

SENATE BILL 935

C8

3lr2991

By: **Senator Young**

Introduced and read first time: February 13, 2013

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Housing – Energy–Efficient and Green Homes – Construction Financing**

3 FOR the purpose of establishing the Energy–Efficient and Green Homes Construction
4 Loan Program; providing for the purpose of the Program; requiring the
5 Department of Housing and Community Development to provide loans under
6 certain circumstances for the construction of low–energy homes meeting certain
7 standards; requiring a person to meet certain criteria to qualify for a certain
8 loan under this Act; requiring a recipient of loan proceeds to provide certain
9 documentation; prohibiting certain actions in connection with the Program;
10 providing for criminal penalties; establishing the Energy–Efficient and Green
11 Homes Construction Fund as a special, nonlapsing fund; requiring the
12 Department to administer the Fund; requiring the State Treasurer to hold the
13 Fund and the Comptroller to account for the Fund; specifying the contents of
14 the Fund; specifying the purpose for which the Fund may be used; providing for
15 the investment of money in and expenditures from the Fund; requiring the
16 Governor to transfer a certain amount of money from the Revenue Stabilization
17 Account to the Fund during a certain fiscal year; requiring the Department to
18 adopt certain regulations; defining certain terms; and generally relating to
19 construction financing for energy–efficient and green homes.

20 BY adding to

21 Article – Housing and Community Development
22 Section 4–2001 through 4–2008 to be under the new subtitle “Subtitle 20.
23 Energy–Efficient and Green Homes Construction Loan Program”
24 Annotated Code of Maryland
25 (2006 Volume and 2012 Supplement)

26 BY repealing and reenacting, without amendments,

27 Article – State Finance and Procurement
28 Section 6–226(a)(2)(i)
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2009 Replacement Volume and 2012 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – State Finance and Procurement
4 Section 6–226(a)(2)(ii)69. and 70.
5 Annotated Code of Maryland
6 (2009 Replacement Volume and 2012 Supplement)

7 BY adding to
8 Article – State Finance and Procurement
9 Section 6–226(a)(2)(ii)71.
10 Annotated Code of Maryland
11 (2009 Replacement Volume and 2012 Supplement)

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

14 **Article – Housing and Community Development**

15 **SUBTITLE 20. ENERGY–EFFICIENT AND GREEN HOMES CONSTRUCTION LOAN**
16 **PROGRAM.**

17 **4–2001.**

18 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
19 **INDICATED.**

20 **(B) “FUND” MEANS THE ENERGY–EFFICIENT AND GREEN HOMES**
21 **CONSTRUCTION FUND.**

22 **(C) “LOW–ENERGY HOME” MEANS A HOME THAT, DUE TO DESIGN,**
23 **TECHNOLOGIES, AND CONSTRUCTION PRODUCTS:**

24 **(1) HAS A HOME ENERGY RATING SYSTEM INDEX OF 40 OR LESS;**
25 **AND**

26 **(2) IS AT LEAST 60% MORE ENERGY EFFICIENT THAN A HOME**
27 **BUILT TO APPLICABLE BUILDING CODE STANDARDS IN EFFECT BEFORE JULY 1,**
28 **2013.**

29 **(D) “PROGRAM” MEANS THE ENERGY–EFFICIENT AND GREEN HOMES**
30 **CONSTRUCTION LOAN PROGRAM.**

31 **(E) “ULTRA–LOW–ENERGY HOME” MEANS A HOME THAT, DUE TO**
32 **DESIGN, TECHNOLOGIES, AND CONSTRUCTION PRODUCTS:**

1 (1) HAS A HOME ENERGY RATING SYSTEM INDEX OF 25 OR LESS;
2 AND

3 (2) IS AT LEAST 75% MORE EFFICIENT THAN A HOME BUILT TO
4 APPLICABLE BUILDING CODE STANDARDS IN EFFECT BEFORE JULY 1, 2013.

5 4-2002.

6 (A) THERE IS AN ENERGY-EFFICIENT AND GREEN HOMES
7 CONSTRUCTION LOAN PROGRAM.

8 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE CONSTRUCTION
9 LOANS TO PERSONS TO CONSTRUCT LOW-ENERGY HOMES AND
10 ULTRA-LOW-ENERGY HOMES.

11 (C) SUBJECT TO THE AVAILABILITY OF MONEY IN THE FUND, THE
12 DEPARTMENT SHALL PROVIDE CONSTRUCTION LOANS UNDER THE PROGRAM
13 TO:

14 (1) PERSONS CONSTRUCTING LOW-ENERGY HOMES, AT AN
15 ANNUAL INTEREST RATE NOT EXCEEDING 4%; AND

16 (2) PERSONS CONSTRUCTING ULTRA-LOW-ENERGY HOMES, AT
17 AN ANNUAL INTEREST RATE NOT EXCEEDING 2%.

18 4-2003.

19 (A) TO QUALIFY FOR A CONSTRUCTION LOAN UNDER § 4-2002(C)(1) OF
20 THIS SUBTITLE, A PERSON SHALL PROVIDE DOCUMENTATION THAT THE PERSON
21 HAS CONSTRUCTED AT LEAST THREE LOW-ENERGY HOMES THAT:

22 (1) WERE CERTIFIED GREEN OR HIGH-PERFORMANCE HOMES
23 THAT ACHIEVED:

24 (I) AN INTERNATIONAL CODE COUNCIL 700 GOLD RATING;
25 OR

26 (II) A LEADERSHIP IN ENERGY AND ENVIRONMENTAL
27 DESIGN FOR HOMES GOLD RATING;

28 (2) WERE CERTIFIED ENERGY-EFFICIENT HOMES THAT
29 ACHIEVED:

- 1 (I) A HOME ENERGY RATING SYSTEM RATING; OR
- 2 (II) A HOME ENERGY RATING SYSTEM INDEX OF 40 OR
- 3 LESS; AND
- 4 (3) ACHIEVED A U.S. ENVIRONMENTAL PROTECTION AGENCY
- 5 INDOOR AIRPLUS CERTIFICATION.

6 (B) TO QUALIFY FOR A CONSTRUCTION LOAN UNDER § 4-2002(C)(2) OF

7 THIS SUBTITLE, A PERSON SHALL PROVIDE DOCUMENTATION THAT THE PERSON

8 HAS CONSTRUCTED AT LEAST THREE ULTRA-LOW-ENERGY HOMES THAT:

9 (1) WERE CERTIFIED GREEN OR HIGH-PERFORMANCE HOMES

10 THAT ACHIEVED:

11 (I) AN INTERNATIONAL CODE COUNCIL 700 EMERALD

12 RATING; OR

13 (II) A LEADERSHIP IN ENERGY AND ENVIRONMENTAL

14 DESIGN FOR HOMES PLATINUM RATING;

15 (2) WERE CERTIFIED ENERGY-EFFICIENT HOMES THAT

16 ACHIEVED:

17 (I) A HOME ENERGY RATING SYSTEM RATING; OR

18 (II) A HOME ENERGY RATING SYSTEM INDEX OF 25 OR

19 LESS; AND

20 (3) ACHIEVED A U.S. ENVIRONMENTAL PROTECTION AGENCY

21 INDOOR AIRPLUS CERTIFICATION.

22 4-2004.

23 TO APPLY FOR A LOAN UNDER THIS SUBTITLE, AN APPLICANT SHALL

24 SUBMIT:

25 (1) A COMPLETED APPLICATION IN A FORM THAT THE

26 DEPARTMENT REQUIRES;

27 (2) THE DOCUMENTATION SPECIFIED IN § 4-2003 OF THIS

28 SUBTITLE; AND

1 **(3) ANY OTHER INFORMATION OR DOCUMENTATION THAT THE**
2 **DEPARTMENT CONSIDERS NECESSARY TO MAKE A DETERMINATION ON THE**
3 **LOAN.**

4 **4-2005.**

5 **(A) IF A PERSON IS AWARDED A CONSTRUCTION LOAN FOR A**
6 **LOW-ENERGY HOME UNDER THIS SUBTITLE, THE PERSON SHALL PROVIDE**
7 **DOCUMENTATION THAT THE HOME BUILT WITH CONSTRUCTION LOAN**
8 **PROCEEDS IS A LOW-ENERGY HOME THAT MEETS THE CRITERIA LISTED IN §**
9 **4-2003(A) OF THIS SUBTITLE.**

10 **(B) IF A PERSON IS AWARDED A CONSTRUCTION LOAN FOR AN**
11 **ULTRA-LOW-ENERGY HOME UNDER THIS SUBTITLE, THE PERSON SHALL**
12 **PROVIDE DOCUMENTATION THAT THE HOME BUILT WITH CONSTRUCTION LOAN**
13 **PROCEEDS IS AN ULTRA-LOW-ENERGY HOME THAT MEETS THE CRITERIA**
14 **LISTED IN § 4-2003(B) OF THIS SUBTITLE.**

15 **4-2006.**

16 **(A) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE A**
17 **FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED**
18 **TO THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.**

19 **(B) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE TO BE**
20 **MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE THE DEPARTMENT'S**
21 **ACTION ON A PROGRAM LOAN APPLICATION OR A PROGRAM LOAN ALREADY**
22 **MADE.**

23 **(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A**
24 **MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING**
25 **\$5,000.**

26 **4-2007.**

27 **(A) THERE IS AN ENERGY-EFFICIENT AND GREEN HOMES**
28 **CONSTRUCTION FUND.**

29 **(B) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

30 **(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
31 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

1 **(2) THE STATE TREASURER SHALL HOLD THE FUND**
2 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3 **(D) (1) THE FUND CONSISTS OF:**

4 **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
5 **FUND;**

6 **(II) REPAYMENTS OR PREPAYMENTS OF PRINCIPAL AND**
7 **PAYMENTS OF INTEREST ON LOANS MADE UNDER THE ENERGY-EFFICIENT AND**
8 **GREEN HOMES CONSTRUCTION LOAN PROGRAM;**

9 **(III) INVESTMENT EARNINGS OF THE FUND; AND**

10 **(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE**
11 **ACCEPTED FOR THE BENEFIT OF THE FUND.**

12 **(2) FOR FISCAL YEAR 2015, \$100,000,000 SHALL BE**
13 **TRANSFERRED FROM THE REVENUE STABILIZATION ACCOUNT ESTABLISHED**
14 **UNDER § 7-311 OF THE STATE FINANCE AND PROCUREMENT ARTICLE TO THE**
15 **FUND.**

16 **(E) (1) THE DEPARTMENT SHALL USE THE FUND TO:**

17 **(I) PAY EXPENSES OF THE PROGRAM; AND**

18 **(II) MAKE LOANS UNDER THE PROGRAM.**

19 **(2) THE FUND MAY BE USED ONLY FOR THE PURPOSES**
20 **DESCRIBED IN THIS SECTION.**

21 **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
22 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**
24 **INTO THE FUND.**

25 **4-2008.**

26 **THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
27 **SUBTITLE.**

1 **Article – State Finance and Procurement**

2 6–226.

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

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

11 69. the Maryland Legal Services Corporation Fund; **[and]**

12 70. Mortgage Loan Servicing Practices Settlement Fund;

13 **AND**

14 **71. THE ENERGY-EFFICIENT AND GREEN HOMES**
 15 **CONSTRUCTION FUND.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 17 July 1, 2013.