

SENATE BILL 658

N1, L6

9lr2346
CF HB 916

By: **Senators Peters, Currie, and Garagiola**

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 2009

CHAPTER _____

1 AN ACT concerning

2 **Political Subdivisions – Government Imposed Restrictions on Income**
3 **Producing Real Property – Fiscal Impact Study**

4 FOR the purpose of requiring a local government to request a certain study from the
5 Governor before enacting an ordinance or adopting a regulation that imposes
6 rent restrictions ~~or affordability requirements~~ on certain residential property;
7 requiring the Governor ~~to direct~~, based on a competitive bid process to contract
8 for a certain State entity to perform a certain study; requiring the Governor to
9 make certain appropriations for the study; requiring the findings of the study to
10 be submitted to the Governor and certain committees of the General Assembly;
11 providing that the Act does not apply in certain jurisdictions; providing that this
12 Act does not apply to certain proposed rent restrictions; providing for the
13 application of this Act; and generally relating to political subdivision rent
14 restrictions ~~or affordability requirements~~.

15 BY adding to

16 Article 24 – Political Subdivisions – Miscellaneous Provisions

17 Section 19–105

18 Annotated Code of Maryland

19 (2005 Replacement Volume and 2008 Supplement)

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **19-105.**

2 (A) THIS SECTION DOES NOT APPLY TO THE CITY OF COLLEGE PARK
3 OR THE CITY OF TAKOMA PARK.

4 (B) THIS SECTION DOES NOT APPLY TO A PROPOSED RENT
5 RESTRICTION THAT:

6 (1) APPLIES ONLY TO RESIDENTIAL PROPERTY THAT IS OWNED
7 BY A HOUSING AUTHORITY, A LOCAL GOVERNMENT, OR THE STATE; OR

8 (2) IS A CONDITION OF PARTICIPATION IN A LOCAL
9 GOVERNMENT, STATE, OR FEDERAL AFFORDABLE HOUSING PROGRAM IN
10 WHICH THE OWNER OF THE RESIDENTIAL PROPERTY VOLUNTARILY ACCEPTS
11 THE RENT RESTRICTIONS IN ORDER TO RECEIVE A MATERIAL BENEFIT FROM A
12 HOUSING AUTHORITY, LOCAL GOVERNMENT, THE STATE, OR THE FEDERAL
13 GOVERNMENT.

14 ~~(A)~~ (C) BEFORE A LOCAL GOVERNMENT ENACTS AN ORDINANCE OR
15 ADOPTS A REGULATION THAT IMPOSES RENT RESTRICTIONS ~~OR AFFORDABILITY~~
16 ~~REQUIREMENTS~~ ON RESIDENTIAL PROPERTY THAT IS RENTED OR LEASED, THE
17 GOVERNING BODY SHALL REQUEST A STUDY FROM THE GOVERNOR ON THE
18 PROJECTED FISCAL IMPACT OF THE PROPOSED ORDINANCE OR REGULATION.

19 ~~(B)~~ (D) THE GOVERNOR SHALL ~~DIRECT~~, BASED ON A COMPETITIVE
20 BID PROCESS, CONTRACT FOR A STUDY UNDER SUBSECTION ~~(A)~~ (C) OF THIS
21 SECTION TO BE PERFORMED BY:

22 (1) AN APPROPRIATE STATE AGENCY; OR

23 (2) ~~A UNIVERSITY SYSTEM OF MARYLAND INSTITUTION~~ AN
24 APPROPRIATE DIVISION OF A MARYLAND INSTITUTION OF HIGHER EDUCATION
25 THAT:

26 (I) HAS APPROPRIATE EXPERTISE; AND

27 (II) IS NOT LOCATED GEOGRAPHICALLY WITHIN THE LOCAL
28 GOVERNMENT REQUESTING THE STUDY.

29 ~~(C)~~ (E) THE GOVERNOR SHALL INCLUDE THE REASONABLE COSTS
30 INCURRED FOR THE STUDY IN THE NEXT FISCAL YEAR BUDGET REQUEST FOR
31 THE AGENCY OR ~~UNIVERSITY SYSTEM OF MARYLAND~~ HIGHER EDUCATION
32 INSTITUTION ~~DIRECTED~~ SELECTED TO PERFORM THE STUDY UNDER
33 SUBSECTION ~~(B)~~ (D) OF THIS SECTION.

1 ~~(D)~~ **(F)** **THE AGENCY OR ~~UNIVERSITY SYSTEM OF MARYLAND~~ HIGHER**
2 **EDUCATION INSTITUTION ~~DIRECTED~~ SELECTED TO PERFORM THE STUDY**
3 **UNDER SUBSECTION ~~(B)~~ (D) OF THIS SECTION SHALL SUBMIT A REPORT, IN**
4 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE**
5 **STUDY FINDINGS TO THE:**

- 6 **(1) GOVERNOR;**
- 7 **(2) SENATE BUDGET AND TAXATION COMMITTEE;**
- 8 **(3) HOUSE WAYS AND MEANS COMMITTEE; AND**
- 9 **(4) GOVERNING BODY OF THE LOCAL GOVERNMENT REQUESTING**
10 **THE STUDY.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
12 construed to apply only prospectively and may not be applied or interpreted to have
13 any effect on or application to any law, ordinance, or regulation that imposes rent
14 restrictions on residential property enacted or adopted before the effective date of this
15 Act.

16 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect October 1, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.