

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 99 (Chairman, Budget and Taxation Committee)
(Departmental - Housing and Community Development)
Budget and Taxation Referred to Appropriations

**Department of Housing and Community Development -
Neighborhood and Community Assistance Program**

This amended departmental bill alters the type of projects that may receive contributions eligible for Neighborhood and Community Assistance Program tax credits by expanding the definition of “redevelopment assistance” to include labor as well as materials. This bill also alters the requirements for certification of value of nonmonetary contributions of new goods. For projects located in a municipality, the bill requires approval only from the municipal corporation. Under current law, approval is also required from the county where the municipality is located. This bill also allows an appropriate local governing body to delegate approval to an authorized designee of the county or municipal corporation.

This bill takes effect on July 1, 1997.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

Small Business Effect: The Department of Housing and Community Development has determined that this bill has minimal or no economic impact on small businesses (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: This bill alters the type of projects that may receive contributions eligible for existing Neighborhood and Community Assistance Program tax credits. The sum of contributions eligible for the tax credit is capped at \$2 million per fiscal year for a maximum of \$1 million in credits in any fiscal year. Since the bill would not affect the overall level of tax credits available, revenues would not be affected. To the extent that this bill requires procedural changes, the department could handle them with existing resources. The Neighborhood and Community Assistance Program was established by Chapter 636 of 1996.

Information Source(s): Department of Housing and Community Development, Comptroller of the Treasury (Revenue Administration Division), Department of Fiscal Services

Fiscal Note History: First Reader - January 23, 1997
lc Revised - Senate Third Reader - March 12, 1997

Analysis by: Sarah Dickerson

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710