

HOUSE BILL 501

C9

3lr1373

By: **Delegate Queen**

Introduced and read first time: January 30, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Revitalizing Neighborhoods Through Homeownership Program and Fund –**
3 **Established**

4 FOR the purpose of establishing the Revitalizing Neighborhoods Through Homeownership
5 Program; establishing the Revitalizing Neighborhoods Through Homeownership
6 Fund as a special, nonlapsing fund to provide financial assistance in the form of loans
7 under the provisions of the Revitalizing Neighborhoods Through Homeownership
8 Program; requiring interest earnings of the Fund to be credited to the Fund; and
9 generally relating to the Revitalizing Neighborhoods Through Homeownership
10 Program and Fund.

11 BY repealing and reenacting, without amendments,
12 Article – Housing and Community Development
13 Section 4–501(a) and (b)
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2022 Supplement)

16 BY adding to
17 Article – Housing and Community Development
18 Section 4–510; and 4–2901 through 4–2904 to be under the new subtitle “Subtitle 29.
19 Revitalizing Neighborhoods Through Homeownership Program”
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2022 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(i)
25 Annotated Code of Maryland
26 (2021 Replacement Volume and 2022 Supplement)

27 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–226(a)(2)(ii)170. and 171.
3 Annotated Code of Maryland
4 (2021 Replacement Volume and 2022 Supplement)

5 BY adding to
6 Article – State Finance and Procurement
7 Section 6–226(a)(2)(ii)172.
8 Annotated Code of Maryland
9 (2021 Replacement Volume and 2022 Supplement)

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

12 **Article – Housing and Community Development**

13 4–501.

14 (a) (1) Each fund established under this subtitle is a continuing, nonlapsing
15 special fund that is not subject to § 7–302 of the State Finance and Procurement Article.

16 (2) The State Treasurer shall hold and the Comptroller shall account for
17 each fund established under this subtitle.

18 (b) Money in a fund established under this subtitle shall be invested in the same
19 way as other State money.

20 **4–510.**

21 **(A) IN THIS SECTION, “FUND” MEANS THE REVITALIZING NEIGHBORHOODS**
22 **THROUGH HOMEOWNERSHIP FUND.**

23 **(B) THERE IS A REVITALIZING NEIGHBORHOODS THROUGH**
24 **HOMEOWNERSHIP FUND.**

25 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE IN**
26 **THE FORM OF LOANS FROM THE REVITALIZING NEIGHBORHOODS THROUGH**
27 **HOMEOWNERSHIP PROGRAM ESTABLISHED UNDER SUBTITLE 29 OF THIS TITLE.**

28 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

29 **(E) THE FUND CONSISTS OF:**

30 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

1 **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL**
2 **ASSISTANCE IN THE FORM OF LOANS TO POLITICAL SUBDIVISIONS TO SUPPORT THE**
3 **PURCHASE AND RENOVATION OF HUD DOLLAR HOMES AND ABANDONED**
4 **RESIDENTIAL PROPERTIES FOR RESALE TO LOW- TO MODERATE-INCOME BUYERS.**

5 **4-2903.**

6 **(A) THE DEPARTMENT SHALL:**

7 **(1) ADMINISTER THE PROGRAM THROUGH THE ADMINISTRATION;**

8 **(2) ESTABLISH HOUSEHOLD INCOME LIMITS FOR LOW- TO**
9 **MODERATE-INCOME BUYERS; AND**

10 **(3) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.**

11 **(B) THE HOUSEHOLD INCOME LIMITS ESTABLISHED BY THE DEPARTMENT**
12 **UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL BE CONSISTENT WITH ANY**
13 **APPLICABLE INCOME LIMITS ESTABLISHED BY THE FEDERAL GOVERNMENT FOR**
14 **THE DOLLAR HOMES – GOVERNMENT SALES PROGRAM OPERATED BY HUD.**

15 **4-2904.**

16 **(A) THE DEPARTMENT SHALL DEVELOP THE APPLICATION AND**
17 **ELIGIBILITY CRITERIA FOR LOANS ISSUED UNDER THE PROGRAM.**

18 **(B) A LOAN ISSUED UNDER THE PROGRAM:**

19 **(1) MAY BE IN AN AMOUNT UP TO \$25,000; AND**

20 **(2) SHALL BE SECURED BY A MORTGAGE ON THE PROPERTY**
21 **PURCHASED OR RENOVATED USING THE LOAN PROCEEDS.**

22 **(C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE**
23 **DEPARTMENT SHALL ESTABLISH REPAYMENT TERMS AND MAY CHARGE INTEREST**
24 **FOR A LOAN ISSUED UNDER THE PROGRAM.**

25 **(2) THE INTEREST RATE ON A LOAN ISSUED UNDER THE PROGRAM**
26 **SHALL BE LESS THAN THE MARKET RATE FOR A SIMILAR LOAN AT THE TIME THE**
27 **DEPARTMENT APPROVES THE APPLICATION FOR A PROGRAM LOAN.**

1 **(3) THE TERMS OF THE LOAN SHALL REQUIRE REPAYMENT OF THE**
2 **LOAN PLUS ANY OUTSTANDING INTEREST OWED ON RESALE OF THE RESIDENTIAL**
3 **PROPERTY TO A LOW- TO MODERATE-INCOME BUYER.**

4 **Article – State Finance and Procurement**

5 6–226.

6 (a) (2) (i) Notwithstanding any other provision of law, and unless
7 inconsistent with a federal law, grant agreement, or other federal requirement or with the
8 terms of a gift or settlement agreement, net interest on all State money allocated by the
9 State Treasurer under this section to special funds or accounts, and otherwise entitled to
10 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
11 Fund of the State.

12 (ii) The provisions of subparagraph (i) of this paragraph do not apply
13 to the following funds:

14 170. the Cannabis Public Health Fund; [and]

15 171. the Community Reinvestment and Repair Fund; AND

16 **172. THE REVITALIZING NEIGHBORHOODS THROUGH**
17 **HOMEOWNERSHIP FUND.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2023.