

Chapter 234

(House Bill 716)

AN ACT concerning

Housing and Community Development – Statewide Rental Assistance Voucher Program Eligibility – Alterations

FOR the purpose of including the Department of Housing and Community Development in the definition of “public housing agency” for the purpose of certain provisions of law relating to the Statewide Rental Assistance Voucher Program; authorizing a public housing agency to administer the Program in accordance with a local administrative plan; authorizing the Department to project-base up to a certain amount of its authorized voucher units; altering the manner in which the Department and each public housing agency shall prioritize vouchers and housing assistance payments for certain families; ~~altering the percentage of monthly adjusted gross income for rent and utilities a family assisted under the Program shall be expected to pay~~; altering the time at which the Department or a public housing agency shall make a certain determination; altering certain inspection schedule and standard requirements; altering the amount the Department shall issue to each public housing agency each year for certain purposes; and generally relating to the Statewide Rental Assistance Voucher Program.

BY repealing and reenacting, without amendments,
 Article – Housing and Community Development
 Section 4–2901(a) and 4–2902
 Annotated Code of Maryland
 (2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
 Article – Housing and Community Development
 Section 4–2901(i), ~~4–2904(a)~~ 4–2904, 4–2906, 4–2908(b), 4–2911, and 4–2919
 Annotated Code of Maryland
 (2019 Replacement Volume and 2024 Supplement)

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

Article – Housing and Community Development

4–2901.

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

(i) [(1)] “Public housing agency” means an entity authorized by the U.S. Department of Housing and Urban Development to administer the federal Housing Choice Voucher Program in the State.

[(2)] “Public housing agency” does not include the Department.]

4–2902.

There is a Statewide Rental Assistance Voucher Program in the Department.

4–2904.

(a) (1) In political subdivisions without a local administrator under the federal Housing Choice Voucher Program, the Department shall administer the State Program and issue vouchers and housing assistance payments to assist low-income households that are eligible for but are not currently receiving housing choice vouchers under the federal Housing Choice Voucher Program.

(2) In political subdivisions with a public housing agency–administrator under the federal Housing Choice Voucher Program, the public housing agency:

(I) shall administer the State Program and issue vouchers and housing assistance payments to assist low-income households that are eligible for but are not currently receiving housing choice vouchers under the federal Housing Choice Voucher Program; **AND**

(II) MAY, SUBJECT TO SUBSECTION (B) OF THIS SECTION, ADMINISTER THE STATE PROGRAM IN ACCORDANCE WITH THE LOCAL ADMINISTRATIVE PLAN OF THE PUBLIC HOUSING AGENCY.

(3) THE DEPARTMENT MAY PROJECT-BASE UP TO 100% OF ITS AUTHORIZED VOUCHER UNITS IF NECESSARY TO ADMINISTER THE STATE PROGRAM, INCLUDING IN POLITICAL SUBDIVISIONS WITHOUT A LOCAL ADMINISTRATOR UNDER THE FEDERAL HOUSING CHOICE VOUCHER PROGRAM.

(b) Except as otherwise provided in this subtitle, the State Program shall be administered in accordance with federal guidelines under the federal Housing Choice Voucher Program.

4–2906.

[The Department and each] **EACH** public housing agency shall [equally] prioritize vouchers and housing assistance payments for families that include:

(1) a child who is under the age of 18 years;

- (2) a foster child who is:
 - (i) at least 18 years old; but
 - (ii) under the age of 24 years;
- (3) a military veteran;
- (4) an individual experiencing homelessness;
- (5) a disabled individual; or
- (6) an elderly individual.

4-2908.

(b) A family assisted under the State Program shall be expected to pay not more than ~~30%~~ **40%** of its monthly adjusted gross income for rent and utilities, as determined by [the Department or] the public housing agency **AT THE TIME THE FAMILY INITIALLY RECEIVES ASSISTANCE UNDER THE STATE PROGRAM, EXCEPT AS OTHERWISE PROVIDED IN THE FEDERAL HOUSING CHOICE VOUCHER PROGRAM.**

4-2911.

(a) (1) [The Department or a] **A** public housing agency shall conduct [annual] **AN INITIAL INSPECTION AND PERIODIC** inspections **THEREAFTER** of each unit rented using housing assistance payments to ensure the continued compliance with federal housing quality standards under 24 C.F.R. § 982.401 **OR 24 C.F.R. § 5.703, AS APPLICABLE.**

(2) Inspections shall occur on or before the initial lease date and [each year] **AT LEAST BIENNIALY** thereafter **IN ACCORDANCE WITH THE PUBLIC HOUSING AGENCY'S ADMINISTRATIVE PLAN.**

(b) For a unit located in a building with 3 to 49 units, the property owner shall provide [the Department or] the public housing agency with a certificate of occupancy that has been completed within 1 year.

(c) For a unit located in a building with 50 units or more, the property owner shall provide [the Department or] the public housing agency with an inspection certificate.

4-2919.

(a) (1) For fiscal years 2025, 2026, and 2027, the Governor shall include in the annual budget bill an appropriation of \$10,000,000 to the Department for the State Program.

(2) For fiscal year 2028 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation sufficient to fund at least the same number of vouchers issued in the prior fiscal year.

(b) ~~Of the amount specified under subsection (a) of this section, the~~ **THE** Department shall distribute ~~6%~~ **THE GREATER OF THE FEDERAL DE MINIMIS RATE OF THE PUBLIC HOUSING AGENCY'S MODIFIED TOTAL DIRECT COSTS AS ESTABLISHED IN 2 C.F.R. § 200.414(F) OR 15% OF THE AMOUNT SPECIFIED UNDER SUBSECTION (A) OF THIS SECTION** each year to [public housing agencies] **EACH PUBLIC HOUSING AGENCY OR AN AMOUNT EQUAL TO THE FEDERAL DE MINIMIS RATE OF THE PUBLIC HOUSING AGENCY'S MODIFIED TOTAL DIRECT COSTS AS ESTABLISHED IN 2 C.F.R. § 200.414(F), WHICHEVER IS GREATER,** to help defray staffing expenses related to the administration of the federal Housing Choice Voucher Program and the State Program.

(c) The Department shall develop a formula for distributing State Program funds to [the Department and] each public housing agency.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

Approved by the Governor, April 22, 2025.