

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 184 (Delegate Aumann, *et al.*)
 Environmental Matters

Public Safety - Public Senior Higher Education Institutions - Housing Code
 Enforcement - Funding

This bill authorizes the Department of Housing and Community Development to provide matching grants and technical assistance to local governments that it determines are adversely affected by the student population of public institutions of higher education. Matching grants and technical assistance are intended to assist in the enforcement of local laws restricting the number of individuals who may live in a housing unit. DHCD is required to develop a formula based on certain factors to aid in the determination of eligibility for, and allocation of, assistance. DHCD may waive the requirement that grant funds be matched by a local government if it is determined that the recipient lacks adequate funds.

Fiscal Summary

State Effect: General fund expenditures could increase by \$250,000 annually beginning in FY 2009. Revenues would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	250,000	250,000	250,000	250,000
Net Effect	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Eligible local governments could receive State matching grants for housing code enforcement.

Small Business Effect: None.

Analysis

Current Law: In order to protect communities in the State that have not adopted minimum building or housing codes, DHCD is authorized to establish a statewide Model Performance Code.

Background: Citizens and activists in Baltimore County have recently expressed concern about the lack of enforcement of housing and zoning regulations surrounding local universities. Specifically, there have been complaints about the failure to enforce a restriction that prohibits more than two unrelated people from living in a single-family dwelling. Responses from other municipalities indicate that this is also a statewide problem that could be addressed through greater funding for local zoning and code enforcement authorities. **Exhibit 1** shows each of the public institutions of higher education within Maryland and the county or municipality in which the institution resides.

State Fiscal Effect: The actual increase in State expenditures would depend on several factors including: (1) whether DHCD provides matching grants and technical assistance to eligible jurisdictions; (2) the funding formula developed by DHCD to allocate the matching grants; and (3) the number of jurisdictions applying for the grants.

Eight jurisdictions could be eligible for matching grants under this legislation as shown in Exhibit 1. DHCD indicates that it would distribute between \$25,000 and \$30,000 in grants to each affected jurisdiction which would cover approximately one-half of the cost of a local code enforcement officer. As shown in **Exhibit 2**, the maximum salary for a local code enforcement officer in fiscal 2007 ranged from \$33,100 in Frostburg to over \$68,000 in St. Mary's and Wicomico counties. Assuming each jurisdiction receives a \$30,000 grant, State expenditures could increase by \$240,000 annually. In addition, DHCD indicates that it would need one contractual staff person at a cost of \$10,000 to provide technical assistance to local governments. Accordingly, State general fund expenditures could increase by \$250,000 annually beginning in fiscal 2009.

Legislative Services advises that four municipalities representing eight institutions indicate an interest in expending local funds to hire additional code enforcement officers under the matching grant program. One municipality, however, indicates that it does not anticipate applying for a matching grant since the community does not require additional code enforcement resources.

Local Fiscal Effect: Local revenues could increase to the extent that a jurisdiction qualifies and receives State matching grants for housing code enforcement. However, these revenues would be offset in most cases by the required match in local expenditures.

DHCD is authorized to waive the requirement that local jurisdictions match the State grants if local funds are not available.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Housing and Community Development, University System of Maryland, Maryland Higher Education Commission, Morgan State University, St. Mary's College, Allegany County, Baltimore City, Montgomery County, Prince George's County, Talbot County, Wicomico County, Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2008
mcp/hlb

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Exhibit 1
Public Institutions of Higher Education in Maryland

<u>County</u>	<u>Jurisdiction Affected</u>	<u>Institution</u>	<u>FTE Enrollment</u>
Allegany	Frostburg	Frostburg State University	4,264
Baltimore City	Baltimore City	Coppin State University	3,160
		Morgan State University	6,637
		University of Baltimore	3,851
		University of Maryland, Baltimore	5,641
Baltimore	Baltimore County	Towson University	16,220
		University of Maryland Baltimore County	9,465
Prince George's	Bowie	Bowie State University	4,362
	College Park	University of Maryland, College Park	29,600
	College Park	University of Maryland University College	3,312
St. Mary's	St. Mary's County	St. Mary's College of Maryland	2,010
Somerset	Princess Anne	University of Maryland Eastern Shore	3,584
Wicomico	Salisbury	Salisbury University	7,067

Exhibit 2
Annual Salary for Code Enforcement Officers
Fiscal 2007

<u>Jurisdiction</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Number of Employees</u>
Baltimore County	\$37,756	\$59,219	56
St. Mary's County	42,640	68,182	1
Wicomico County	34,180	68,360	Not reported
Bowie	36,792	58,867	5
College Park	34,262	50,862	4
Frostburg	21,400	33,100	1
Princess Anne	39,000	39,000	1
Average	\$35,147	\$53,941	

Source: Institute for Governmental Service and Research, University of Maryland
