

SENATE BILL 644

C8, Q1

71r1315
CF HB 486

By: **Senators Conway, Britt, Dyson, Gladden, Jones, Pinsky, and Pugh**

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 **Maryland Affordable Housing Investment Fund**

3 FOR the purpose of establishing the Maryland Affordable Housing Investment Fund
4 Board; abolishing the Housing Finance Review Committee; providing for the
5 membership, terms, meetings, and duties of the Board; establishing the
6 Maryland Affordable Housing Investment Fund; requiring that the Board use
7 the Fund in certain ways to support, foster, and promote affordable housing;
8 specifying the source of moneys of the Fund; requiring that the Board annually
9 allocate money to certain local governments and to the Department of Housing
10 and Community Development in a certain manner; establishing certain
11 requirements that local governments must meet and actions local governments
12 must agree to take to receive money from the Fund; establishing a certain
13 maximum amount of certain funds that a local government may use to cover
14 administrative costs; authorizing the Board to transfer unencumbered money in
15 the Fund to certain other funds in the Department within a certain time;
16 specifying certain conditions under which a local government may use certain
17 funds for certain purposes; specifying certain factors that a local government
18 must consider in establishing upper income limits for a family of limited income;
19 requiring the Governor beginning in a certain fiscal year and for every year
20 thereafter to include in the annual budget bill submitted to the General
21 Assembly a certain appropriation to the Fund; imposing an annual State tax on
22 certain property at a certain rate; repealing certain obsolete language; providing
23 for the distribution of certain State property tax revenue to the Fund; defining
24 certain terms; and generally relating to the Maryland Affordable Housing
25 Investment Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Housing and Community Development
3 Section 2–201
4 Annotated Code of Maryland
5 (2006 Volume)

6 BY repealing
7 Article – Housing and Community Development
8 Section 4–208
9 Annotated Code of Maryland
10 (2006 Volume)

11 BY adding to
12 Article – Housing and Community Development
13 Section 4–208 and 4–506
14 Annotated Code of Maryland
15 (2006 Volume)

16 BY repealing and reenacting, without amendments,
17 Article – Housing and Community Development
18 Section 4–501
19 Annotated Code of Maryland
20 (2006 Volume)

21 BY repealing and reenacting, with amendments,
22 Article – State Finance and Procurement
23 Section 8–134(a)
24 Annotated Code of Maryland
25 (2006 Replacement Volume and 2006 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – Tax – Property
28 Section 6–301
29 Annotated Code of Maryland
30 (2001 Replacement Volume and 2006 Supplement)

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

33 **Article – Housing and Community Development**

34 2–201.

1 The Department consists of:

- 2 (1) the Division of Credit Assurance;
- 3 (2) the Division of Development Finance;
- 4 (3) the Division of Neighborhood Revitalization;
- 5 (4) the Community Development Administration;
- 6 (5) the Community Legacy Program;
- 7 (6) the Community Legacy Board;
- 8 (7) the Advisory Committee to the Community Legacy Board;
- 9 (8) the [Housing Finance Review Committee] **MARYLAND**
- 10 **AFFORDABLE HOUSING INVESTMENT FUND BOARD;**
- 11 (9) the Lead Hazard Advisory Committee;
- 12 (10) the Maryland Housing Fund;
- 13 (11) the Neighborhood Business Development Program; and
- 14 (12) any other governmental unit that under law is a part of the
- 15 Department.

16 [4-208.

17 (a) There is a Housing Finance Review Committee.

18 (b) The Housing Finance Review Committee consists of seven members
19 appointed by the Governor on recommendation of the Secretary as follows:

- 20 (1) three employees of the Department, one of whom may be the
21 Secretary;
- 22 (2) one employee of the Executive Branch of State government who is
23 not employed by the Department; and
- 24 (3) three members of the public.

1 (c) (1) The term of a public member is 4 years and begins on July 1.

2 (2) At the end of a term, a public member continues to serve until a
3 successor is appointed and qualifies.

4 (3) A public member who is appointed after a term has begun serves
5 only for the rest of the term and until a successor is appointed and qualifies.

6 (d) (1) The Housing Finance Review Committee shall review and make
7 recommendations to the Secretary about:

8 (i) specific loan requests or categories of loan requests; and

9 (ii) the investment and project financing policies of the
10 Administration.

11 (2) The Secretary may approve a specific loan request without a
12 recommendation of the Housing Finance Review Committee if the request requires
13 urgent action.]

14 **4-208.**

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
16 MEANINGS INDICATED.

17 (2) "BOARD" MEANS THE MARYLAND AFFORDABLE HOUSING
18 INVESTMENT FUND BOARD.

19 (3) "FUND" MEANS THE MARYLAND AFFORDABLE HOUSING
20 INVESTMENT FUND.

21 (4) "LOCAL GOVERNMENT" MEANS THE GOVERNING BODY OF A
22 COUNTY OR MUNICIPAL CORPORATION.

23 (B) THERE IS A MARYLAND AFFORDABLE HOUSING INVESTMENT FUND
24 BOARD.

25 (C) THE BOARD CONSISTS OF 13 MEMBERS APPOINTED BY THE
26 GOVERNOR ON RECOMMENDATION OF THE SECRETARY AS FOLLOWS:

1 (1) THREE EMPLOYEES OF THE DEPARTMENT, ONE OF WHOM
2 SHALL BE THE SECRETARY AND WHO SHALL SERVE EX OFFICIO;

3 (2) ONE EMPLOYEE OF THE EXECUTIVE BRANCH OF STATE
4 GOVERNMENT WHO IS NOT EMPLOYED BY THE DEPARTMENT, WHO SHALL
5 SERVE EX OFFICIO;

6 (3) ONE REPRESENTATIVE OF THE MARYLAND AFFORDABLE
7 HOUSING COALITION;

8 (4) TWO INDIVIDUALS WITH KNOWLEDGE OF AFFORDABLE
9 MULTIFAMILY HOUSING;

10 (5) THREE INDIVIDUALS WITH KNOWLEDGE OF AFFORDABLE
11 SINGLE FAMILY HOUSING;

12 (6) ONE REPRESENTATIVE OF INDIVIDUALS WITH DISABILITIES;

13 (7) ONE REPRESENTATIVE OF LOW AND MODERATE INCOME
14 INDIVIDUALS AND FAMILIES WHO ARE SERVED BY THE PROGRAMS OF THE
15 FUND; AND

16 (8) ONE REPRESENTATIVE OF A LOCAL GOVERNMENT.

17 (D) (1) THE TERM OF A MEMBER WHO DOES NOT SERVE EX OFFICIO
18 IS 4 YEARS AND BEGINS ON JULY 1.

19 (2) AT THE END OF A TERM, A MEMBER WHO DOES NOT SERVE EX
20 OFFICIO CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND
21 QUALIFIES.

22 (3) A MEMBER WHO DOES NOT SERVE EX OFFICIO AND WHO IS
23 APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE
24 TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

25 (E) (1) THE BOARD SHALL MEET AT LEAST ONCE A MONTH.

26 (2) THE MEETINGS WILL COMPLY WITH THE OPEN MEETINGS
27 ACT UNDER TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE.

1 **(F) THE BOARD SHALL:**

2 **(1) DETERMINE THE POLICIES AND PROCEDURES TO GOVERN**
3 **THE FUND THAT IS ESTABLISHED UNDER § 4-506 OF THIS TITLE;**

4 **(2) ESTABLISH PROCEDURES FOR AND OVERSEE:**

5 **(I) ALL ASPECTS OF THE FUNDING SHARE OF LOCAL**
6 **GOVERNMENTS, INCLUDING THE CONTENTS OF STATE-LOCAL AGREEMENTS;**

7 **(II) REQUIREMENTS RELATING TO ONGOING AFFORDABLE**
8 **HOUSING INITIATIVES THAT LOCAL GOVERNMENTS MUST MEET TO RECEIVE**
9 **FUNDING FROM THE BOARD;**

10 **(III) LOCAL ANNUAL PERFORMANCE REVIEWS; AND**

11 **(IV) THE MONITORING AND AUDITING BY THE DEPARTMENT**
12 **OF THE USE OF THE FUNDS BY LOCAL GOVERNMENTS;**

13 **(3) DEVELOP STANDARDS FOR REALLOCATING OR RECAPTURING**
14 **UNUSED LOCAL GRANT MONEY;**

15 **(4) DEVELOP STANDARDS TO ENSURE THAT THE LOCAL MONEY IS**
16 **USED IN A MANNER CONSISTENT WITH THE LAW AND WITH GOOD PRACTICES**
17 **AND PRINCIPLES;**

18 **(5) REVIEW ALL PROJECTS BEFORE THEY ARE SUBMITTED TO**
19 **THE SECRETARY FOR APPROVAL; AND**

20 **(6) PREPARE EACH YEAR A PERFORMANCE REPORT OF THE USE**
21 **OF ALL THE FUNDING FROM THE FUND.**

22 **(G) THE BOARD MAY DENY OR RECAPTURE FUNDING TO A LOCAL**
23 **GOVERNMENT THAT IS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE**
24 **FUND OR HAS MONEY THAT REMAINS UNUSED.**

25 4-501.

1 (a) (1) Each fund established under this subtitle is a continuing,
2 nonlapsing special fund that is not subject to § 7-302 of the State Finance and
3 Procurement Article.

4 (2) The State Treasurer shall hold and the Comptroller shall account
5 for each fund established under this subtitle.

6 (b) Money in a fund established under this subtitle shall be invested in the
7 same way as other State money.

8 (c) (1) In the State budget, the State may appropriate to the Rental
9 Housing Programs Fund and the Special Loan Programs Fund all or part of the money
10 received as repayment of principal or payment of interest on a loan made by the
11 Maryland Housing Rehabilitation Program.

12 (2) The appropriation may be increased by budget amendment.

13 (3) The amount of repayments appropriated to make loans under the
14 Maryland Housing Rehabilitation Program may not exceed \$12,000,000 annually.

15 (4) The State may not appropriate repayment of principal and
16 payment of interest to the Maryland Housing Rehabilitation Program to the extent
17 that loans expected to be made with the money appropriated would cause the principal
18 amount of loans outstanding to exceed \$100,000,000.

19 **4-506.**

20 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
21 **MEANINGS INDICATED.**

22 (2) **“AFFORDABLE HOUSING” MEANS RESIDENTIAL UNITS PRICED**
23 **FOR INDIVIDUALS OR FAMILIES OF LOW AND MODERATE INCOME WHOSE**
24 **INCOME DOES NOT EXCEED THE UPPER INCOME LIMITS ESTABLISHED BY THE**
25 **STATE AND THE LOCAL GOVERNMENT AFTER CONSIDERING THE FACTORS**
26 **LISTED UNDER SUBSECTION (L) OF THIS SECTION.**

27 (3) **“BOARD” MEANS THE MARYLAND AFFORDABLE HOUSING**
28 **INVESTMENT FUND BOARD.**

29 (4) **“FUND” MEANS THE MARYLAND AFFORDABLE HOUSING**
30 **INVESTMENT FUND.**

1 **(5) "LOCAL GOVERNMENT" MEANS THE GOVERNING BODY OF A**
2 **COUNTY OR MUNICIPAL CORPORATION.**

3 **(B) THERE IS A MARYLAND AFFORDABLE HOUSING INVESTMENT**
4 **FUND.**

5 **(C) THE BOARD SHALL USE THE FUND TO:**

6 **(1) SUPPORT EXISTING STATE AFFORDABLE HOUSING**
7 **PROGRAMS;**

8 **(2) FOSTER INNOVATIVE AFFORDABLE HOUSING PROJECTS BY**
9 **PROVIDING MONEY TO THE MARYLAND AFFORDABLE HOUSING TRUST FUND;**
10 **AND**

11 **(3) PROVIDE MONEY FOR LOCAL GOVERNMENTS THAT ARE**
12 **ACTIVELY PROMOTING AFFORDABLE HOUSING IN THEIR AREAS.**

13 **(D) THE FUND CONSISTS OF:**

14 **(1) ALL SPECIAL FUNDS GENERATED THROUGH HOUSING LOAN**
15 **REPAYMENTS, EXCEPT THOSE THAT ARE INCLUDED IN THE ANNUAL STATE**
16 **BUDGET TO SUPPORT DEPARTMENTAL OPERATIONS;**

17 **(2) STATE PROPERTY TAX REVENUES DISTRIBUTED TO THE**
18 **FUND UNDER § 6-301 OF THE TAX - PROPERTY ARTICLE; AND**

19 **(3) MONEY APPROPRIATED TO THE FUND FROM THE GENERAL**
20 **FUND.**

21 **(E) (1) THE BOARD ANNUALLY SHALL ALLOCATE MONEY IN THE**
22 **FUND ACCORDING TO THIS SUBSECTION.**

23 **(2) ACCORDING TO A FORMULA THAT THE BOARD ESTABLISHES,**
24 **50% OF THE STATE PROPERTY TAX REVENUE DISTRIBUTED TO THE FUND**
25 **UNDER § 6-301(B) OF THE TAX - PROPERTY ARTICLE SHALL BE ALLOCATED TO**
26 **LOCAL GOVERNMENTS WITH A POPULATION ABOVE 35,000 THAT CAN**

1 DOCUMENT THAT THEY ARE UNDERTAKING THEIR OWN INITIATIVES TO HELP
2 CREATE AFFORDABLE HOUSING, WHICH SHALL CONSIST OF:

3 (I) HAVING A LOCAL HOUSING PLAN FOR WORKFORCE AND
4 AFFORDABLE HOUSING;

5 (II) PROVIDING MONEY FOR AFFORDABLE HOUSING
6 INCLUDING ESTABLISHING TRUST FUNDS; AND

7 (III) AT LEAST ONE OF THE FOLLOWING:

8 1. WAIVING FEES OR MODIFYING BUILDING PERMIT,
9 DEVELOPMENT, OR IMPACT FEES AND CHARGES FOR CONSTRUCTION OF
10 AFFORDABLE HOUSING;

11 2. ENACTING LEGISLATION THAT RESTRICTS COST
12 AND RESALE PRICES AND REQUIRES DEVELOPMENT OF AFFORDABLE HOUSING
13 UNITS AS PART OF ANY SUBDIVISION IN RETURN FOR ADDED DENSITY;

14 3. PROVIDING LAND OR PROPERTY FROM THE
15 INVENTORY OF THE LOCAL GOVERNMENT;

16 4. SUPPORTING PAYMENTS IN LIEU OF TAXES
17 (PILOTS) TO ENCOURAGE CONSTRUCTION OF AFFORDABLE HOUSING;

18 5. UNDERTAKING ACTIVITIES TO PROVIDE HOUSING
19 UNITS FOR PERSONS OF LOW OR MODERATE INCOME OR INDIVIDUALS WITH
20 DISABILITIES; AND

21 6. CONDUCTING ANY OTHER ACTIVITY TO ENABLE
22 THE CONSTRUCTION OF AFFORDABLE HOUSING.

23 (3) A LOCAL GOVERNMENT THAT ONLY ADMINISTERS THE
24 ALLOCATION OF FEDERAL, STATE, OR OTHER MONEY NOT PROVIDED BY THE
25 COUNTY OR MUNICIPAL CORPORATION MAY NOT QUALIFY TO RECEIVE AN
26 ALLOCATION UNDER THIS SUBSECTION.

1 **(4) THE BOARD MAY REALLOCATE ANY UNUSED MONEY UNDER**
2 **THIS SUBSECTION TO SELECTED LOCAL GOVERNMENTS AS A BONUS OR RETURN**
3 **THE MONEY TO THE FUND.**

4 **(5) UNLESS A LOCAL GOVERNMENT RECEIVES A WAIVER FROM**
5 **THE BOARD, A LOCAL GOVERNMENT SHALL USE MONEY RECEIVED FROM THE**
6 **FUND TO SUPPORT EQUALLY MULTIFAMILY AND SINGLE FAMILY PROGRAMS**
7 **THAT SERVE LOW AND MODERATE INCOME PERSONS AND INDIVIDUALS WITH**
8 **DISABILITIES.**

9 **(6) THE BOARD SHALL ALLOCATE THE REMAINING MONEY IN THE**
10 **FUND TO EXISTING DEPARTMENTAL PROGRAMS, TO BE DISTRIBUTED EQUALLY**
11 **BETWEEN MULTIFAMILY PROGRAMS AND SINGLE FAMILY PROGRAMS.**

12 **(F) (1) SUBJECT TO § 7-209 OF THE STATE FINANCE AND**
13 **PROCUREMENT ARTICLE AND EXCEPT AS OTHERWISE PROVIDED IN THE STATE**
14 **BUDGET, AFTER THE FIRST 9 MONTHS OF A FISCAL YEAR, THE BOARD MAY**
15 **TRANSFER UNENCUMBERED MONEY IN THE FUND TO ANY OTHER FUND**
16 **ESTABLISHED UNDER THIS TITLE OR THE MARYLAND AFFORDABLE HOUSING**
17 **TRUST FUND.**

18 **(2) ALL UNUSED MONEY SHALL REMAIN IN THE FUND FOR**
19 **FUTURE USE.**

20 **(G) (1) TO RECEIVE MONEY FROM THE FUND, A LOCAL GOVERNMENT**
21 **AND THE DEPARTMENT SHALL ENTER INTO A 3-YEAR FUNDING AGREEMENT**
22 **THAT SHALL LIST THE REQUIREMENTS SET BY THE BOARD THAT THE LOCAL**
23 **GOVERNMENT MUST MEET.**

24 **(2) A LOCAL GOVERNMENT SHALL AGREE TO:**

25 **(I) USE THE MONEY FROM THE FUND TO SERVE**
26 **INDIVIDUALS WITH DISABILITIES AND PERSONS IN A RANGE OF INCOME LEVELS**
27 **BY HELPING THOSE IN LOCAL HOMEOWNERSHIP OR RENTAL PROGRAMS WHO**
28 **FALL WITHIN THE SAME INCOME LEVELS AS THOSE ESTABLISHED FOR STATE**
29 **HOMEOWNERSHIP AND RENTAL PROGRAMS;**

1 **(II) ALLOCATE 50% OF THE MONEY FOR RENTAL HOUSING**
2 **AND 50% FOR HOMEOWNERSHIP OR GROUP HOME OR SPECIAL NEEDS**
3 **PROGRAMS, UNLESS THE BOARD WAIVES THIS REQUIREMENT FOR GOOD CAUSE;**

4 **(III) MEET DEADLINES THAT THE DEPARTMENT OR THE**
5 **BOARD ESTABLISHES;**

6 **(IV) ESTABLISH AND FOLLOW PROCUREMENT AND OTHER**
7 **ADMINISTRATIVE PROCESSES THAT ARE CONSISTENT WITH COMMON BEST**
8 **PRACTICES; AND**

9 **(V) FILE ANNUAL REPORTS WITH THE DEPARTMENT.**

10 **(H) (1) THE BOARD SHALL PROVIDE MONEY TO A LOCAL**
11 **GOVERNMENT AS A GRANT.**

12 **(2) A LOCAL GOVERNMENT MAY RETAIN REPAYMENTS AS**
13 **PROGRAM INCOME TO BE REUSED CONSISTENT WITH THE REGULATIONS AND**
14 **AGREEMENTS THAT COVERED THE INITIAL ALLOCATION OF THE MONEY.**

15 **(I) MONEY FROM THE FUND MAY BE USED IN A WAY THAT IS**
16 **CONSISTENT WITH USES ESTABLISHED BY THE DEPARTMENT AND LOCAL**
17 **GOVERNMENTS, INCLUDING USING MONEY AS LOANS, GRANTS, DEBT, EQUITY,**
18 **REVOLVING FUNDS, AND CONTRIBUTIONS TO EXISTING LOCAL TRUST FUNDS OR**
19 **PROGRAMS.**

20 **(J) A LOCAL GOVERNMENT MAY USE NOT MORE THAN 10% OF FUNDS**
21 **RECEIVED UNDER THIS SECTION TO COVER ADMINISTRATIVE COSTS.**

22 **(K) (1) A LOCAL GOVERNMENT MAY USE FUNDS RECEIVED UNDER**
23 **THIS SECTION TO MEET THE DEPARTMENTAL LOCAL CONTRIBUTION**
24 **REQUIREMENT FOR STATE FUNDED RENTAL HOUSING, AND A COUNTY SHALL**
25 **HELP EACH MUNICIPAL CORPORATION WITHIN ITS JURISDICTION TO PROVIDE**
26 **THE LOCAL MATCH FOR PROJECTS THAT THE MUNICIPAL CORPORATION**
27 **SUPPORTS.**

28 **(2) A COUNTY MAY USE THE FUNDS RECEIVED UNDER THIS**
29 **SECTION TO MAKE A GRANT TO ANOTHER LOCAL GOVERNMENT IF:**

1 (I) THE LOCAL GOVERNMENT CAN ADMINISTER THE
2 GRANT; OR

3 (II) ANOTHER LOCAL GOVERNMENT OR THE DEPARTMENT
4 AGREES TO ADMINISTER IT.

5 (L) (1) IN ESTABLISHING THE UPPER INCOME LIMITS FOR A FAMILY
6 OF LIMITED INCOME, A LOCAL GOVERNMENT SHALL CONSIDER FACTORS
7 INCLUDING:

8 (I) INCOME LIMITS ESTABLISHED FOR A SIMILAR STATE
9 PROGRAM;

10 (II) THE INCOME OF THE FAMILY AVAILABLE FOR HOUSING;

11 (III) THE SIZE OF THE FAMILY;

12 (IV) THE COST AND CONDITION OF AVAILABLE HOUSING;

13 (V) THE ABILITY OF THE FAMILY TO COMPETE IN THE
14 PRIVATE HOUSING MARKET;

15 (VI) STANDARDS AND DEFINITIONS ESTABLISHED FOR
16 STATE AND FEDERAL HOUSING PROGRAMS; AND

17 (VII) NEEDS IDENTIFIED IN THE HOUSING PLAN OF THE
18 LOCAL GOVERNMENT.

19 (2) THE LIMITS ESTABLISHED UNDER PARAGRAPH (1) OF THIS
20 SUBSECTION MAY VARY FOR DIFFERENT TYPES OF HOUSING.

21 (M) (1) IN FISCAL YEAR 2009, THE GOVERNOR SHALL INCLUDE IN
22 THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A
23 GENERAL FUND APPROPRIATION TO THE FUND IN AN AMOUNT NOT LESS THAN
24 \$19,740,000, INCREASED BY THE AVERAGE PERCENT INCREASE IN THE
25 PRODUCER PRICE INDEXES FOR SELECTED COMMODITY GROUPINGS THAT ARE
26 PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS AND THAT
27 THE SECRETARY DETERMINES REFLECT THE COST OF MATERIALS TO PRODUCE
28 HOUSING.

1 (ii) interest or dividends were withheld on the intangible
2 personal property during the 12 months that precede the date of finality to avoid the
3 tax under this subsection;

4 (iii) the intangible personal property consists of newly issued
5 bonds, certificates of indebtedness, or evidences of debt on which interest is not in
6 default; or

7 (iv) a stock dividend has been declared on the intangible
8 personal property during the 12 months that precede the date of finality.

9 (2) The State property tax rate for the intangible personal property
10 may not exceed 15 cents for each \$100 of an assessment.]

11 **(B) (1) IN ADDITION TO THE RATES FOR THE STATE PROPERTY TAX**
12 **AS SET ANNUALLY BY THE BOARD OF PUBLIC WORKS, AN ANNUAL STATE TAX IS**
13 **IMPOSED ON THE ASSESSMENT OF PROPERTY THAT IS SUBJECT TO THE STATE**
14 **PROPERTY TAX AT A RATE EQUAL TO:**

15 **(I) 2 CENTS FOR EACH \$100 OF ASSESSMENT FOR REAL**
16 **PROPERTY OTHER THAN OPERATING REAL PROPERTY OF A PUBLIC UTILITY; OR**

17 **(II) 5 CENTS FOR EACH \$100 OF ASSESSMENT FOR**
18 **OPERATING REAL PROPERTY OF A PUBLIC UTILITY.**

19 **(2) THE REVENUE FROM THE TAX IMPOSED UNDER PARAGRAPH**
20 **(1) OF THIS SUBSECTION SHALL BE DISTRIBUTED TO THE MARYLAND**
21 **AFFORDABLE HOUSING INVESTMENT FUND ESTABLISHED UNDER § 4-506 OF**
22 **THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.**

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