

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	05/06/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 6/13/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

05 14 01 03, .05-.06

3. Name of Promulgating Authority

Department of Housing and Community Development

4. Name of Regulations Coordinator Telephone Number

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5. Name of Person to Call About this Document Telephone No.

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6. Check applicable items:

New Regulations

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 14 NEIGHBORHOOD AND COMMUNITY ASSISTANCE PROGRAM

05.14.01 Community Investment Tax Credit Program

Authority: Housing and Community Development Article, Title 6, Subtitle 4, Annotated Code of Maryland

Notice of Proposed Action

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The Secretary of Housing and Community Development proposes to amend Regulations .03 and .05-.06 under COMAR 05.14.01 Community Investment Tax Credit Program.

Statement of Purpose

The purpose of this action is to implement Chapter 82, Laws of Maryland 2013 by: (1) Increasing the maximum sum of contributions for specified projects under the Neighborhood and Community Assistance Program that are eligible for a specified tax credit from \$2,000,000 to \$3,500,000; and (2) authorizing the Department of Housing and Community Development to give preference to a proposal for a specified project that benefits a neighborhood conservation area that is designated in coordination with the Department's Neighborhood and Community Assistance Program.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The proposed action implements Chapter 82, Laws of Maryland 2013 by: (1) Increasing the maximum sum of contributions for specified projects under the Neighborhood and Community Assistance Program that are eligible for a specified tax credit from \$2,000,000 to \$3,500,000; and (2) authorizing the Department of Housing and Community Development to give preference to a proposal for a specified project that benefits a neighborhood conservation area that is designated in coordination with the Department's Neighborhood and Community Assistance Program. The changes will increase the program's capacity to respond to demand for tax credits by nonprofit organizations and for nonprofit organizations receiving the credits to deliver programs and services locally. The additional allocation of tax credits and increased program activity can be administered with existing staff and program resources. Local governments and the public will benefit from expanded programs, services and local investment by nonprofit organizations. Donating individuals and businesses will benefit from access to a larger pool of tax credits available for approved projects for donations.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	(R+)	Indeterminable
	Benefit (+)	Magnitude
	Cost (-)	
D. On regulated industries or trade groups:	NONE	
E. On other industries or trade groups:		
(1) Nonprofit Organizations	(+)	Indeterminable
(2) Donating Businesses	(+)	Indeterminable
F. Direct and indirect effects on public:	(+)	Indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

C. Local governments will benefit from expanded programs, services and local investment by nonprofit organizations.

E(1). The changes will increase the program’s capacity to respond to demand for tax credits by nonprofit organizations and for nonprofit organizations receiving the credits to deliver programs and services locally.

E(2). Donating individuals and businesses will benefit from access to a larger pool of tax credits available for approved projects for donations.

F. The public will benefit from expanded programs, services and local investment by nonprofit organizations.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

Small businesses will benefit from the proposed action. The action will assist businesses that make charitable contributions in reducing their Maryland tax liability while improving community relations, increasing their own visibility and supporting local projects. Businesses donating to nonprofit organizations that have received an allocation of tax credits will benefit from a larger pool of tax credits available for approved projects.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to John Papagni, Program Officer, Division of Neighborhood Revitalization, Department of Housing and Community Development, 100 Community Place, Crownsville, MD 21032, or call 410-209-5807 , or email to papagni@mdhousing.org, or fax to 410-685-8270. Comments will be accepted through July 13, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2014

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

Regulations will be implemented with existing staff and program resources.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

Attached Document:

Title 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 14 NEIGHBORHOOD AND COMMUNITY ASSISTANCE PROGRAM

Chapter 01 Community Investment Tax Credit Program

Authority: Housing and Community Development Article, Title 6, Subtitle 4, Annotated Code of Maryland

.01 -.02 (text unchanged)

.03 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) – (5) (text unchanged)

(6) ["Designated revitalization area" means a designated neighborhood under Housing and Community Development Article, §6-301(a), Annotated Code of Maryland.] *"Designated neighborhood conservation area" means a geographically defined area that has been designated a neighborhood conservation area under COMAR 05.17.03.*

(6-1) - (14) (text unchanged)

(15) *"Sustainable community" means the part of a priority funding area that:*

(a) *Has been designated as a sustainable community in accordance with COMAR 05.17.02;*

(b) *Has been designated as a BRAC Revitalization and Incentive Zone under Economic Development Article, Title 5, Subtitle 13, Annotated Code of Maryland; or*

(c) *Has been designated as a transit-oriented development under Transportation Article, §7-101, Annotated Code of Maryland.*

.04 (text unchanged)

.05 Project Proposals and Processing.

A. (text unchanged)

B. Forms and Documentation. A project proposal shall be made on standard forms provided by the Program and shall include:

(1) – (3) (text unchanged)

(4) The priority funding area benefited by the project, together with a statement whether the priority funding area includes, in whole or in part, [any designated revitalization area] *a sustainable community or a designated neighborhood conservation area;*

(5) – (11) (text unchanged)

C. (text unchanged)

.06 Project Review and Selection Procedures.

A. – C. (text unchanged)

D. Minimum and Maximum Amounts of Tax Credits.

(1) (text unchanged)

(2) The sum of contributions eligible for tax credits for all projects approved for each State fiscal year may not exceed \$[2,000,000]3,500,000.

E. (text unchanged)

F. Selection.

(1) – (5) (text unchanged)

(6) In approving or disapproving a proposal, and in determining the maximum amount of contributions to an approved project that will be eligible for tax credits, the Secretary may give preference to a proposal that benefits a [designated revitalization area] *sustainable community or a neighborhood conservation area.*

G. (text unchanged)

.07 -.13 (text unchanged)