

## CHAPTER 386

(Senate Bill 281)

AN ACT concerning

### **Affordable Housing Programs – Waiver or Modification of Fees and Charges – Enabling Authority for Counties and Municipalities**

FOR the purpose of authorizing counties and municipalities to support, foster, or promote an affordable housing program for individuals or families of low or moderate income by waiving or modifying certain fees and charges for construction *or rehabilitation* of certain housing units under certain circumstances; requiring the Department of Housing and Community Development to report to the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the authority of counties and municipalities to take action to support, foster, and promote affordable housing.

BY repealing and reenacting, with amendments,  
Article 24 – Political Subdivisions – Miscellaneous Provisions  
Section 21–101  
Annotated Code of Maryland  
(2005 Replacement Volume and 2007 Supplement)

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

#### **Article 24 – Political Subdivisions – Miscellaneous Provisions**

21–101.

To support, foster, or promote an affordable housing program for individuals or families of low or moderate income, a county or municipality may:

(1) Establish local trust funds or provide for the appropriation of funds;

(2) **WAIVE OR MODIFY ~~IMPACT~~ BUILDING PERMIT OR DEVELOPMENT IMPACT FEES AND CHARGES THAT ARE NOT MANDATED UNDER STATE LAW FOR THE CONSTRUCTION OR REHABILITATION OF LOWER INCOME HOUSING UNITS BY A NONPROFIT ORGANIZATION THAT HAS BEEN EXEMPT FROM TAXATION UNDER § 503(C)(3) OF THE INTERNAL REVENUE CODE FOR A PERIOD OF AT LEAST 3 YEARS, IF:**

**(I) IN PROPORTION TO THE NUMBER OF LOWER INCOME HOUSING UNITS OF A DEVELOPMENT; AND**

**(II) THAT ARE:**

**~~(I)~~ 1. ~~THE NONPROFIT ORGANIZATION RECEIVES FINANCED, IN WHOLE OR IN PART, BY PUBLIC FUNDING WITH THAT REQUIRES MORTGAGE RESTRICTIONS OR RECORDED COVENANTS RESTRICTING THE RENTAL OR SALE OF THE HOUSING UNITS TO LOWER INCOME RESIDENTS IN ACCORDANCE WITH SPECIFIC GOVERNMENT PROGRAM REQUIREMENTS; OR~~**

**~~(II)~~ 2. ~~THE DEVELOPED BY A NONPROFIT ORGANIZATION REQUIRES THAT:~~**

**A. HAS BEEN EXEMPT FROM FEDERAL TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE FOR A PERIOD OF AT LEAST 3 YEARS; AND**

**B. REQUIRES THE HOMEBUYER TO PARTICIPATE IN THE CONSTRUCTION OR REHABILITATION OF THE HOUSING UNIT;**

[(2)] (3) Enact legislation that restricts cost and resale prices and requires development of affordable housing units as part of any subdivision in return for added density;

[(3)] (4) Provide land or property from the inventory of the county or municipality; and

[(4)] (5) Support PILOT (payment in lieu of taxes) programs to encourage construction of affordable housing.

**SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2010, the Department of Housing and Community Development shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on:**

**(1) The counties and municipalities that waived or modified impact building permit or development fees in accordance with this Act;**

**(2) The number and type of housing units for which the fees were waived or modified in accordance with this Act;**

**(3) The amount of impact building permit or development fees that a county or municipality waived for the construction of housing units in accordance with this Act; and**

(4) The amount of impact building permit or development fees that a county or municipality collected for the construction of housing units in accordance with this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2008. It shall remain effective for a period of 3 years and, at the end of September 30, 2011, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 13, 2008.**