

SENATE BILL 613

C8, Q3

71r2053

By: **Senators Jones, Astle, Currie, DeGrange, Gladden, and McFadden**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Heritage Structure Rehabilitation Tax Credit Program**

3 FOR the purpose of requiring the Director of the Maryland Historical Trust to adopt
4 certain regulations to establish certain criteria for plans of proposed
5 rehabilitation for purposes of the Maryland heritage structure rehabilitation tax
6 credits; exempting certain commercial rehabilitations from a certain
7 competitive award process; repealing a certain limit on the award of initial
8 credit certificates for projects in a single jurisdiction; altering certain
9 preferences for the award of initial credit certificates to certain commercial
10 rehabilitations; repealing a requirement that a certain percentage of tax credits
11 be provided for certain nonprofit organizations; altering certain provisions
12 relating to certain authority of the Director to charge certain fees to certify
13 heritage structures and rehabilitations; providing that certain related
14 structures may qualify separately for tax credits under certain conditions;
15 altering a certain time period for completing commercial rehabilitations for
16 purposes of the credit; exempting certain commercial rehabilitations from a
17 certain limit on the aggregate credit amounts for which the Director may issue
18 initial credit amounts for any fiscal year; extending to certain fiscal years a
19 requirement that the Governor include in the budget bill a certain
20 appropriation to a certain fund; defining a certain term; altering certain
21 definitions; extending the termination date of the credit; providing for the
22 application of this Act; and generally relating to the Maryland Heritage
23 Structure Rehabilitation Tax Credit Program.

24 BY repealing and reenacting, with amendments,
25 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 5A–303
2 Annotated Code of Maryland
3 (2006 Replacement Volume and 2006 Supplement)

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

6 **Article – State Finance and Procurement**

7 5A–303.

8 (a) (1) In this section the following words have the meanings indicated.

9 (2) “Business entity” means:

10 (i) a person conducting or operating a trade or business in the
11 State; or

12 (ii) an organization operating in Maryland that is exempt from
13 taxation under § 501(c)(3) of the Internal Revenue Code.

14 (3) “Certified heritage area” has the meaning stated in § 13–1101 of
15 the Financial Institutions Article.

16 (4) (i) “Certified heritage structure” means a structure that is
17 located in the State and is:

18 1. listed in the National Register of Historic Places;

19 2. designated as a historic property under local law and
20 determined by the Director to be eligible for listing on the National Register of Historic
21 Places;

22 3. A. located in a historic district listed on the
23 National Register of Historic Places or in a local historic district that the Director
24 determines is eligible for listing on the National Register of Historic Places; and

25 B. certified by the Director as contributing to the
26 significance of the district; or

27 4. located in a certified heritage area and certified by the
28 Maryland Heritage Areas Authority as contributing to the significance of the certified
29 heritage area.

1 (ii) “Certified heritage structure” does not include a structure
2 that is owned by the State, a political subdivision of the State, or the federal
3 government.

4 (5) “Certified rehabilitation” means a completed rehabilitation of a
5 certified heritage structure that the Director certifies is a substantial rehabilitation in
6 conformance with the rehabilitation standards of the United States Secretary of the
7 Interior.

8 (6) “Commercial rehabilitation” means a rehabilitation of a structure
9 other than a single-family, owner-occupied residence.

10 (7) “Director” means the Director of the Maryland Historical Trust.

11 (8) “Local historic district” means a district that the governing body of
12 a county or municipal corporation, or the Mayor and City Council of Baltimore, has
13 designated under local law as historic.

14 (9) **“NATIONAL REGISTER STRUCTURE” MEANS A STRUCTURE**
15 **THAT IS:**

16 (I) **LISTED ON THE NATIONAL REGISTER OF HISTORIC**
17 **PLACES; OR**

18 (II) **LOCATED IN A HISTORIC DISTRICT LISTED ON THE**
19 **NATIONAL REGISTER OF HISTORIC PLACES AND CERTIFIED BY THE DIRECTOR**
20 **AS CONTRIBUTING TO THE SIGNIFICANCE OF THE DISTRICT.**

21 [(9)] (10) “Qualified rehabilitation expenditure” means any amount
22 that:

23 (i) is properly chargeable to a capital account;

24 (ii) is expended in the rehabilitation of a structure that by the
25 end of the calendar year in which the certified rehabilitation is completed is a certified
26 heritage structure;

27 (iii) is expended in compliance with a plan of proposed
28 rehabilitation that has been approved by the Director; and

29 (iv) is not funded, financed, or otherwise reimbursed by any:

- 1 1. State or local grant;
- 2 2. grant made from the proceeds of tax-exempt bonds
3 issued by the State, a political subdivision of the State, or an instrumentality of the
4 State or of a political subdivision of the State;
- 5 3. State tax credit other than the tax credit under this
6 section; or
- 7 4. other financial assistance from the State or a political
8 subdivision of the State, other than a loan that must be repaid at an interest rate that
9 is greater than the interest rate on general obligation bonds issued by the State at the
10 most recent bond sale prior to the time the loan is made.

11 [(10)] **(11)** “Substantial rehabilitation” means rehabilitation of a
12 structure for which the qualified rehabilitation expenditures, during the 24-month
13 period selected by the individual or business entity ending with or within the taxable
14 year, exceed:

- 15 (i) for owner-occupied residential property, \$5,000; or
- 16 (ii) for all other property, the greater of:
- 17 1. the adjusted basis of the structure; or
- 18 2. \$5,000.

19 (b) (1) The Director shall adopt regulations to:

- 20 (i) establish procedures and standards for certifying heritage
21 structures and rehabilitations under this section;
- 22 (ii) for commercial rehabilitations, establish an application
23 process for the award of initial credit certificates for Maryland heritage structure
24 rehabilitation tax credits consistent with the requirements of this subsection; [and]

25 **(III) FOR COMMERCIAL REHABILITATIONS, ESTABLISH**
26 **CRITERIA, CONSISTENT WITH THE REQUIREMENTS OF THIS SUBSECTION, FOR**
27 **EVALUATING, COMPARING, AND RATING PLANS OF PROPOSED REHABILITATION**
28 **THAT HAVE BEEN DETERMINED BY THE DIRECTOR TO CONFORM WITH THE**

1 **REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE**
2 **INTERIOR; AND**

3 [(iii)] (IV) for commercial rehabilitations **WITH PROPOSED**
4 **EXPENDITURES OF GREATER THAN \$500,000**, establish a competitive award
5 process for the award of initial credit certificates for Maryland heritage structure
6 rehabilitation tax credits that:

7 1. [ensures tax credits are awarded in a manner that
8 reflects the geographic diversity of the State] **FAVORS THE AWARD OF TAX CREDITS**
9 **FOR REHABILITATION PROJECTS LOCATED IN JURISDICTIONS THAT HAVE BEEN**
10 **HISTORICALLY UNDERREPRESENTED IN THE AWARD OF TAX CREDITS FOR**
11 **COMMERCIAL REHABILITATIONS, BASED ON THE NUMBER OF NATIONAL**
12 **REGISTER STRUCTURES IN EACH JURISDICTION;**

13 2. favors the award of tax credits for rehabilitation
14 projects that are consistent with and promote current growth and development policies
15 and programs of the State; and

16 3. [A. favors the award of tax credits for structures
17 that are listed in the National Register of Historic Places or are designated as historic
18 properties under local law and determined by the Director to be eligible for listing in
19 the National Register of Historic Places; or

20 B. favors the award of tax credits for structures that are
21 contributing buildings with historic significance and are located in historic districts
22 listed in the National Register of Historic Places] **ENSURES THAT INITIAL CREDIT**
23 **CERTIFICATES ARE AWARDED FOR REHABILITATIONS FOR WHICH**
24 **APPLICATIONS FOR APPROVAL FOR PLANS FOR PROPOSED REHABILITATION:**

25 **A. ARE RECEIVED AND RATED PRIOR TO THE DATE**
26 **APPLICATIONS FOR APPROVAL OF PLANS FOR PROPOSED COMMERCIAL**
27 **REHABILITATION ARE COMPETITIVELY RANKED; AND**

28 **B. UNDER CRITERIA ESTABLISHED FOR RATING**
29 **COMMERCIAL REHABILITATIONS, ARE RATED AT LEAST AS HIGH AS**
30 **COMMERCIAL REHABILITATIONS FOR WHICH INITIAL CREDIT CERTIFICATES**
31 **HISTORICALLY HAVE BEEN AWARDED.**

32 (2) The Director may not certify that a rehabilitation is a certified
33 rehabilitation eligible for a tax credit provided under this section unless the individual

1 or business entity seeking certification states under oath the amount of the
2 individual's or business entity's qualified rehabilitation expenditures.

3 (3) [Between January 1 and March 31 each] **EACH** year, the Director
4 may accept applications for approval of plans of proposed commercial rehabilitations
5 and for the award of initial credit certificates for the fiscal year that begins July 1 of
6 that year.

7 (4) For commercial rehabilitations, the Director may not accept an
8 application for approval of plans of proposed rehabilitation if:

9 (i) any substantial part of the proposed rehabilitation work has
10 begun; or

11 (ii) the applicant for a commercial rehabilitation has previously
12 submitted three or more applications for commercial rehabilitations with total
13 proposed rehabilitations exceeding \$500,000 in that year.

14 (5) [Not more than 50% of the total credit amounts under initial credit
15 certificates issued for any fiscal year may be issued for projects in a single county or
16 Baltimore City.

17 (6) (i) Except as provided in subparagraph (ii) of this paragraph, at
18 least 10% of the total credit amounts under initial credit certificates issued for any
19 fiscal year shall be issued for proposed rehabilitation projects submitted by
20 organizations exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

21 (ii) For any fiscal year, subparagraph (i) of this paragraph does
22 not apply to the extent that the total credit amounts applied for by organizations
23 exempt from taxation under § 501(c)(3) of the Internal Revenue Code for qualifying
24 projects is less than 10% of the maximum authorized aggregate credit amounts for the
25 fiscal year under subsection (d) of this section.

26 (7)] (i) The Director shall adopt regulations to charge a reasonable
27 fee to certify heritage structures and rehabilitations under this section.

28 [(ii) A fee charged under this paragraph shall apply only to a
29 certification for a commercial rehabilitation that is awarded an initial credit certificate
30 under this section for a fiscal year that begins on or after July 1, 2005.]

1 [(iii)] (II) The Director shall set the level of the fee so that the
2 projected proceeds from the fee will cover the costs to the Trust of administering the
3 credit under this section and the federal historic tax credit.

4 [(iv)] (III) The fee charged [to any project] may not exceed 1% of
5 the amount of the initial credit certificate issued for [the project] **A COMMERCIAL
6 REHABILITATION PROJECT OR THE AMOUNT OF THE CREDIT FOR WHICH A
7 SINGLE-FAMILY, OWNER-OCCUPIED REHABILITATION WOULD BE ELIGIBLE
8 BASED ON THE GREATER OF THE ESTIMATED OR FINAL QUALIFIED
9 REHABILITATION EXPENDITURES FOR THE REHABILITATION.**

10 [(v)] (IV) The proceeds from the fee shall be deposited in a
11 special fund, to be used only for the purposes of paying the costs of administering the
12 credit under this section and the federal historic tax credit.

13 [(vi)] (V) Any unused balance of the fund at the end of each
14 fiscal year shall be transferred to the Reserve Fund established under subsection (d) of
15 this section and shall increase the amount of the initial credit certificates that the
16 Trust may issue for the following fiscal year.

17 (c) (1) Except as otherwise provided in this section, for the taxable year in
18 which a certified rehabilitation is completed, an individual or business entity may
19 claim a tax credit in an amount equal to 20% of the individual's or business entity's
20 qualified rehabilitation expenditures for the rehabilitation.

21 (2) (i) For any commercial rehabilitation, the State tax credit
22 allowed under this section may not exceed the lesser of:

23 1. \$3,000,000; or

24 2. the maximum amount specified under the initial
25 credit certificate issued for the rehabilitation.

26 (ii) For a rehabilitation other than a commercial rehabilitation,
27 the State tax credit allowed under this section may not exceed \$50,000.

28 (iii) For the purposes of the limitation under subparagraph (i) of
29 this paragraph, the following shall be treated as a single commercial rehabilitation:

30 1. the phased rehabilitation of the same structure or
31 property;

1 2. the separate rehabilitation of different components of
2 the same structure or property; or

3 3. **EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF**
4 **THIS PARAGRAPH**, the rehabilitation of multiple structures that are functionally
5 related to serve an overall purpose.

6 **(IV) SUBPARAGRAPH (III)3 OF THIS PARAGRAPH DOES NOT**
7 **APPLY TO A COMMERCIAL REHABILITATION IF IT IS LOCATED IN A**
8 **JURISDICTION THAT HAS BEEN HISTORICALLY UNDERREPRESENTED IN THE**
9 **AWARD OF TAX CREDITS FOR COMMERCIAL REHABILITATIONS, BASED ON THE**
10 **NUMBER OF NATIONAL REGISTER STRUCTURES IN EACH JURISDICTION.**

11 (3) (i) Subject to subparagraph (ii) of this paragraph, the initial
12 credit certificate for a proposed commercial rehabilitation shall expire and the credit
13 under this section may not be claimed if the commercial rehabilitation is not
14 completed [by the end of the fiscal year following the fiscal year for which] **WITHIN 30**
15 **MONTHS AFTER** the initial credit certificate was issued.

16 (ii) For reasonable cause, the Director may postpone the
17 expiration date for an initial credit certificate for a commercial rehabilitation.

18 (4) If the tax credit allowed under this section in any taxable year
19 exceeds the total tax otherwise payable by the business entity or the individual for
20 that taxable year, the individual or business entity may claim a refund in the amount
21 of the excess.

22 (d) (1) In this subsection, "Reserve Fund" means the Heritage Structure
23 Rehabilitation Tax Credit Reserve Fund established under paragraph (2) of this
24 subsection.

25 (2) (i) There is a Heritage Structure Rehabilitation Tax Credit
26 Reserve Fund that is a continuing, nonlapsing special fund that is not subject to §
27 7-302 of this article.

28 (ii) The money in the Fund shall be invested and reinvested by
29 the Treasurer, and interest and earnings shall be credited to the General Fund.

30 (3) (i) Subject to the provisions of this subsection, the Director
31 shall issue an initial credit certificate for each commercial rehabilitation for which a
32 plan of proposed rehabilitation is approved.

1 (ii) An initial credit certificate issued under this subsection
2 shall state the maximum amount of credit under this section for which the commercial
3 rehabilitation may qualify.

4 (iii) 1. Except as otherwise provided in this subparagraph
5 and in subsection [(b)(7)(vi)] **(B)(5)(V)** of this section, for any fiscal year, the Director
6 may not issue initial credit certificates for credit amounts in the aggregate totaling
7 more than the amount appropriated to the Reserve Fund for that fiscal year in the
8 State budget as approved by the General Assembly.

9 2. If the aggregate credit amounts under initial credit
10 certificates issued in a fiscal year total less than the amount appropriated to the
11 Reserve Fund for that fiscal year, any excess amount shall remain in the Reserve
12 Fund and may be issued under initial credit certificates for the next fiscal year.

13 3. For any fiscal year, if funds are transferred from the
14 Reserve Fund under the authority of any provision of law other than paragraph (4) of
15 this subsection, the maximum credit amounts in the aggregate for which the Director
16 may issue initial credit certificates shall be reduced by the amount transferred.

17 **4. THIS SUBPARAGRAPH DOES NOT APPLY TO**
18 **INITIAL CREDIT CERTIFICATES AWARDED FOR COMMERCIAL REHABILITATIONS**
19 **WITH EXPENDITURES OF \$500,000 OR LESS.**

20 (iv) [1. For fiscal year 2006, the Governor shall include in the
21 budget bill an appropriation to the Reserve Fund in an amount equal to at least
22 \$20,000,000.

23 2.] For each of fiscal years [2007 and 2008] **2009**
24 **THROUGH 2012**, the Governor shall include in the budget bill an appropriation to the
25 Reserve Fund in an amount equal to at least \$30,000,000.

26 (v) Notwithstanding the provisions of § 7–213 of this article, the
27 Governor may not reduce an appropriation to the Reserve Fund in the State budget as
28 approved by the General Assembly.

29 (vi) The Director may not issue an initial credit certificate for
30 any fiscal year after fiscal year [2008] **2012**.

31 (4) (i) Except as provided in this paragraph, money appropriated to
32 the Reserve Fund shall remain in the Fund.

1 (ii) 1. Within 15 days after the end of each calendar quarter,
2 the Trust shall notify the Comptroller as to each commercial rehabilitation completed
3 and certified during the quarter:

4 A. the maximum credit amount stated in the initial
5 credit certificate for the project; and

6 B. the final certified credit amount for the project.

7 2. On notification that a project has been certified, the
8 Comptroller shall transfer an amount equal to the maximum credit amount stated in
9 the initial credit certificate for the project from the Reserve Fund to the General Fund.

10 (iii) 1. On or before October 1 of each year, the Trust shall
11 notify the Comptroller as to the maximum credit amount stated in the initial credit
12 certificate for each commercial rehabilitation for which the initial credit certificate has
13 expired under subsection (c)(3) of this section as of the end of the prior fiscal year.

14 2. On notification that the initial credit certificate for a
15 project has expired under subsection (c)(3) of this section, the Comptroller shall
16 transfer an amount equal to the maximum credit amount stated in the initial credit
17 certificate for the project from the Reserve Fund to the General Fund.

18 (e) (1) In this subsection, “disqualifying work” means work that:

19 (i) is performed on a certified heritage structure for which a
20 rehabilitation has been certified under this section; and

21 (ii) if performed as part of the rehabilitation certified under this
22 section, would have made the rehabilitation ineligible for certification.

23 (2) The credit allowed under this section shall be recaptured as
24 provided in paragraph (3) of this subsection if, during the taxable year in which a
25 certified rehabilitation is completed or any of the 4 taxable years succeeding the
26 taxable year in which the certified rehabilitation is completed, any disqualifying work
27 is performed on the certified heritage structure for which the certified rehabilitation
28 has been completed.

29 (3) (i) 1. If the disqualifying work is performed during the
30 taxable year in which the certified rehabilitation was completed, 100% of the credit
31 shall be recaptured.

1 2. If the disqualifying work is performed during the first
2 full year succeeding the taxable year in which the certified rehabilitation was
3 completed, 80% of the credit shall be recaptured.

4 3. If the disqualifying work is performed during the
5 second full year succeeding the taxable year in which the certified rehabilitation was
6 completed, 60% of the credit shall be recaptured.

7 4. If the disqualifying work is performed during the
8 third full year succeeding the taxable year in which the certified rehabilitation was
9 completed, 40% of the credit shall be recaptured.

10 5. If the disqualifying work is performed during the
11 fourth full year succeeding the taxable year in which the certified rehabilitation was
12 completed, 20% of the credit shall be recaptured.

13 (ii) The individual or business entity that claimed the tax credit
14 shall pay the amount to be recaptured as determined under subparagraph (i) of this
15 paragraph as taxes payable to the State for the taxable year in which the disqualifying
16 work is performed.

17 (f) (1) The Comptroller may determine, under the process for return
18 examination and audit under §§ 13-301 and 13-302 of the Tax – General Article:

19 (i) the amount of rehabilitation expenditures used in
20 calculating the credit;

21 (ii) whether such expenditures are qualified rehabilitation
22 expenditures under this section; and

23 (iii) whether the credit is allowable as claimed.

24 (2) The authority of the Comptroller to examine and audit a tax return
25 does not limit the authority of the Director to determine whether a rehabilitation
26 qualifies as a certified rehabilitation or whether a certificate of certified rehabilitation
27 has been properly issued.

28 (3) The Comptroller may adopt regulations to require that an entity
29 other than a corporation claim the tax credit on the tax return filed by that entity.

30 (4) (i) Except as otherwise provided in this paragraph, the credit
31 under this section may be claimed for the year a certified rehabilitation is completed,

1 only if the Director has, by the time the return is filed, issued a certificate of
2 completion for the certified rehabilitation.

3 (ii) A taxpayer claiming the credit may amend a return for the
4 year the certified rehabilitation was completed to account for a certificate issued
5 subsequent to the filing of the original return.

6 (iii) An amended return shall be filed within the period allowed
7 under the Tax – General Article for filing refund claims.

8 (iv) The provisions of this paragraph do not extend the period in
9 which a certified rehabilitation must be completed to be eligible for a tax credit under
10 this section.

11 (v) An amended return may account for an amended
12 certification issued by the Director for a certified rehabilitation.

13 (g) A refund payable under subsection (c) of this section:

14 (1) operates to reduce the income tax revenue from corporations if the
15 person entitled to the refund is a corporation subject to the income tax under Title 10
16 of the Tax – General Article;

17 (2) operates to reduce insurance premium tax revenues if the person
18 entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

19 (3) operates to reduce the income tax revenue from individuals if the
20 person entitled to the refund is:

21 (i) an individual subject to the income tax under Title 10 of the
22 Tax – General Article; or

23 (ii) an organization exempt from taxation under § 501(c)(3) of
24 the Internal Revenue Code.

25 (h) (1) On or before December 15 of each fiscal year, the Director shall
26 report to the Governor and, subject to § 2–1246 of the State Government Article, to the
27 General Assembly, on:

28 (i) the initial credit certificates awarded for commercial
29 rehabilitations under this section for that fiscal year; and

1 (ii) the tax credits awarded for certified rehabilitations
2 completed in the preceding fiscal year.

3 (2) The report required under paragraph (1) of this subsection shall
4 include for each initial credit certificate awarded for the fiscal year for a commercial
5 rehabilitation:

6 (i) the name of the owner or developer of the commercial
7 rehabilitation;

8 (ii) the name and address of the proposed or certified
9 rehabilitation and the county where the project is located;

10 (iii) the dates of receipt and approval by the Director of all
11 applications regarding the project, including applications:

12 1. for certification that a structure or property will
13 qualify as a certified heritage structure; and

14 2. for approval of the proposed rehabilitation; and

15 (iv) the maximum amount of the credit stated in the initial
16 credit certificate for the project and the estimated rehabilitation expenditures stated
17 in the application for approval of the plan of proposed rehabilitation.

18 (3) The report required under paragraph (1) of this subsection shall
19 include for each certified commercial rehabilitation completed during the preceding
20 fiscal year:

21 (i) the name of the owner or developer of the commercial
22 rehabilitation;

23 (ii) the name and address of the certified rehabilitation and the
24 county where the project is located;

25 (iii) the dates of receipt and approval by the Director of all
26 applications regarding the project; and

27 (iv) 1. the maximum amount of the credit stated in the
28 initial credit certificate for the project and the estimated rehabilitation expenditures
29 stated in the application for approval of the plan of proposed rehabilitation; and

1 2. the actual qualified rehabilitation expenditures and
2 the final amount of the credit for which the project qualified.

3 (4) The report required under paragraph (1) of this subsection shall
4 summarize for each category of certified rehabilitations:

5 (i) the total number of applicants for:

6 1. certification that a structure or property will qualify
7 as a certified heritage structure;

8 2. approval of plans of proposed rehabilitations; or

9 3. certification of the completed rehabilitations;

10 (ii) the number of proposed projects for which plans of proposed
11 rehabilitation were approved; and

12 (iii) the total estimated rehabilitation expenditures stated in
13 approved applications for approval of plans of proposed rehabilitation and the total
14 qualified rehabilitation expenditures for completed rehabilitations certified.

15 (5) The information required under paragraph (4) of this subsection
16 shall be provided in the aggregate and separately for each of the following categories of
17 certified rehabilitations:

18 (i) owner-occupied single family residential structures; and

19 (ii) commercial rehabilitations.

20 (i) (1) Subject to the provisions of this subsection, the provisions of this
21 section and the tax credit authorized under this section shall terminate as of July 1,
22 [2008] **2012**.

23 (2) On and after July 1, [2008] **2012**:

24 (i) the tax credit authorized under this section may be claimed
25 for:

26 1. a rehabilitation project, other than a commercial
27 rehabilitation, for which an application for approval of a plan of proposed
28 rehabilitation was received by the Director on or before June 30, [2008] **2012**; or

1 2. a commercial rehabilitation for which an initial credit
2 certificate has been awarded under subsection (d) of this section; and

3 (ii) the Director shall continue to report to the Governor and the
4 General Assembly as required under subsection (h) of this section for as long as any
5 rehabilitation project for which the tax credit may be claimed remains incomplete.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
7 effect July 1, 2007, and shall be applicable to all initial credit certificates issued on or
8 after July 1, 2007.