

HOUSE BILL 1090

N1, Q1

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By: **Delegate Stewart**

Introduced and read first time: February 5, 2021

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development – Partnership Rental**
3 **Housing Program – Alterations**
4 **(Mixed–Income Housing Act of 2021)**

5 FOR the purpose of stating certain findings of the General Assembly regarding the need
6 for housing to support households of middle income in the State; establishing that
7 the purposes of the Partnership Rental Housing Program operated by the
8 Department of Housing and Community Development include certain goals with
9 regard to households of middle income; establishing that the conditions of the
10 Program apply to households of middle income; establishing certain qualifications
11 for initial occupancy for households of lower and middle income under the Program
12 that use area median income as a determinant; establishing certain conditions for
13 continued occupancy under the Program for a household of middle income; providing
14 for the application of certain provisions of law to the creation of a mixed–income
15 housing development; authorizing the Department of Housing and Community to
16 adopt certain regulations relating to mixed–income housing developments;
17 establishing certain qualifying criteria for a mixed–income housing development;
18 authorizing a political subdivision or a certain housing authority to apply for a loan
19 for a mixed–income housing development; requiring the Department of Housing and
20 Community Development to consider certain factors when reviewing an application
21 for a mixed–income development loan; requiring the Department of Housing and
22 Community Development to give preference to a certain loan application under
23 certain circumstances and to deny a certain loan application under certain
24 circumstances; specifying certain additional funds to be contributed to the
25 Partnership Rental Housing Fund; requiring the clerk of a circuit court to collect a
26 certain surcharge for certain filings made to the court; requiring the distribution of
27 a certain surcharge to the Fund; altering the State transfer tax on certain
28 instruments; requiring the State Department of Assessments and Taxation to deduct
29 and credit a portion of the State transfer tax to the Fund; requiring the Department
30 of Housing and Community Development to establish maximum financing limits for
31 certain projects of not less than certain amounts; prohibiting the Department of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Housing and Community Development and the Community Development
2 Administration from conditioning the award of a loan from the Fund on issuance of
3 bonds by the Department of Housing and Community or the Administration;
4 requiring the Department of Housing and Community Development to accept
5 applications for mixed-income housing developments not later than a certain date;
6 making stylistic and conforming changes; defining certain terms; and generally
7 relating to the State transfer tax, court filing fees, and the Partnership Rental
8 Housing Program.

9 BY renumbering
10 Article – Housing and Community Development
11 Section 4–1209
12 to be Section 4–1210
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2020 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Housing and Community Development
17 Section 4–503, 4–1201, 4–1202, and 4–1204 through 4–1208
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2020 Supplement)

20 BY adding to
21 Article – Housing and Community Development
22 Section 4–1209
23 Annotated Code of Maryland
24 (2019 Replacement Volume and 2020 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article – Real Property
27 Section 3–601(a)
28 Annotated Code of Maryland
29 (2015 Replacement Volume and 2020 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article – Tax – Property
32 Section 13–203(a) and 13–209(a)
33 Annotated Code of Maryland
34 (2019 Replacement Volume and 2020 Supplement)

35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
36 That Section(s) 4–1209 of Article – Housing and Community Development of the Annotated
37 Code of Maryland be renumbered to be Section(s) 4–1210.

38 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
39 as follows:

1 **Article – Housing and Community Development**

2 4–503.

3 (a) In this section, “Fund” means the Partnership Rental Housing Fund.

4 (b) There is a Partnership Rental Housing Fund.

5 (c) The Fund consists of:

6 (1) money appropriated by the State to the Partnership Rental Housing
7 Program;

8 (2) money made available to the Partnership Rental Housing Program
9 from the sale of general obligation or other bonds including the proceeds of the sale of bonds
10 authorized by Chapter 625 of the Acts of the General Assembly of 1988 and Chapter 97 of
11 the Acts of the General Assembly of 1989;

12 **(3) REVENUE DISTRIBUTED TO THE FUND UNDER § 3–601 OF THE**
13 **REAL PROPERTY ARTICLE AND § 13–209 OF THE TAX – PROPERTY ARTICLE;**

14 **[(3)] (4)** investment earnings of the Fund; and

15 **[(4)] (5)** repayment of loans from the Fund except to the extent any State
16 or federal law governing the proceeds of bonds prohibits the recycling of money.

17 (d) Subject to the approval of the Legislative Policy Committee and § 7–209 of the
18 State Finance and Procurement Article, after the first 8 months of a fiscal year, the
19 Department may transfer unencumbered money in the Fund among the Partnership Rental
20 Housing Fund, the Rental Housing Programs Fund, the Homeownership Programs Fund,
21 and the Special Loan Programs Fund, if the Secretary determines that demand is:

22 (1) less than anticipated for the fund from which money is being
23 transferred; and

24 (2) greater than anticipated for the fund to which money is being
25 transferred.

26 4–1201.

27 (a) In this subtitle the following words have the meanings indicated.

28 (b) “Fund” means the Partnership Rental Housing Fund.

29 (c) “Household of lower income” means a household that qualifies under § 4–1206
30 of this subtitle.

1 (D) "HOUSEHOLD OF MIDDLE INCOME" MEANS A HOUSEHOLD THAT
2 QUALIFIES UNDER § 4-1206 OF THIS SUBTITLE.

3 [(d)] (E) "Housing authority" means a housing authority authorized under
4 Division II of this article.

5 (F) "LARGE DEVELOPMENT" MEANS A PARTNERSHIP PROJECT WITH MORE
6 THAN 40 RESIDENTIAL UNITS.

7 (G) "MIXED-INCOME HOUSING DEVELOPMENT" MEANS MIXED-INCOME
8 RENTAL HOUSING WHERE AT LEAST 70% OF THE UNITS ARE RESERVED FOR
9 HOUSEHOLDS WITH A GROSS ANNUAL INCOME THAT DOES NOT EXCEED 75% OF THE
10 AREA MEDIAN INCOME FOR A HOUSEHOLD OF LIKE SIZE.

11 [(e)] (H) "Partnership project" means an undertaking that the Program finances
12 to acquire, construct, reconstruct, renovate, or rehabilitate a building or improvement, or a
13 part of a building or improvement.

14 [(f)] (I) (1) "Partnership rental housing" means rental housing financed
15 under this subtitle, INCLUDING A MIXED-INCOME HOUSING DEVELOPMENT.

16 (2) "Partnership rental housing" includes apartments, condominium units,
17 cooperatives, town houses, town homes, single room occupancy and shared living unit
18 facilities, and single-family homes.

19 [(g)] (J) "Program" means the Partnership Rental Housing Program.

20 (K) "SMALL DEVELOPMENT" MEANS A PARTNERSHIP PROJECT WITH NOT
21 MORE THAN 40 RESIDENTIAL UNITS.

22 4-1202.

23 The General Assembly finds that:

24 (1) there is a shortage of decent, safe, and sanitary rental housing for
25 households of lower AND MIDDLE income;

26 (2) the private sector often cannot develop, improve, operate, and maintain
27 housing for households of lower AND MIDDLE income; and

28 (3) to address this shortage, a partnership is needed among the State,
29 political subdivisions, housing authorities, the private sector, and households of lower AND
30 MIDDLE income to develop, operate, and maintain housing for households of lower AND
31 MIDDLE income.

1 4-1204.

2 The purposes of the Program are to:

3 (1) provide decent, safe, and sanitary rental housing for households of
4 lower **AND MIDDLE** income;

5 (2) provide financial assistance to political subdivisions or housing
6 authorities to acquire, construct, reconstruct, renovate, or rehabilitate rental housing
7 affordable to households of lower **AND MIDDLE** income;

8 (3) stimulate the development and ownership of rental housing for
9 households of lower **AND MIDDLE** income by political subdivisions, housing authorities, or
10 partnerships that include political subdivisions or housing authorities;

11 (4) provide financial assistance to private sector entities to acquire,
12 construct, reconstruct, renovate, or rehabilitate housing units:

13 (i) for sale to political subdivisions, housing authorities, or
14 partnerships that include political subdivisions or housing authorities, as affordable rental
15 housing for households of lower **AND MIDDLE** income; or

16 (ii) for occupancy by households of lower **AND MIDDLE** income that
17 include one or more individuals with disabilities or special needs;

18 (5) promote affordable housing programs and increased contributions to
19 the production of affordable rental housing by political subdivisions, housing authorities,
20 and the private sector, including for profit and nonprofit entities;

21 (6) encourage households of lower **AND MIDDLE** income that live in
22 partnership rental housing to contribute actively to the operation or maintenance of the
23 housing or the community;

24 (7) finance rental housing that is:

25 (i) to be occupied by households of lower **AND MIDDLE** income;

26 (ii) to be owned by political subdivisions or housing authorities or
27 partnerships that include political subdivisions or housing authorities; and

28 (iii) expected to be financially self-sufficient, without further
29 governmental financing for maintenance, renovation, or operating subsidies; and

30 (8) encourage the private sector to provide rental housing for households of
31 lower **AND MIDDLE** income that include one or more individuals with disabilities or special
32 needs.

1 4-1205.

2 (a) The Department shall:

3 (1) administer the Program;

4 (2) adopt policies and procedures that encourage partnership rental
5 housing throughout the State; and

6 (3) adopt regulations to carry out the Program, including regulations that
7 specify criteria for local contributions to the cost of partnership projects undertaken by a
8 political subdivision or housing authority.

9 (b) **[The] SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE** Department
10 may establish:

11 (1) maximum limits for financing that it will provide to:

12 (i) individual partnership rental housing units;

13 (ii) any one partnership project; or

14 (iii) any political subdivision or housing authority;

15 (2) a process for approving financing for partnership projects that
16 encourages a broad geographic distribution of money; and

17 (3) the time that a household may occupy the partnership rental housing
18 after the annual income of the household exceeds the continuing occupancy income limits
19 for households of lower income.

20 **(C) FOR PARTNERSHIP PROJECTS UNDERTAKEN BY A POLITICAL**
21 **SUBDIVISION OR HOUSING AUTHORITY, THE DEPARTMENT MAY NOT ESTABLISH**
22 **MAXIMUM LIMITS FOR FINANCING THAT ARE LESS THAN:**

23 **(1) \$150,000 PER UNIT FOR A LARGE DEVELOPMENT; AND**

24 **(2) \$4,000,000 FOR A SMALL DEVELOPMENT, REGARDLESS OF THE**
25 **NUMBER OF UNITS.**

26 **[(c)] (D) (1)** In administering the Program, the Department may make loans
27 either directly or through the Administration.

28 **(2) THE DEPARTMENT AND THE ADMINISTRATION MAY NOT**
29 **CONDITION THE AWARD OF A LOAN FROM THE FUND ON ISSUANCE OF BONDS BY THE**

1 **DEPARTMENT OR THE ADMINISTRATION.**

2 4-1206.

3 **(A)** A household qualifies as a household of lower income:

4 (1) for initial occupancy, if the gross annual income of the household does
5 not exceed:

6 (i) 50% of the [statewide] AREA median income for a household of
7 like size; or

8 (ii) a lower income level that the Secretary establishes for a
9 particular partnership project or for a unit of partnership rental housing to be occupied by
10 one or more individuals with disabilities or special needs; and

11 (2) for continuing occupancy, if the gross annual income for the household
12 does not exceed the greater of:

13 (i) an income level that the Secretary establishes; and

14 (ii) an applicable federal requirement.

15 **(B) A HOUSEHOLD QUALIFIES AS A HOUSEHOLD OF MIDDLE INCOME:**

16 **(1) FOR INITIAL OCCUPANCY, IF THE GROSS ANNUAL INCOME OF THE**
17 **HOUSEHOLD:**

18 **(I) IS GREATER THAN 50% BUT NOT MORE THAN 75% OF THE**
19 **AREA MEDIAN INCOME FOR A HOUSEHOLD OF LIKE SIZE; OR**

20 **(II) DOES NOT EXCEED A LOWER INCOME LEVEL THAT THE**
21 **SECRETARY ESTABLISHES FOR A PARTICULAR PARTNERSHIP PROJECT OR FOR A**
22 **UNIT OF PARTNERSHIP RENTAL HOUSING TO BE OCCUPIED BY ONE OR MORE**
23 **INDIVIDUALS WITH DISABILITIES OR SPECIAL NEEDS; AND**

24 **(2) FOR CONTINUING OCCUPANCY, IF THE GROSS ANNUAL INCOME**
25 **FOR THE HOUSEHOLD DOES NOT EXCEED THE GREATER OF:**

26 **(I) AN INCOME LEVEL THAT THE SECRETARY ESTABLISHES;**
27 **AND**

28 **(II) AN APPLICABLE FEDERAL REQUIREMENT.**

29 4-1207.

1 (a) Except as provided in subsection (c) of this section, the Department may
2 approve an application for a proposed partnership project only if:

3 (1) the application is authorized by the chief elected official of the political
4 subdivision or, if there is no chief elected official, by the governing body of the political
5 subdivision in which the project is located;

6 (2) the political subdivision or housing authority:

7 (i) contributes from non-State sources the land for the partnership
8 rental housing;

9 (ii) funds the part of the acquisition cost of the property that is
10 attributable to the value of the land; or

11 (iii) makes a contribution under § 4-1208(d)(2) of this subtitle that
12 equals or exceeds the value of the land;

13 (3) the political subdivision or housing authority is to have an ownership
14 interest in the partnership project or in the rental units financed by the Program and sold
15 to the political subdivision or housing authority or to a partnership that includes the
16 political subdivision or housing authority;

17 (4) the political subdivision or housing authority directly or indirectly
18 manages the partnership project;

19 (5) the rental units financed by the Program are to be occupied on
20 completion of the acquisition, construction, reconstruction, renovation, or rehabilitation by
21 households of lower **OR MIDDLE** income;

22 (6) unless prohibited by any applicable federal requirement, the
23 households of lower **OR MIDDLE** income occupying the partnership project or the part
24 financed by the Program are required to contribute services to enhance or maintain the
25 partnership project or the community in a way that the political subdivision or housing
26 authority accepts; and

27 (7) it is reasonable to anticipate that:

28 (i) more State subsidies will not be needed for long-term occupancy
29 by households of lower **OR MIDDLE** income; and

30 (ii) rental income, including any contribution to allow for more
31 affordable rents under § 4-1208(d) of this subtitle, will be enough to pay the operating costs
32 of the partnership project and to build an adequate reserve for the
33 long-term maintenance and renovation of the partnership project.

1 (b) The rental units financed by the Program may include, as among those that
2 must be occupied by households of lower **OR MIDDLE** income, rental units restricted for
3 occupancy to meet other federal or State occupancy requirements.

4 (c) The Department may approve the use of partnership rental housing funds for
5 a unit of partnership rental housing that does not comply with each requirement set forth
6 in subsection (a) of this section if:

7 (1) the unit will be occupied by a household of lower **OR MIDDLE** income
8 that includes one or more individuals with disabilities or special needs; and

9 (2) the project in which the unit is located complies with the requirements
10 of the other State housing programs financing the project, if any.

11 4–1208.

12 (a) A political subdivision, housing authority, or other eligible borrower may
13 participate in the Program and do all things necessary or convenient to its participation,
14 including:

15 (1) developing, acquiring, improving, owning, operating, and managing
16 rental housing;

17 (2) borrowing money; and

18 (3) mortgaging, pledging, and granting a security interest in real or
19 personal property related to a particular partnership project.

20 (b) Except as provided in subsection (g) of this section, the Department may not
21 require a borrower to repay money made available under the Program, unless the borrower:

22 (1) sells the partnership project; or

23 (2) fails to operate the partnership project for the benefit of households of
24 lower **AND MIDDLE** income in accordance with agreements between the Department and
25 the political subdivision or housing authority.

26 (c) The Department shall secure the obligations of the borrower by using a
27 mortgage, deed of trust, or other security device that the Department accepts on the
28 property or on revenues derived from the property.

29 (d) (1) To allow for more affordable rents, a political subdivision or housing
30 authority may contribute local money, including locally administered federal money or
31 federal rental assistance.

32 (2) The contributions of political subdivisions or housing authorities under
33 § 4–1207(a)(2)(iii) of this subtitle may include the costs of:

- 1 (i) necessary studies, surveys, tests, plans, and specifications;
2 (ii) architectural, design, engineering, and other special services;
3 (iii) site preparation;
4 (iv) indemnity and surety bonds and premiums on title and hazard
5 insurance; and
6 (v) other costs of development.

7 (e) To participate in the Program and to receive loans, a political subdivision or
8 housing authority may not be required to pledge its full faith and credit.

9 (f) For rental housing financed from the Fund and owned or managed by a
10 housing authority, this subtitle supersedes:

- 11 (1) §§ 12–401, 12–402, and 12–405 of this article; and
12 (2) all other restrictions on tenant income under Division II of this article.

13 (g) If necessary to comply with, or receive the benefit of, federal or other financial
14 assistance, funds provided under the Program may be made available as a deferred
15 payment loan repayable on the later of:

- 16 (1) the occurrence of one of the events set forth in subsection (b) of this
17 section; or
18 (2) a maturity date set by the Department.

19 **4–1209.**

20 **(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A**
21 **PARTNERSHIP PROJECT FOR THE CREATION OF A MIXED–INCOME HOUSING**
22 **DEVELOPMENT IS SUBJECT TO THE PROVISIONS OF THIS SECTION IN ADDITION TO**
23 **THE OTHER PROVISIONS OF THIS SUBTITLE.**

24 **(2) IN THE EVENT OF A CONFLICT, THE PROVISIONS OF THIS SECTION**
25 **SUPERSEDE ANY INCONSISTENT PROVISIONS OF THIS SUBTITLE.**

26 **(B) THE DEPARTMENT SHALL ADOPT REGULATIONS CONSISTENT WITH**
27 **THIS SECTION THAT PROVIDE FOR:**

28 **(1) THE DEVELOPMENT OF MIXED–INCOME HOUSING**
29 **DEVELOPMENTS THROUGHOUT THE STATE;**

1 **(2) OCCUPANCY RESTRICTIONS FOR MIXED-INCOME HOUSING**
2 **DEVELOPMENTS, PROVIDED THAT A HOUSEHOLD THAT BECOMES INELIGIBLE FOR**
3 **THE HOUSEHOLD'S CURRENT UNIT SHALL HAVE:**

4 **(I) THE OPTION TO MOVE TO AN AVAILABLE UNIT WITHIN THE**
5 **MIXED-INCOME HOUSING DEVELOPMENT FOR WHICH THE HOUSEHOLD IS ELIGIBLE;**
6 **AND**

7 **(II) PRIORITY FOR THE AVAILABLE UNIT OF HOUSING OVER A**
8 **HOUSEHOLD NOT CURRENTLY RESIDING IN THE MIXED-INCOME HOUSING**
9 **DEVELOPMENT; AND**

10 **(3) SUBJECT TO § 4-1205 OF THIS SUBTITLE, CONDITIONS ON**
11 **FUNDING SPECIFIC TO MIXED-INCOME HOUSING DEVELOPMENTS.**

12 **(C) A MIXED-INCOME HOUSING DEVELOPMENT SHALL:**

13 **(1) REMAIN PERMANENTLY IN PUBLIC OWNERSHIP;**

14 **(2) BE DESIGNED WITH UNITS THAT FACILITATE AGING IN PLACE;**

15 **(3) BE DEVELOPED AT A HIGH DENSITY RELATIVE TO THE COUNTY OR**
16 **MUNICIPAL CORPORATION IN WHICH THE MIXED-INCOME HOUSING DEVELOPMENT**
17 **IS LOCATED; AND**

18 **(4) BE LOCATED WITHIN A REASONABLE WALKING DISTANCE OF**
19 **HIGH-FREQUENCY PUBLIC TRANSIT AND QUALITY SCHOOLS, WHEN AVAILABLE IN**
20 **THE COUNTY OR MUNICIPAL CORPORATION.**

21 **(D) (1) ONLY A POLITICAL SUBDIVISION OR A LOCAL HOUSING**
22 **AUTHORITY ESTABLISHED UNDER DIVISION II OF THIS ARTICLE MAY APPLY FOR A**
23 **LOAN TO DEVELOP A MIXED-INCOME HOUSING DEVELOPMENT.**

24 **(2) IN REVIEWING AN APPLICATION FOR A LOAN UNDER THIS**
25 **SECTION, THE DEPARTMENT SHALL CONSIDER:**

26 **(I) THE EXTENT TO WHICH HOUSEHOLDS OF LOWER AND**
27 **MIDDLE INCOME WILL BE ASSISTED BY THE PROPOSED DEVELOPMENT;**

28 **(II) THE NUMBER AND PERCENTAGE OF HOUSEHOLDS OF**
29 **LOWER AND MIDDLE INCOME CURRENTLY LIVING IN THE COMMUNITY WHERE THE**
30 **DEVELOPMENT IS PROPOSED;**

1 (III) THE QUANTITY, CONDITION, AND AFFORDABILITY OF
2 RESIDENTIAL PROPERTY IN THE COMMUNITY WHERE THE DEVELOPMENT IS
3 PROPOSED;

4 (IV) THE ECONOMIC FEASIBILITY OF THE PROPOSED
5 DEVELOPMENT;

6 (V) THE DEGREE OF LOCAL GOVERNMENT INCENTIVE AND
7 SUPPORT PROVIDED TO THE PROPOSED DEVELOPMENT, INCLUDING CONTRIBUTION
8 OF LAND, ABATEMENT OF TAXES OR FEES, DIRECT OR INDIRECT RENTAL SUBSIDIES,
9 AND GRANTS;

10 (VI) DETAILS OF HOW ANY CONTRACTORS OR SERVICE
11 PROVIDERS WILL BE SELECTED FOR THE PROJECT; AND

12 (VII) ANY OTHER RELEVANT FACTORS.

13 (3) IN DETERMINING WHETHER TO AWARD A LOAN UNDER THIS
14 SECTION, THE DEPARTMENT SHALL:

15 (I) DENY AN APPLICATION THAT DOES NOT INCLUDE A
16 REQUIREMENT THAT ANY CONTRACTOR SELECTED TO WORK ON THE PROJECT PAY
17 THE PREVAILING WAGE RATE SET FOR THE LOCALITY BY THE COMMISSIONER OF
18 LABOR AND INDUSTRY UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND
19 PROCUREMENT ARTICLE; AND

20 (II) GIVE PREFERENCE TO AN APPLICATION THAT:

21 1. PRIORITIZES THE USE OF:

22 A. UNIONIZED LABOR;

23 B. COOPERATIVE OR WORKER-OWNED BUSINESSES; AND

24 C. MINORITY-OWNED BUSINESSES;

25 2. ADDS TO THE TOTAL AVAILABLE HOUSING STOCK IN A
26 COMMUNITY;

27 3. MAXIMIZES LAND USE, ESPECIALLY IN DENSE URBAN
28 AREAS, BY REPURPOSING OLDER INFRASTRUCTURE OR THROUGH INNOVATIVE
29 LAND USE AND DEVELOPMENT PLANS; AND

1 **4. PROVIDES FOR SIGNIFICANT ENVIRONMENTAL AND**
2 **CLIMATE BENEFITS, INCLUDING CONSTRUCTION TECHNIQUES THAT PROMOTE**
3 **ENERGY EFFICIENCY AND RECYCLING.**

4 **Article – Real Property**

5 3–601.

6 (a) (1) In this subsection, “page” means one side of a leaf not larger than 8 1/2
7 inches wide by 14 inches long, or any portion of it.

8 (2) **(I)** Except as provided in paragraph (4) of this subsection, before
9 recording an instrument among the land or financing records, a clerk shall collect:

10 [(i)] **1.** \$10 for a release 9 pages or less in length;

11 [(ii)] **2.** \$20 for any other instrument 9 pages or less in length;

12 [(iii)] **3.** Except as provided in item [(i)] **1** of this [paragraph]
13 **SUBPARAGRAPH**, \$20 for an instrument, regardless of length, involving solely a principal
14 residence; and

15 [(iv)] **4.** \$75 for any other instrument 10 pages or more in length.

16 **(II) IN ADDITION TO THE FEES ESTABLISHED IN**
17 **SUBPARAGRAPH (I) OF THIS PARAGRAPH, A CLERK SHALL:**

18 **1. COLLECT A \$50 SURCHARGE ON INSTRUMENTS**
19 **RECORDED UNDER THIS SUBSECTION; AND**

20 **2. DISTRIBUTE ALL SURCHARGES COLLECTED UNDER**
21 **THIS SUBPARAGRAPH TO THE PARTNERSHIP RENTAL HOUSING FUND**
22 **ESTABLISHED UNDER § 4–503 OF THE HOUSING AND COMMUNITY DEVELOPMENT**
23 **ARTICLE.**

24 (3) The recording costs under this subsection shall also apply to
25 instruments required to be recorded in the financing statement records of the State
26 Department of Assessments and Taxation.

27 (4) A clerk may not collect a fee for the recordation of:

28 (i) A restrictive covenant modification executed under § 3–112 of
29 this title; or

1 (ii) An amendment to the common area deeds or other declarations
2 of a homeowners association that deletes a recorded covenant or restriction that restricts
3 ownership based on race, religious belief, or national origin in accordance with § 11B-113.3
4 of this article.

5 **Article – Tax – Property**

6 13-203.

7 (a) (1) Except as provided in subsections (a-1) and (b) of this section, the rate
8 of the transfer tax is:

9 (I) **0.25% OF THE CONSIDERATION PAYABLE FOR THE**
10 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS LESS THAN OR EQUAL TO**
11 **\$150,000;**

12 (II) 0.5% of the consideration payable for the instrument of writing
13 **IF THE CONSIDERATION IS GREATER THAN \$150,000 BUT LESS THAN OR EQUAL TO**
14 **\$1,500,000; OR**

15 (III) **0.75% OF THE CONSIDERATION PAYABLE FOR THE**
16 **INSTRUMENT OF WRITING IF THE CONSIDERATION IS GREATER THAN \$1,500,000.**

17 (2) The consideration:

18 (i) includes the amount of any mortgage or deed of trust assumed
19 by the grantee; and

20 (ii) subject to item (i) of this paragraph, includes only the amount
21 paid or delivered in return for the sale of the property and does not include the amount of
22 any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

23 13-209.

24 (a) (1) Before any other distribution under this section, in any fiscal year that
25 bonds secured by a pledge of the State transfer tax are outstanding, the revenue from the
26 transfer tax shall be used to pay, as and when due, the principal of and interest on the
27 bonds.

28 (2) The Department shall deduct the cost of administering the transfer tax
29 from the taxes collected under this title and credit those revenues to the fund established
30 under § 1-203.3 of the Corporations and Associations Article.

31 (3) **THE DEPARTMENT SHALL DEDUCT ALL TRANSFER TAX REVENUE**
32 **IN EXCESS OF 0.5% OF THE CONSIDERATION PAYABLE FOR AN INSTRUMENT OF**
33 **WRITING FROM THE TAXES COLLECTED UNDER § 13-203(A)(1)(III) OF THIS**

1 **SUBTITLE AND CREDIT THOSE REVENUES TO THE PARTNERSHIP RENTAL HOUSING**
2 **FUND ESTABLISHED UNDER § 4-503 OF THE HOUSING AND COMMUNITY**
3 **DEVELOPMENT ARTICLE.**

4 ~~[(3)]~~ **(4)** Except as provided in paragraph ~~[(4)]~~ **(5)** of this subsection, after
5 deducting the revenues required under paragraphs (1) ~~[and]~~, (2), **AND (3)** of this
6 subsection, the revenue from transfer tax is payable to the Comptroller for deposit in a
7 special fund.

8 ~~[(4)]~~ **(5)** In any fiscal year in which transfer tax revenue is used to pay
9 debt service on outstanding bonds under paragraph (1) of this subsection, the distribution
10 of revenues in the special fund under this section and as specified in § 5-903(a)(2)(i)1A of
11 the Natural Resources Article, for State land acquisition, or to the Agricultural Land
12 Preservation Fund to the extent any debt service is attributable to that Fund, shall be
13 reduced by an amount equal to the debt service for the fiscal year.

14 **SECTION 3. AND BE IT FURTHER ENACTED,** That the Department of Housing
15 and Community Development shall begin to accept applications for mixed-income housing
16 developments not later than July 1, 2022.

17 **SECTION 4. AND BE IT FURTHER ENACTED,** That this Act shall take effect July
18 1, 2021.