

SENATE BILL 424

C8
SB 683/06 – EHE

71r1001

By: **Senators Madaleno, Gladden, Muse, and Raskin**

Introduced and read first time: February 2, 2007

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

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 (2006 Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Housing and Community Development
3 Section 4–1409
4 Annotated Code of Maryland
5 (2006 Volume)

6 BY repealing and reenacting, with amendments,
7 Article – Tax – Property
8 Section 13–201, 13–202, 13–203(a), and 13–209(a)
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2006 Supplement)

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

13 **Article – Housing and Community Development**

14 4–1405.

15 The Secretary shall establish:

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

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

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

24 (i) regional variation in the State;

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

26 (iii) typical rental costs; and

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

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

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

3 4-1406.

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

5 (1) a homeless individual who:

6 (i) does not have permanent housing;

7 (ii) lacks the resources to secure permanent housing;

8 (iii) cannot be served by a federal or more cost effective State
9 housing assistance program; and

10 (iv) can maintain independent living quarters; or

11 (2) an eligible household:

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

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

16 4-1409.

17 (A) IN THIS SECTION, "FUND" MEANS THE RENTAL ALLOWANCE
18 PROGRAM FUND.

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

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

23 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

1 **(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND**
 2 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3 **(F) THE FUND CONSISTS OF:**

4 **(1) REVENUE DISTRIBUTED TO THE FUND FROM THE SPECIAL**
 5 **TRANSFER TAX UNDER § 13–209(A)(1) OF THE TAX – PROPERTY ARTICLE;**

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

7 **(3) EARNINGS FROM THE INVESTMENT OF MONEY IN THE FUND;**
 8 **AND**

9 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
 10 **THE BENEFIT OF THE FUND.**

11 **(G) THE FUND MAY BE USED ONLY FOR THE ADMINISTRATION OF THE**
 12 **RENTAL ALLOWANCE PROGRAM.**

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

15 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**
 16 **INTO THE FUND.**

17 **(I) MONEY EXPENDED FROM THE FUND FOR THE RENTAL ALLOWANCE**
 18 **PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF**
 19 **FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE RENTAL**
 20 **ALLOWANCE PROGRAM.**

21 **Article – Tax – Property**

22 13–201.

23 In this subtitle[, “transfer tax”]:

24 **(1) “TRANSFER TAX” means the tax imposed under this subtitle; AND**

1 **(2) “TRANSFER TAX” INCLUDES THE SPECIAL TRANSFER TAX**
2 **IMPOSED UNDER § 13-202(B) OF THIS SUBTITLE.**

3 13-202.

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

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

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

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

12 **(1) RECORDED WITH THE CLERK OF THE CIRCUIT COURT FOR A**
13 **COUNTY; OR**

14 **(2) FILED WITH THE DEPARTMENT AND DESCRIBED IN §**
15 **12-103(D) OF THIS ARTICLE.**

16 13-203.

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

20 **(II)** The consideration includes the amount of any mortgage or
21 deed of trust assumed by the grantee.

22 **(2) THE RATE OF THE SPECIAL TRANSFER TAX IMPOSED UNDER §**
23 **13-202(B) OF THIS SUBTITLE IS \$5 FOR EACH INSTRUMENT OF WRITING.**

24 13-209.

25 (a) **(1) THE REVENUE FROM THE SPECIAL TRANSFER TAX IMPOSED**
26 **UNDER § 13-202(B) OF THIS SUBTITLE IS PAYABLE TO THE COMPTROLLER AND**
27 **SHALL BE DISTRIBUTED TO THE RENTAL ALLOWANCE PROGRAM FUND**

1 ESTABLISHED UNDER § 4-1409 OF THE HOUSING AND COMMUNITY
2 DEVELOPMENT ARTICLE.

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

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2007.