

---

By: **Senators Grosfeld, Giannetti, Gladden, and ~~Teitelbaum~~ Teitelbaum, Conway, and Brochin**

Introduced and read first time: February 3, 2006

Assigned to: Education, Health, and Environmental Affairs

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2006

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Housing and Community Development - Rental Allowance**  
 3 **Program Fund**

4 FOR the purpose of repealing a certain provision of law limiting the time period in  
 5 which the Secretary of Housing and Community Development may provide  
 6 rental allowances to recipients under the Rental Allowance Program; expanding  
 7 eligibility for participation in the Rental Allowance Program to households in  
 8 which a member of the household has a disability; establishing the Rental  
 9 Allowance Program Fund as a special, nonlapsing fund in the Department of  
 10 Housing and Community Development; requiring the Secretary of Housing and  
 11 Community Development to administer the Fund; requiring that the Fund be  
 12 used for certain purposes; requiring the Treasurer to hold the Fund separately  
 13 and invest the money of the Fund in a certain manner; requiring that certain  
 14 revenue, money and earnings be paid into the Fund; requiring the Comptroller  
 15 to account for the Fund; establishing a certain special transfer tax payable for  
 16 certain instruments of writing; requiring that the revenue from the special  
 17 transfer tax be distributed to the Rental Allowance Program Fund; defining  
 18 certain terms; making certain conforming changes; and generally relating to the  
 19 Rental Allowance Program Fund.

20 BY repealing and reenacting, with amendments,  
 21 Article - Housing and Community Development  
 22 Section 4-1405 and 4-1406  
 23 Annotated Code of Maryland  
 24 (2005 Volume)

25 BY adding to

1 Article - Housing and Community Development  
2 Section 4-1409  
3 Annotated Code of Maryland  
4 (2005 Volume)

5 BY repealing and reenacting, with amendments,  
6 Article - Tax - Property  
7 Section 13-201, 13-202, 13-203(a), and 13-209(a)  
8 Annotated Code of Maryland  
9 (2001 Replacement Volume and 2005 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
11 MARYLAND, That the Laws of Maryland read as follows:

12 **Article - Housing and Community Development**

13 4-1405.

14 The Secretary shall establish:

15 (1) income limits for eligibility of lower income households not exceeding  
16 30% of the State or area median income, whichever is higher;

17 (2) the maximum time to provide allowances to a specific household [not  
18 exceeding 12 consecutive months, except when the Secretary determines that undue  
19 hardship will result if assistance is ended];

20 (3) by household size, the maximum total rent for an assisted unit, the  
21 size of an assisted unit, and the amount of the monthly rental allowance payments,  
22 taking into account:

23 (i) regional variation in the State;

24 (ii) expected average annual recipient income by household size;

25 (iii) typical rental costs; and

26 (iv) any other factor related to income or rental costs;

27 (4) minimum standards for eligible dwelling units; and

28 (5) a method of selecting locations to implement the Program that  
29 ensures the distribution of money among the various regions of the State.

30 4-1406.

31 Rental allowance payments may be given only to or on behalf of:

32 (1) a homeless individual who:

- 1 (i) does not have permanent housing;
- 2 (ii) lacks the resources to secure permanent housing;
- 3 (iii) cannot be served by a federal or more cost effective State  
4 housing assistance program; and
- 5 (iv) can maintain independent living quarters; or

6 (2) an eligible household:

7 (I) with critical and emergency housing needs that cannot be  
8 served by a federal or more cost effective State housing assistance program; OR

9 (II) IN WHICH THE HEAD OF HOUSEHOLD, SPOUSE, OR ANY OTHER  
10 MEMBER OF THE HOUSEHOLD HAS A DISABILITY.

11 4-1409.

12 (A) IN THIS SECTION, "FUND" MEANS THE RENTAL ALLOWANCE PROGRAM  
13 FUND.

14 (B) THERE IS A RENTAL ALLOWANCE PROGRAM FUND.

15 (C) THE PURPOSE OF THE FUND IS TO CARRY OUT THE PURPOSE OF THE  
16 RENTAL ALLOWANCE PROGRAM IN ACCORDANCE WITH § 4-1403 OF THIS SUBTITLE.

17 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

20 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE  
21 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

22 (F) THE FUND CONSISTS OF:

23 (1) REVENUE DISTRIBUTED TO THE FUND FROM THE SPECIAL  
24 TRANSFER TAX UNDER § 13-209(A)(1) OF THE TAX - PROPERTY ARTICLE;

25 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

26 (3) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND; AND

27 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE  
28 BENEFIT OF THE FUND.

29 (G) THE FUND MAY BE USED ONLY FOR THE ADMINISTRATION OF THE  
30 RENTAL ALLOWANCE PROGRAM.

1 (H) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE  
2 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

3 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO  
4 THE FUND.

5 (I) MONEY EXPENDED FROM THE FUND FOR THE RENTAL ALLOWANCE  
6 PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF  
7 FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE RENTAL  
8 ALLOWANCE PROGRAM.

9 **Article - Tax - Property**

10 13-201.

11 In this subtitle[, "transfer tax"]:

12 (1) "TRANSFER TAX" means the tax imposed under this subtitle; AND

13 (2) "TRANSFER TAX" INCLUDES THE SPECIAL TRANSFER TAX IMPOSED  
14 UNDER § 13-202(B) OF THIS SUBTITLE.

15 13-202.

16 (A) Except as otherwise provided in this subtitle, a transfer tax is imposed on  
17 an instrument of writing:

18 (1) recorded with the clerk of the circuit court for a county; or

19 (2) filed with the Department and described in § 12-103(d) of this  
20 article.

21 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, IN ADDITION TO  
22 THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION, A SPECIAL TRANSFER  
23 TAX IS IMPOSED ON AN INSTRUMENT OF WRITING:

24 (1) RECORDED WITH THE CLERK OF THE CIRCUIT COURT FOR A  
25 COUNTY; OR

26 (2) FILED WITH THE DEPARTMENT AND DESCRIBED IN § 12-103(D) OF  
27 THIS ARTICLE.

28 13-203.

29 (a) (1) (I) Except as provided in subsection (b) of this section, the rate of  
30 the transfer tax IMPOSED UNDER § 13-202(A) OF THIS SUBTITLE is 0.5% of the  
31 consideration payable for the instrument of writing.

32 (II) The consideration includes the amount of any mortgage or deed  
33 of trust assumed by the grantee.

1                   (2)       THE RATE OF THE SPECIAL TRANSFER TAX IMPOSED UNDER §  
2 13-202(B) OF THIS SUBTITLE IS \$5 FOR EACH INSTRUMENT OF WRITING.

3 13-209.

4       (a)       (1)       THE REVENUE FROM THE SPECIAL TRANSFER TAX IMPOSED UNDER  
5 § 13-202(B) OF THIS SUBTITLE IS PAYABLE TO THE COMPTROLLER AND SHALL BE  
6 DISTRIBUTED TO THE RENTAL ALLOWANCE PROGRAM FUND ESTABLISHED UNDER §  
7 4-1409 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

8                   (2)       [The] AFTER THE DISTRIBUTION UNDER PARAGRAPH (1) OF THIS  
9 SUBSECTION, THE revenue from transfer tax is payable to the Comptroller for deposit  
10 in a special fund TO BE USED AS PROVIDED IN THIS SECTION.

11       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2006.