

# SENATE BILL 302

C8, Q1

8lr1775  
CF 8lr1774

---

By: **Senator Conway**

Introduced and read first time: January 28, 2008

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Affordable Housing Investment Fund**

3 FOR the purpose of establishing the Maryland Affordable Housing Investment Fund  
4 Board; providing for the membership, terms, meetings, and duties of the Board;  
5 establishing the Maryland Affordable Housing Investment Fund; requiring that  
6 the Fund be used in certain ways to support, foster, and promote affordable  
7 housing; specifying the source of moneys of the Fund; requiring that the Board  
8 annually allocate money to certain local governments and to the Department of  
9 Housing and Community Development in a certain manner; establishing certain  
10 requirements that local governments must meet and actions local governments  
11 must agree to take to receive money from the Fund; establishing a certain  
12 maximum amount of certain funds that a local government may use to cover  
13 administrative costs; authorizing the transfer of unencumbered money in the  
14 Fund to certain other funds in the Department within a certain time; specifying  
15 certain conditions under which a local government may use certain funds for  
16 certain purposes; specifying certain factors that a local government must  
17 consider in establishing upper income limits for a family of limited income;  
18 requiring the Governor beginning in a certain fiscal year and for every year  
19 thereafter to include in the annual budget bill submitted to the General  
20 Assembly a certain appropriation to the Fund; imposing an annual State tax on  
21 certain property at a certain rate; repealing certain obsolete language; providing  
22 for the distribution of certain State property tax revenue to the Fund; defining  
23 certain terms; and generally relating to the Maryland Affordable Housing  
24 Investment Fund.

25 BY repealing and reenacting, with amendments,  
26 Article – Housing and Community Development  
27 Section 2–201  
28 Annotated Code of Maryland  
29 (2006 Volume and 2007 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Housing and Community Development  
3 Section 4–209 and 4–507  
4 Annotated Code of Maryland  
5 (2006 Volume and 2007 Supplement)

6 BY repealing and reenacting, without amendments,  
7 Article – Housing and Community Development  
8 Section 4–501  
9 Annotated Code of Maryland  
10 (2006 Volume and 2007 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article – State Finance and Procurement  
13 Section 8–134(a)  
14 Annotated Code of Maryland  
15 (2006 Replacement Volume and 2007 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – Property  
18 Section 6–301  
19 Annotated Code of Maryland  
20 (2007 Replacement Volume)

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

23 **Article – Housing and Community Development**

24 2–201.

25 The Department consists of:

- 26 (1) the Division of Credit Assurance;
- 27 (2) the Division of Development Finance;
- 28 (3) the Division of Neighborhood Revitalization;
- 29 (4) the Community Development Administration;
- 30 (5) the Community Legacy Program;
- 31 (6) the Community Legacy Board;
- 32 (7) the Advisory Committee to the Community Legacy Board;
- 33 (8) the Housing Finance Review Committee;

1           **(9) THE MARYLAND AFFORDABLE HOUSING INVESTMENT FUND**  
2 **BOARD;**

3           [(9)] **(10)** the Lead Hazard Advisory Committee;

4           [(10)] **(11)** the Maryland Housing Fund;

5           [(11)] **(12)** the Neighborhood Business Development Program; and

6           [(12)] **(13)** any other governmental unit that under law is a part of the  
7 Department.

8 **4-209.**

9           **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
10 **MEANINGS INDICATED.**

11           **(2) “BOARD” MEANS THE MARYLAND AFFORDABLE HOUSING**  
12 **INVESTMENT FUND BOARD.**

13           **(3) “FUND” MEANS THE MARYLAND AFFORDABLE HOUSING**  
14 **INVESTMENT FUND.**

15           **(4) “LOCAL GOVERNMENT” MEANS THE GOVERNING BODY OF A**  
16 **COUNTY OR MUNICIPAL CORPORATION.**

17           **(B) THERE IS A MARYLAND AFFORDABLE HOUSING INVESTMENT FUND**  
18 **BOARD.**

19           **(C) THE BOARD CONSISTS OF 13 MEMBERS APPOINTED BY THE**  
20 **GOVERNOR ON RECOMMENDATION OF THE SECRETARY AS FOLLOWS:**

21           **(1) THREE EMPLOYEES OF THE DEPARTMENT, ONE OF WHOM**  
22 **SHALL BE THE SECRETARY AND ALL OF WHOM SHALL SERVE EX OFFICIO;**

23           **(2) ONE EMPLOYEE OF THE EXECUTIVE BRANCH OF STATE**  
24 **GOVERNMENT WHO IS NOT EMPLOYED BY THE DEPARTMENT AND WHO SHALL**  
25 **SERVE EX OFFICIO;**

26           **(3) ONE REPRESENTATIVE OF THE MARYLAND AFFORDABLE**  
27 **HOUSING COALITION;**

1           (4) TWO INDIVIDUALS WITH KNOWLEDGE OF AFFORDABLE  
2 MULTIFAMILY HOUSING;

3           (5) THREE INDIVIDUALS WITH KNOWLEDGE OF AFFORDABLE  
4 SINGLE-FAMILY HOUSING;

5           (6) ONE REPRESENTATIVE OF INDIVIDUALS WITH DISABILITIES;

6           (7) ONE REPRESENTATIVE OF LOW- AND MODERATE-INCOME  
7 INDIVIDUALS AND FAMILIES WHO ARE SERVED BY THE PROGRAMS OF THE FUND  
8 WITH PARTICULAR KNOWLEDGE OR EXPERIENCE WITH HOUSING ISSUES OF THE  
9 VERY LOW-INCOME POPULATION; AND

10           (8) ONE REPRESENTATIVE OF A LOCAL GOVERNMENT.

11           (D) (1) THE TERM OF A MEMBER WHO DOES NOT SERVE EX OFFICIO  
12 IS 4 YEARS AND BEGINS ON JULY 1.

13           (2) AT THE END OF A TERM, A MEMBER WHO DOES NOT SERVE EX  
14 OFFICIO CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND  
15 QUALIFIES.

16           (3) A MEMBER WHO DOES NOT SERVE EX OFFICIO AND WHO IS  
17 APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE  
18 TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

19           (E) (1) THE BOARD SHALL MEET AS DETERMINED BY THE BOARD,  
20 WHICH SHALL BE AT LEAST ONCE EVERY 3 MONTHS.

21           (2) THE MEETINGS WILL COMPLY WITH THE OPEN MEETINGS  
22 ACT UNDER TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE.

23           (F) THE BOARD SHALL:

24           (1) APPROVE THE POLICIES AND PROCEDURES DEVELOPED BY  
25 THE DEPARTMENT TO GOVERN THE FUND THAT IS ESTABLISHED UNDER §  
26 4-507 OF THIS TITLE;

27           (2) REVIEW AND APPROVE DEPARTMENTAL PROCEDURES FOR  
28 AND OVERSEE:

29           (I) ALL ASPECTS OF THE FUNDING SHARE OF LOCAL  
30 GOVERNMENTS, INCLUDING THE CONTENTS OF STATE-LOCAL AGREEMENTS;

1                   **(II) REQUIREMENTS RELATING TO ONGOING AFFORDABLE**  
2 **HOUSING INITIATIVES THAT LOCAL GOVERNMENTS MUST MEET TO RECEIVE**  
3 **FUNDING FROM THE BOARD;**

4                   **(III) LOCAL ANNUAL PERFORMANCE REVIEWS; AND**

5                   **(IV) THE MONITORING AND AUDITING BY THE DEPARTMENT**  
6 **OF THE USE OF THE FUNDS BY LOCAL GOVERNMENTS;**

7                   **(3) DEVELOP STANDARDS FOR REALLOCATING OR RECAPTURING**  
8 **UNUSED LOCAL GRANT MONEY;**

9                   **(4) DEVELOP STANDARDS TO ENSURE THAT THE LOCAL MONEY IS**  
10 **USED IN A MANNER CONSISTENT WITH THE LAW AND WITH GOOD PRACTICES**  
11 **AND PRINCIPLES; AND**

12                   **(5) ENSURE EACH YEAR THAT:**

13                   **(I) A PERFORMANCE REPORT IS PREPARED ON THE USE OF**  
14 **ALL THE FUNDING FROM THE FUND; AND**

15                   **(II) THE USE AND ALLOCATION REQUIREMENTS UNDER §**  
16 **4-507 OF THIS TITLE ARE MET.**

17                   **(G) THE BOARD MAY NOT APPROVE THE HOUSING PROGRAMS OF THE**  
18 **DEPARTMENT, CHANGES TO THOSE PROGRAMS, OR OPERATIONAL POLICIES**  
19 **AND PROCEDURES OF THE DEPARTMENT.**

20                   **(H) THE BOARD MAY DENY OR RECAPTURE FUNDING TO A LOCAL**  
21 **GOVERNMENT THAT IS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE**  
22 **FUND OR HAS MONEY THAT REMAINS UNUSED.**

23 4-501.

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

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

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

1 (c) (1) In the State budget, the State may appropriate to the Rental  
2 Housing Programs Fund and the Special Loan Programs Fund all or part of the money  
3 received as repayment of principal or payment of interest on a loan made by the  
4 Maryland Housing Rehabilitation Program.

5 (2) The appropriation may be increased by budget amendment.

6 (3) The amount of repayments appropriated to make loans under the  
7 Maryland Housing Rehabilitation Program may not exceed \$12,000,000 annually.

8 (4) The State may not appropriate repayment of principal and  
9 payment of interest to the Maryland Housing Rehabilitation Program to the extent  
10 that loans expected to be made with the money appropriated would cause the principal  
11 amount of loans outstanding to exceed \$100,000,000.

12 **4-507.**

13 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
14 MEANINGS INDICATED.

15 (2) "AFFORDABLE HOUSING" MEANS RESIDENTIAL UNITS PRICED  
16 FOR INDIVIDUALS OR FAMILIES OF LOW AND MODERATE INCOME WHOSE  
17 INCOME DOES NOT EXCEED THE UPPER INCOME LIMITS ESTABLISHED BY THE  
18 STATE AND THE LOCAL GOVERNMENT AFTER CONSIDERING THE FACTORS  
19 LISTED UNDER SUBSECTION (L) OF THIS SECTION.

20 (3) "BOARD" MEANS THE MARYLAND AFFORDABLE HOUSING  
21 INVESTMENT FUND BOARD.

22 (4) "FUND" MEANS THE MARYLAND AFFORDABLE HOUSING  
23 INVESTMENT FUND.

24 (5) "LOCAL GOVERNMENT" MEANS THE GOVERNING BODY OF A  
25 COUNTY OR MUNICIPAL CORPORATION.

26 (B) THERE IS A MARYLAND AFFORDABLE HOUSING INVESTMENT  
27 FUND.

28 (C) THE FUND SHALL BE USED TO:

29 (1) SUPPORT EXISTING STATE AFFORDABLE HOUSING  
30 PROGRAMS;

31 (2) FOSTER INNOVATIVE AFFORDABLE HOUSING PROJECTS BY  
32 PROVIDING MONEY TO THE MARYLAND AFFORDABLE HOUSING TRUST FUND;

1           **(3) ENSURE THAT THE HOUSING NEEDS OF HOUSEHOLDS AND**  
2 **INDIVIDUALS WITH INCOME NOT EXCEEDING 30% OF AREA MEDIAN INCOME ARE**  
3 **SERVED BY SETTING ASIDE AT LEAST 15% OF THE MONEY IN THE FUND FOR**  
4 **PROGRAMS THAT SERVE THOSE HOUSEHOLDS AND INDIVIDUALS, INCLUDING**  
5 **PROGRAMS THAT PROVIDE LONG-TERM RENTAL SUBSIDIES OR OPERATING**  
6 **SUPPORT DIRECTLY TO:**

7                   **(I) THOSE HOUSEHOLDS OR INDIVIDUALS; OR**

8                   **(II) HOUSING OWNERS SERVING THOSE HOUSEHOLDS OR**  
9 **INDIVIDUALS; AND**

10           **(4) PROVIDE MONEY FOR LOCAL GOVERNMENTS THAT ARE**  
11 **ACTIVELY PROMOTING AFFORDABLE HOUSING IN THEIR AREAS.**

12           **(D) THE FUND CONSISTS OF:**

13                   **(1) ALL SPECIAL FUNDS GENERATED THROUGH HOUSING LOAN**  
14 **REPAYMENTS, EXCEPT THOSE THAT ARE INCLUDED IN THE ANNUAL STATE**  
15 **BUDGET TO SUPPORT DEPARTMENTAL OPERATIONS;**

16                   **(2) STATE PROPERTY TAX REVENUES DISTRIBUTED TO THE**  
17 **FUND UNDER § 6-301 OF THE TAX - PROPERTY ARTICLE; AND**

18                   **(3) MONEY APPROPRIATED TO THE FUND FROM THE GENERAL**  
19 **FUND.**

20           **(E) (1) THE BOARD ANNUALLY SHALL ALLOCATE MONEY IN THE**  
21 **FUND ACCORDING TO THIS SUBSECTION.**

22                   **(2) ACCORDING TO A FORMULA THAT THE BOARD ESTABLISHES,**  
23 **50% OF THE STATE PROPERTY TAX REVENUE DISTRIBUTED TO THE FUND**  
24 **UNDER § 6-301(B) OF THE TAX - PROPERTY ARTICLE SHALL BE ALLOCATED TO**  
25 **LOCAL GOVERNMENTS THAT:**

26                           **(I) 1. HAVE A POPULATION ABOVE 35,000; OR**

27                                   **2. RECEIVE AND ADMINISTER FEDERAL FUNDS**  
28 **UNDER A COMMUNITY BLOCK GRANT OR HOME PARTNERSHIP INVESTMENT**  
29 **PROGRAM; AND**

30                           **(II) CAN DOCUMENT THAT THEY ARE UNDERTAKING THEIR**  
31 **OWN INITIATIVES TO HELP CREATE AFFORDABLE HOUSING.**

1                   **(3) INITIATIVES UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION**  
2 **CONSIST OF:**

3                   **(I) HAVING A LOCAL HOUSING PLAN FOR WORKFORCE AND**  
4 **AFFORDABLE HOUSING;**

5                   **(II) PROVIDING MONEY FOR AFFORDABLE HOUSING,**  
6 **INCLUDING ESTABLISHING TRUST FUNDS; AND**

7                   **(III) AT LEAST ONE OF THE FOLLOWING:**

8                   **1. WAIVING FEES OR MODIFYING BUILDING PERMIT,**  
9 **DEVELOPMENT, OR IMPACT FEES AND CHARGES FOR CONSTRUCTION OF**  
10 **AFFORDABLE HOUSING;**

11                   **2. ENACTING LEGISLATION THAT RESTRICTS COST**  
12 **AND RESALE PRICES AND REQUIRES DEVELOPMENT OF AFFORDABLE HOUSING**  
13 **UNITS AS PART OF ANY SUBDIVISION IN RETURN FOR ADDED DENSITY;**

14                   **3. PROVIDING LAND OR PROPERTY FROM THE**  
15 **INVENTORY OF THE LOCAL GOVERNMENT;**

16                   **4. SUPPORTING PAYMENTS IN LIEU OF TAXES**  
17 **(PILOTS) TO ENCOURAGE CONSTRUCTION OF AFFORDABLE HOUSING;**

18                   **5. UNDERTAKING ACTIVITIES TO PROVIDE HOUSING**  
19 **UNITS FOR PERSONS OF LOW OR MODERATE INCOME OR INDIVIDUALS WITH**  
20 **DISABILITIES; AND**

21                   **6. CONDUCTING ANY OTHER ACTIVITY TO ENABLE**  
22 **THE CONSTRUCTION OF AFFORDABLE HOUSING.**

23                   **(4) A LOCAL GOVERNMENT THAT ONLY ADMINISTERS THE**  
24 **ALLOCATION OF FEDERAL, STATE, OR OTHER MONEY NOT PROVIDED BY THE**  
25 **COUNTY OR MUNICIPAL CORPORATION IS NOT QUALIFIED TO RECEIVE AN**  
26 **ALLOCATION UNDER THIS SUBSECTION.**

27                   **(5) THE DEPARTMENT MAY REALLOCATE ANY UNUSED MONEY**  
28 **UNDER THIS SUBSECTION TO SELECTED LOCAL GOVERNMENTS AS A BONUS OR**  
29 **RETURN THE MONEY TO THE FUND, IN ACCORDANCE WITH THE WRITTEN**  
30 **POLICIES OF THE BOARD.**



1           **(6) UNLESS A LOCAL GOVERNMENT RECEIVES A WAIVER FROM**  
2 **THE BOARD, A LOCAL GOVERNMENT SHALL USE MONEY RECEIVED FROM THE**  
3 **FUND TO SUPPORT EQUALLY MULTIFAMILY AND SINGLE FAMILY PROGRAMS**  
4 **THAT SERVE LOW AND MODERATE INCOME PERSONS AND INDIVIDUALS WITH**  
5 **DISABILITIES.**

6           **(7) THE REMAINING MONEY IN THE FUND SHALL BE ALLOCATED**  
7 **TO EXISTING DEPARTMENTAL PROGRAMS, TO BE DISTRIBUTED EQUALLY**  
8 **BETWEEN MULTIFAMILY PROGRAMS AND SINGLE FAMILY PROGRAMS.**

9           **(F) (1) SUBJECT TO § 7-209 OF THE STATE FINANCE AND**  
10 **PROCUREMENT ARTICLE AND EXCEPT AS OTHERWISE PROVIDED IN THE STATE**  
11 **BUDGET, AFTER THE FIRST 9 MONTHS OF A FISCAL YEAR, THE BOARD MAY**  
12 **TRANSFER UNENCUMBERED MONEY IN THE FUND TO ANY OTHER FUND**  
13 **ESTABLISHED UNDER THIS TITLE OR THE MARYLAND AFFORDABLE HOUSING**  
14 **TRUST FUND.**

15           **(2) ALL UNUSED MONEY SHALL REMAIN IN THE FUND FOR**  
16 **FUTURE USE.**

17           **(G) (1) TO RECEIVE MONEY FROM THE FUND, A LOCAL GOVERNMENT**  
18 **AND THE DEPARTMENT SHALL ENTER INTO A 3-YEAR FUNDING AGREEMENT**  
19 **THAT SHALL LIST THE REQUIREMENTS SET BY THE BOARD THAT THE LOCAL**  
20 **GOVERNMENT MUST MEET.**

21           **(2) A LOCAL GOVERNMENT SHALL AGREE TO:**

22                   **(I) USE THE MONEY FROM THE FUND TO SERVE**  
23 **INDIVIDUALS WITH DISABILITIES AND PERSONS IN A RANGE OF INCOME LEVELS,**  
24 **INCLUDING THOSE REQUIRED BY SUBSECTION (C)(3) OF THIS SECTION, BY**  
25 **HELPING THOSE IN LOCAL HOMEOWNERSHIP OR RENTAL PROGRAMS WHO FALL**  
26 **WITHIN THE SAME INCOME LEVELS AS THOSE ESTABLISHED FOR STATE**  
27 **HOMEOWNERSHIP AND RENTAL PROGRAMS;**

28                   **(II) ALLOCATE 50% OF THE MONEY FOR RENTAL HOUSING**  
29 **AND 50% FOR HOMEOWNERSHIP OR GROUP HOME OR SPECIAL NEEDS**  
30 **PROGRAMS, UNLESS THE BOARD WAIVES THIS REQUIREMENT FOR GOOD CAUSE;**

31                   **(III) MEET DEADLINES THAT THE DEPARTMENT OR THE**  
32 **BOARD ESTABLISHES;**

33                   **(IV) ESTABLISH AND FOLLOW PROCUREMENT AND OTHER**  
34 **ADMINISTRATIVE PROCESSES THAT ARE CONSISTENT WITH COMMON BEST**  
35 **PRACTICES; AND**

1                   **(V) FILE ANNUAL REPORTS WITH THE DEPARTMENT.**

2           **(H) (1) THE BOARD SHALL PROVIDE MONEY TO A LOCAL**  
3 **GOVERNMENT AS A GRANT.**

4                   **(2) A LOCAL GOVERNMENT MAY RETAIN REPAYMENTS AS**  
5 **PROGRAM INCOME TO BE REUSED CONSISTENT WITH THE REGULATIONS AND**  
6 **AGREEMENTS THAT COVERED THE INITIAL ALLOCATION OF THE MONEY.**

7           **(I) MONEY FROM THE FUND MAY BE USED IN A WAY THAT IS**  
8 **CONSISTENT WITH USES ESTABLISHED BY THE DEPARTMENT AND LOCAL**  
9 **GOVERNMENTS, INCLUDING USING MONEY AS LOANS, GRANTS, DEBT, EQUITY,**  
10 **REVOLVING FUNDS, AND CONTRIBUTIONS TO EXISTING LOCAL TRUST FUNDS OR**  
11 **PROGRAMS.**

12           **(J) A LOCAL GOVERNMENT MAY USE NOT MORE THAN 10% OF FUNDS**  
13 **RECEIVED UNDER THIS SECTION TO COVER ADMINISTRATIVE COSTS.**

14           **(K) (1) A LOCAL GOVERNMENT MAY USE FUNDS RECEIVED UNDER**  
15 **THIS SECTION TO MEET THE DEPARTMENTAL LOCAL CONTRIBUTION**  
16 **REQUIREMENT FOR STATE FUNDED RENTAL HOUSING, AND A COUNTY SHALL**  
17 **HELP EACH MUNICIPAL CORPORATION WITHIN ITS JURISDICTION TO PROVIDE**  
18 **THE LOCAL MATCH FOR PROJECTS THAT THE MUNICIPAL CORPORATION**  
19 **SUPPORTS, IF THE MUNICIPAL CORPORATION DOES NOT RECEIVE AN**  
20 **ALLOCATION DIRECTLY FROM THE FUND.**

21                   **(2) A COUNTY MAY USE THE FUNDS RECEIVED UNDER THIS**  
22 **SECTION TO MAKE A GRANT TO ANOTHER LOCAL GOVERNMENT IF:**

23                           **(I) THE LOCAL GOVERNMENT CAN ADMINISTER THE**  
24 **GRANT; OR**

25                           **(II) ANOTHER LOCAL GOVERNMENT OR THE DEPARTMENT**  
26 **AGREES TO ADMINISTER IT.**

27           **(L) (1) IN ESTABLISHING THE UPPER INCOME LIMITS FOR A FAMILY**  
28 **OF LIMITED INCOME, A LOCAL GOVERNMENT SHALL CONSIDER FACTORS**  
29 **INCLUDING:**

30                           **(I) INCOME LIMITS ESTABLISHED FOR A SIMILAR STATE**  
31 **PROGRAM;**

32                           **(II) THE INCOME OF THE FAMILY AVAILABLE FOR HOUSING;**

- 1                   (III) THE SIZE OF THE FAMILY;
- 2                   (IV) THE COST AND CONDITION OF AVAILABLE HOUSING;
- 3                   (V) THE ABILITY OF THE FAMILY TO COMPETE IN THE  
4 PRIVATE HOUSING MARKET;
- 5                   (VI) STANDARDS AND DEFINITIONS ESTABLISHED FOR  
6 STATE AND FEDERAL HOUSING PROGRAMS; AND
- 7                   (VII) NEEDS IDENTIFIED IN THE HOUSING PLAN OF THE  
8 LOCAL GOVERNMENT.

9                   (2) THE LIMITS ESTABLISHED UNDER PARAGRAPH (1) OF THIS  
10 SUBSECTION MAY VARY FOR DIFFERENT TYPES OF HOUSING.

11           (M) (1) IN FISCAL YEAR 2010, THE GOVERNOR SHALL INCLUDE IN  
12 THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A  
13 GENERAL FUND APPROPRIATION TO THE FUND IN AN AMOUNT NOT LESS THAN  
14 \$19,740,000, INCREASED BY THE AVERAGE PERCENT INCREASE IN THE  
15 PRODUCER PRICE INDEXES FOR SELECTED COMMODITY GROUPINGS THAT ARE  
16 PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS AND THAT  
17 THE SECRETARY DETERMINES REFLECT THE COST OF MATERIALS TO PRODUCE  
18 HOUSING.

19                   (2) BEGINNING IN FISCAL YEAR 2011, AND FOR EVERY FISCAL  
20 YEAR THEREAFTER, AN ANNUAL APPROPRIATION CONSISTING OF THE  
21 APPROPRIATION FOR THE PRIOR FISCAL YEAR PLUS AN AMOUNT DETERMINED  
22 BY THE AVERAGE PERCENT INCREASE IN THE PRODUCER PRICE INDEXES FOR  
23 SELECTED COMMODITY GROUPINGS SPECIFIED UNDER PARAGRAPH (1) OF THIS  
24 SUBSECTION.

25                                   **Article – State Finance and Procurement**

26           8–134.

27           (a) (1) Subject to the provisions of subsection (b) of this section, on or  
28 before May 1 of each year, the Board shall certify to the governing body of each county  
29 the rates of State tax on assessable property needed to meet the debt service  
30 requirements during the next taxable year on all the State bonds that the Board  
31 anticipates will be outstanding during that year.

32                   (2) THE STATE PROPERTY TAX FOR EACH TAXABLE YEAR IS THE  
33 SUM OF THE RATE CERTIFIED BY THE BOARD UNDER PARAGRAPH (1) OF THIS

1 **SUBSECTION AND THE RATE SPECIFIED IN § 6-301(B) OF THE TAX - PROPERTY**  
2 **ARTICLE.**

3 [(2)] (3) Each governing body immediately shall collect the tax at the  
4 rates [the Board certifies under this section] **DETERMINED UNDER PARAGRAPH (2)**  
5 **OF THIS SUBSECTION.**

6 **Article - Tax - Property**

7 6-301.

8 (a) Except as provided in subsection (b) of this section, the Board of Public  
9 Works annually shall set the rates for State property tax for the next taxable year as  
10 authorized by the General Assembly.

11 [(b) (1) Intangible personal property is subject to State property tax as  
12 otherwise provided in this title at the rate set annually by the Board of Public Works  
13 under subsection (a) of this section, if:

14 (i) the intangible personal property has paid interest or  
15 dividends during the 12 months that precede the date of finality;

16 (ii) interest or dividends were withheld on the intangible  
17 personal property during the 12 months that precede the date of finality to avoid the  
18 tax under this subsection;

19 (iii) the intangible personal property consists of newly issued  
20 bonds, certificates of indebtedness, or evidences of debt on which interest is not in  
21 default; or

22 (iv) a stock dividend has been declared on the intangible  
23 personal property during the 12 months that precede the date of finality.

24 (2) The State property tax rate for the intangible personal property  
25 may not exceed 15 cents for each \$100 of an assessment.]

26 **(B) (1) IN ADDITION TO THE RATES FOR THE STATE PROPERTY TAX**  
27 **AS SET ANNUALLY BY THE BOARD OF PUBLIC WORKS, AN ANNUAL STATE TAX IS**  
28 **IMPOSED ON THE ASSESSMENT OF PROPERTY THAT IS SUBJECT TO THE STATE**  
29 **PROPERTY TAX AT A RATE EQUAL TO:**

30 **(I) 2 CENTS FOR EACH \$100 OF ASSESSMENT FOR REAL**  
31 **PROPERTY OTHER THAN OPERATING REAL PROPERTY OF A PUBLIC UTILITY; OR**

32 **(II) 5 CENTS FOR EACH \$100 OF ASSESSMENT FOR**  
33 **OPERATING REAL PROPERTY OF A PUBLIC UTILITY.**

1                   **(2) THE REVENUE FROM THE TAX IMPOSED UNDER PARAGRAPH**  
2 **(1) OF THIS SUBSECTION SHALL BE DISTRIBUTED TO THE MARYLAND**  
3 **AFFORDABLE HOUSING INVESTMENT FUND ESTABLISHED UNDER § 4-507 OF**  
4 **THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2008.