

HOUSE BILL 1477

M3

2lr3458

By: **Delegates Niemann and McIntosh**

Rules suspended

Introduced and read first time: March 19, 2012

Rules suspended

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Reduction of Lead Risk in Housing – Qualified Offer**

3 FOR the purpose of requiring the Department of the Environment to create a certain
4 formula for determining a payment amount for a qualified offer; requiring that
5 the formula established for determining a payment amount for a qualified offer
6 meet certain criteria; requiring the Department to adopt certain regulations;
7 declaring the intent of the General Assembly; making conforming changes; and
8 generally relating to the reduction of lead risk in housing.

9 BY repealing and reenacting, with amendments,
10 Article – Environment
11 Section 6–802 and 6–840
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2011 Supplement)

14 Preamble

15 WHEREAS, The State of Maryland has made exceptional progress in limiting
16 the exposure of children living in rental properties to lead based paint hazards, while
17 preserving the stock of affordable rental housing; and

18 WHEREAS, Maintaining the stock of affordable rental housing is necessary for
19 the protection and well-being of the State's citizens, particularly those in the State's
20 most economically vulnerable areas; and

21 WHEREAS, Affordable rental housing has been preserved by minimizing the
22 exposure of rental property owners who satisfy the requirements of the Reduction of
23 Lead Risk in Housing subtitle to unpredictable, expensive, and unlimited litigation
24 and damages; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, Litigation costs and damages are minimized by continued use of
 2 the most up-to-date State and federal requirements for elevated blood lead action
 3 levels in tested children, continued monitoring of and response to these State and
 4 federal requirements, requiring owners and managers of rental properties in the State
 5 to perform certain lead hazard reduction practices, and use of a qualified offer as an
 6 alternative remedy to litigation and damages; and

7 WHEREAS, Use of a qualified offer will provide an expeditious mechanism to
 8 compensate a child for the child's exposure to lead, pay for housing relocation, medical
 9 costs, and educational costs, and will promote the availability of insurance for rental
 10 property owners who satisfy the requirements of the Reduction of Lead Risk in
 11 Housing subtitle; now, therefore,

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

14 **Article – Environment**

15 6–802.

16 The purpose of this subtitle is to:

17 (1) [reduce] **REDUCE** the incidence of childhood lead poisoning, while
 18 maintaining the stock of available affordable rental housing;

19 (2) **ENSURE THAT RENTAL PROPERTIES ARE FREE OF**
 20 **LEAD-CONTAMINATED PRODUCTS THAT COULD BE INGESTED BY A CHILD; AND**

21 (3) **ENSURE THAT AN OWNER OF AN AFFECTED PROPERTY IS**
 22 **AWARE OF THE REQUIREMENTS AND EXPECTATIONS OF THIS SUBTITLE.**

23 6–840.

24 (a) [The amounts payable under a qualified offer made under this part are
 25 subject to the following aggregate maximum caps:

26 (1) \$7,500 for all medically necessary treatments as provided and
 27 limited in § 6–839(a) and (b) of this subtitle; and

28 (2) \$9,500 for relocation benefits which shall include:

29 (i) Relocation expenses;

30 (ii) A rent subsidy, up to 150% of the existing rent each month,
 31 for the period until the person at risk reaches the age of 6 years, or in the case of a

1 pregnant woman, until the child born as a result of that pregnancy reaches the age of
2 6 years; and

3 (iii) Incidental expenses which may be incurred by the
4 household, such as transportation and child care expenses] **IT IS THE INTENT OF THE**
5 **GENERAL ASSEMBLY THAT A METHODOLOGY BE ESTABLISHED TO DETERMINE**
6 **A REASONABLE PAYMENT AMOUNT FOR A QUALIFIED OFFER FOR COMPLIANT**
7 **PROPERTIES.**

8 **(B) (1) THE DEPARTMENT SHALL CREATE A FORMULA FOR**
9 **DETERMINING THE PAYMENT AMOUNT OF A QUALIFIED OFFER.**

10 **(2) THE FORMULA SHALL:**

11 **(I) TAKE INTO CONSIDERATION EDUCATION EXPENSES,**
12 **MEDICAL EXPENSES, RELOCATION EXPENSES, INCIDENTAL EXPENSES, AND**
13 **LOST EARNINGS;**

14 **(II) BE ADJUSTED ANNUALLY FOR THE COST OF LIVING;**

15 **(III) BE AT LEAST AS STRINGENT AS THE ENVIRONMENTAL**
16 **PROTECTION AGENCY'S SINGLE POINT REDUCTION IN IQ ESTIMATE IN THE**
17 **LEAD RULE, 66 F.R. 1206, TABLE 2; AND**

18 **(IV) BE REVISED AS THE DEPARTMENT DEEMS NECESSARY.**

19 **[(b)] (C)** All payments under a qualified offer specified in subsection **[(a)]**
20 **(B)** of this section shall be paid to the provider of the service, except that payment of
21 incidental expenses as provided by subsection **[(a)(2)(iii)] (B)(2)(I)** of this section may
22 be paid directly to the person at risk, or in the case of a child, to the parent or legal
23 guardian of the person at risk.

24 **[(c)] (D)** The payments under a qualified offer may not be considered
25 income or an asset of the person at risk, the parent of a person at risk who is a child,
26 the legal guardian, or a person who accepts the offer on behalf of a person at risk who
27 is a child under § 6-833 of this subtitle for the purposes of determining eligibility for
28 any State entitlement program.

29 **(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT**
30 **THE PROVISIONS OF THIS SECTION.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2012.