TREATMENT SYSTEM THAT THE
14 RESIDENTIAL WELL OWNER INSTALLS.

15 REVISOR'S NOTE: This section is new language derived without substantive
16 change from former Art. 83B, § 2-1601(g) and (h).

17 References to "residential" well owners are added to conform to § 4-1303 of
18 this subtitle.

19 Defined terms: "County" § 1-101

20 "Department" § 1-101

21 4-1308. REGULATIONS.

22 THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

23 REVISOR'S NOTE: This section formerly was Art. 83B, § 2-1601(i).

24 The only changes are in style.

25 Defined term: "Department" § 1-101

26 SECTION 4. AND BE IT FURTHER ENACTED, That nothing in this Act affects
27 the term of office of an appointed or elected member of any commission, office,
28 department, agency, or other unit. An individual who is a member of a unit on the
29 effective date of this Act shall remain a member for the balance of the term to which
30 appointed or elected, unless the member sooner dies, resigns, or is removed under
31 provisions of law.

32 SECTION 5. AND BE IT FURTHER ENACTED, That except as expressly
33 provided to the contrary in this Act, any transaction or employment status affected by
34 or flowing from any change of nomenclature or any statute amended, repealed, or
35 transferred by this Act and validly entered into or existing before the effective date of

1 this Act and every right, duty, or interest flowing from a statute amended, repealed,
2 or transferred by this Act remains valid after the effective date of this Act and may be
3 terminated, completed, consummated, or enforced as required or allowed by any
4 statute amended, repealed, or transferred by this Act as though the repeal,
5 amendment, or transfer had not occurred. If a change in nomenclature involves a
6 change in name or designation of any State unit, the successor unit shall be
7 considered in all respects as having the powers and obligations granted the former
8 unit.

9 SECTION 6. AND BE IT FURTHER ENACTED, That the continuity of every
10 commission, office, department, agency, or other unit is retained. The personnel,
11 records, files, furniture, fixtures, and other properties and all appropriations, credits,
12 assets, liabilities, and obligations of each retained unit are continued as the
13 personnel, records, files, furniture, fixtures, properties, appropriations, credits,
14 assets, liabilities, and obligations of the unit under the laws enacted by this Act.

15 SECTION 7. AND BE IT FURTHER ENACTED, That the publisher of the
16 Annotated Code of Maryland, in consultation with and subject to the approval of the
17 Department of Legislative Services, shall correct, with no further action required by
18 the General Assembly, cross-references and terminology rendered incorrect by this
19 Act or by any other Act of the General Assembly of 2005 that affects provisions
20 enacted by this Act. The publisher shall adequately describe any such correction in an
21 editor's note following the section affected.

22 SECTION 8. AND BE IT FURTHER ENACTED, That the Revisor's Notes,
23 Special Revisor's Notes, General Revisor's Notes, captions, and catchlines contained
24 in this Act are not law and may not be considered to have been enacted as a part of
25 this Act.

26 SECTION 9. AND BE IT FURTHER ENACTED, That it is the intention of the
27 General Assembly that, except as expressly provided in this Act, this Act shall be
28 construed as a nonsubstantive revision, and may not otherwise be construed to render
29 any substantive change in the law of the State.

30 SECTION 10. AND BE IT FURTHER ENACTED, That Section 3 of this Act is
31 subject to the implementation and termination provisions of Section 2 and Section 3
32 of Chapter 116 of the Acts of the General Assembly of 2003. It shall take effect on the
33 implementation of Chapter 116 as provided in Section 2 of Chapter 116. Upon the
34 implementation of Chapter 116, Section 3 of this Act shall remain effective until the
35 taking effect of the termination provision specified in Section 3 of Chapter 116. If that
36 termination provision takes effect, Section 3 of this Act shall be abrogated and of no
37 further force and effect. This Act may not be interpreted to have any effect on that
38 termination provision.

39 SECTION 11. AND BE IT FURTHER ENACTED, That this Act shall take
40 effect October 1, 2005.