

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 343
 Economic Matters

(Delegate Rosenberg)

Budget and Taxation

Housing Development Projects - Housing Counseling Services

This bill requires a recipient of funding from the Department of Housing and Community Development’s (DHCD) Strategic Demolition Fund or the Baltimore Vacants Reinvestment Initiative (BVRI) for any project to construct, acquire, or rehabilitate residential property for single-family homeownership, to provide information about “housing counseling” services to prospective residents before the execution of a contract to purchase the property. Such services must be provided by housing counselors certified by the U.S. Department of Housing and Urban Development (HUD) and employed by an “approved housing counseling agency,” as defined. Beginning fiscal 2028 and annually thereafter, the Governor must appropriate \$90,000 to be used by community development organizations to partner with approved housing counseling agencies providing housing counseling services under the bill. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$90,000 annually beginning in FY 2028 due to the mandated appropriation. DHCD can administer the funding to community development organizations with existing resources. No effect on revenues.

This bill establishes a mandated appropriation beginning in FY 2028.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	90,000	90,000	90,000	90,000
Net Effect	\$0	(\$90,000)	(\$90,000)	(\$90,000)	(\$90,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Housing counseling” means counselor-to-client assistance that addresses unique financial circumstances or housing issues and focuses on ways of overcoming specific obstacles to achieving a housing goal.

Current Law: A “community development organization” is a corporation, foundation, or other legal entity with the purpose of improving the physical, economic, or social environment of the area where it operates and for which no part of its net earnings inures to the benefit of a private shareholder or individual holding an interest in that entity.

Baltimore Vacants Reinvestments Initiative

On January 5, 2016, then-Governor Hogan and then-Baltimore City Mayor Stephanie Rawlings-Blake announced Project CORE (Creating Opportunities for Renewal and Enterprise) as a multi-year State-city partnership to demolish thousands of vacant buildings in Baltimore City and replace them with green space and economic development projects. DHCD, the Maryland Stadium Authority, and Baltimore City entered into a memorandum of understanding on February 10, 2016. On October 1, 2024, Governor Wes Moore, by [executive order](#), redesignated Project CORE as BVRI to eliminate blight, revitalize neighborhoods, and maximize the economic potential and quality of life for residents in Baltimore City. BVRI is *not* authorized in statute and additional information regarding BVRI can be found on its [website](#).

Strategic Demolition Fund and Smart Growth Impact Fund

Chapter 30 of 2016 established the Strategic Demolition and Smart Growth Impact Fund within DHCD. The fund is a special, nonlapsing fund to provide grants and loans to assist in predevelopment activities, including interior and exterior demolition, land assembly, architecture and engineering, and site development for revitalization projects in designated areas of the State. The fund may only be used to provide grants and loans for such activities to government agencies and community development organizations in an area designated as a sustainable community or a qualified opportunity zone. Historically, the fund supports Project CORE, and the fiscal 2027 capital budget as introduced includes \$60.0 million in general obligation bonds for the fund, of which \$50.0 million is designated for BVRI.

U.S. Department of Housing and Urban Development – Housing Counseling

HUD sponsors housing counseling agencies throughout the country to assist individuals with, among other things, advice on buying a home. HUD housing counselors must be certified by HUD and prove competence in the following six areas: financial management; housing affordability; fair housing; homeownership; avoiding foreclosure; and tenancy

issues. Generally, HUD housing counselors charge fees to clients for their services (e.g., prospective tenants and homeowners); however, HUD guidelines require that any fee be waived if the client cannot afford to pay the fee. HUD also maintains a list of department-approved counseling agencies. As of March 2026, there were [10 HUD-approved housing counseling agencies in the State](#).

State Expenditures: No effect in fiscal 2027. General fund expenditures increase by \$90,000 annually beginning in fiscal 2028 due to the bill’s mandated appropriation. Although the bill does not specify to which agency or program the mandated appropriation is made, the bill is drafted to the Housing and Community Development Article. Therefore, this analysis assumes that DHCD receives the appropriation and must disburse it. DHCD can disburse the funding to community development organizations with existing resources.

Additional Comment: The Department of Legislative Services notes that the bill identifies the “Strategic Demolition and Smart Growth Impact Fund” as the “Strategic Demolition Fund”

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1302 of 2025.

Designated Cross File: None.

Information Source(s): Harford and Wicomico Counties; Maryland Association of Counties; Cities of College Park and Frostburg; Maryland Municipal League; Department of Budget and Management; Department of Housing and Community Development; Department of Legislative Services

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