

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 496

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “commercial”; in line 5, strike “proposed” and substitute “estimated”; strike beginning with “approved” in line 5 down through “Trust;” in line 6 and substitute “as stated in the application for approval of a plan of proposed rehabilitation; limiting the amount of State tax credit allowed for any rehabilitation; altering the calculation of the credit;”; in line 7, after “State” insert “or local”; strike beginning with “limiting” in line 8 down through “basis;” in line 22 and substitute “repealing certain provisions allowing the credit for certain rehabilitations in other states under certain circumstances; repealing certain provisions allowing the transfer of the credit under certain circumstances;”; strike beginning with “limiting” in line 23 down through “limitation;” in line 26; and strike beginning with “requiring” in line 26 down through “circumstances;” in line 29 and substitute “providing for the termination of the credit as of a certain date; stating the intent of the General Assembly regarding the estimated rehabilitation expenditures for approved proposed commercial projects for the purposes of the credit for any calendar year; requiring the Department of Legislative Services to monitor the approval of proposed commercial rehabilitation projects for the purposes of the credit and to take certain actions relating to the credit under certain circumstances;”.

AMENDMENT NO. 2

On page 2, in line 17, after “law” insert “AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES”; in line 19, after “district” insert “THAT THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES”; in line 20, strike “of the Maryland Historical Trust”; and strike beginning with the third comma in line 26 down through “Article” in line 28.

On page 3, in line 11, strike “FOR A COMMERCIAL REHABILITATION,”; in line 12, strike “EXPENDITURES” and substitute “REHABILITATION”; strike beginning with “IN” in

(Over)

line 13 down through “SECTION” in line 14; in line 14, after “THE” insert “ESTIMATED”; in line 15, strike “APPROVED BY THE DIRECTOR” and substitute “STATED IN THE APPLICATION FOR APPROVAL OF THE PLAN OF PROPOSED REHABILITATION”; strike beginning with “EXCEPT” in line 16 down through “SECTION,” in line 18; in line 19, strike “OR LOAN”; in line 20, before “TAX-EXEMPT” insert “GRANT MADE FROM THE PROCEEDS OF”; in line 23, strike “OR LOCAL”; and in line 26, after “STATE” insert “, OTHER THAN A LOAN THAT MUST BE REPAID AT AN INTEREST RATE THAT IS GREATER THAN THE INTEREST RATE ON GENERAL OBLIGATION BONDS ISSUED BY THE STATE AT THE MOST RECENT BOND SALE PRIOR TO THE TIME THE LOAN IS MADE”.

AMENDMENT NO. 3

On page 4, in line 1, strike “25%” and substitute “20%”; strike in their entirety lines 6 through 17, inclusive, and substitute:

“(3) (I) FOR ANY REHABILITATION, THE STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$3,000,000.

(II) FOR THE PURPOSES OF THE LIMITATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE FOLLOWING SHALL BE TREATED AS A SINGLE REHABILITATION:

1. THE PHASED REHABILITATION OF THE SAME STRUCTURE OR PROPERTY;

2. THE SEPARATE REHABILITATION OF DIFFERENT COMPONENTS OF THE SAME STRUCTURE OR PROPERTY; OR

3. THE REHABILITATION OF MULTIPLE STRUCTURES THAT ARE FUNCTIONALLY RELATED TO SERVE AN OVERALL PURPOSE.”;

in line 20, strike “(1)”; in the same line, strike the brackets; strike beginning with “EXCEPT” in line 20 down through “IF” in line 21; and in line 23, strike the bracket.

On pages 4 and 5, strike in their entirety the lines beginning with line 24 on page 4 through

line 37 on page 5, inclusive.

On page 5, in line 38, strike “(e)” and substitute “(D)”.

On page 6, strike in their entirety lines 5 through 13, inclusive; and in line 14, strike “(g)” and substitute “(E)”.

On page 7, in line 11, strike “(h)” and substitute “(F)”; in the same line, strike “SUBSECTION (C)(3)”; in lines 11, 12, 18, 19, and 23, strike all the brackets; and in line 18, strike “OPERATES”.

AMENDMENT NO. 4

On page 7, in line 24, strike “(i)” and substitute “(G)”; in line 24, after “15” insert “, APRIL 15, JULY 15, AND OCTOBER 15”; in line 28, strike “YEAR,” and substitute “QUARTER, FOR EACH COMMERCIAL REHABILITATION THAT WAS COMPLETED DURING THE CALENDAR QUARTER AND FOR EACH PROPOSED COMMERCIAL REHABILITATION THAT REMAINS INCOMPLETE AS OF THE END OF THE CALENDAR QUARTER:”

(I) THE NAME OF THE OWNER OR DEVELOPER THAT HAS APPLIED FOR APPROVAL OF THE TAX CREDIT;

(II) THE NAME AND ADDRESS OF THE PROPOSED OR CERTIFIED REHABILITATION AND THE COUNTY WHERE THE PROJECT IS LOCATED;

(III) THE DATES OF RECEIPT AND APPROVAL BY THE TRUST OF ALL APPLICATIONS REGARDING THE PROJECT, INCLUDING APPLICATIONS FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE, FOR APPROVAL OF THE PROPOSED REHABILITATION, AND FOR CERTIFICATION OF THE COMPLETED REHABILITATION; AND

(IV) THE ESTIMATED REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL OF THE PLAN OF PROPOSED REHABILITATION; AND

(Over)

(V) FOR PROJECTS COMPLETED DURING THE CALENDAR QUARTER, THE FINAL QUALIFIED REHABILITATION COSTS FOR THE PROJECT AND THE AMOUNT OF THE CREDIT FOR THE CERTIFIED REHABILITATION.

(3) THE REPORT REQUIRED ON JANUARY 15 OF EACH YEAR SHALL SUMMARIZE FOR THE PRECEDING CALENDAR YEAR.”;

in line 29, strike “(3)” and substitute “(4)”; and in lines 34 and 35, strike “REHABILITATION EXPENDITURES” and substitute “REHABILITATIONS”.

On page 8, in line 3, after the semicolon, insert “AND”; in line 4, after “total” insert “ESTIMATED”; in line 5, strike “APPROVED FOR PROPOSED REHABILITATIONS” and substitute “STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED REHABILITATION”; in line 7, strike “; and” and substitute a period; strike in their entirety lines 8 through 11, inclusive; in line 12, strike “(3)” and substitute “(4)”; in the same line, strike “(2)” and substitute “(3)”; in line 15, after “structures;” insert “AND”; and strike in their entirety lines 16 through 18, inclusive, and substitute:

“(II) COMMERCIAL REHABILITATIONS.

(H) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE PROVISIONS OF THIS SECTION AND THE TAX CREDIT AUTHORIZED UNDER THIS SECTION SHALL TERMINATE AS OF JUNE 1, 2004.

(2) ON AND AFTER JUNE 1, 2004:

(I) THE TAX CREDIT AUTHORIZED UNDER THIS SECTION MAY BE CLAIMED FOR REHABILITATION PROJECTS FOR WHICH AN APPLICATION FOR APPROVAL OF A PLAN OF PROPOSED REHABILITATION WAS RECEIVED BY THE DIRECTOR ON OR BEFORE MAY 31, 2004.

(II) THE DIRECTOR SHALL CONTINUE TO REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY AS REQUIRED UNDER SUBSECTION (G) FOR AS LONG AS ANY REHABILITATION PROJECT FOR WHICH AN APPLICATION FOR

APPROVAL OF A PLAN OF PROPOSED REHABILITATION WAS RECEIVED BY THE DIRECTOR ON OR BEFORE MAY 31, 2004 REMAINS INCOMPLETE.”.

AMENDMENT NO. 5

On pages 8 and 9, strike in their entirety the lines beginning with line 19 on page 8 through line 25 on page 9, inclusive, and substitute:

“SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the total estimated rehabilitation expenditures for proposed commercial rehabilitations for the purposes of the tax credit authorized under Article 83B, § 5-801 of the Code approved for any calendar year not exceed an amount of expenditures that in the aggregate would result in tax credits of more than \$50,000,000.

SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Legislative Services shall monitor the approval of proposed commercial rehabilitation projects by the Maryland Historical Trust for the purposes of the tax credit authorized under Article 83B, § 5-801 of the Code. If the total estimated rehabilitation expenditures for proposed commercial rehabilitations approved in any calendar year exceeds an amount that in the aggregate would result in more than \$50,000,000 in tax credits, the Department of Legislative Services shall:

(1) Notify the President of the Senate, the Speaker of the House of Delegates, the Senate Budget and Taxation Committee, and the House Committee on Ways and Means;

(2) Make recommendations to the General Assembly to limit State revenue losses under the heritage structure rehabilitation tax credit program, including options to convert the program to a grant-based program; and

(3) Prepare legislation for introduction in the next legislative session of the General Assembly to impose an aggregate cap on the annual approval of commercial rehabilitation expenses that would ensure that the tax credits resulting from annual approved commercial rehabilitations do not exceed \$50,000,000 in tax credits under Article 83B, § 5-801 of the Code.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as otherwise provided in this

(Over)

section, this Act shall take effect June 1, 2002, and shall be applicable to all taxable years beginning after December 31, 2001. For commercial rehabilitation projects that have submitted an application for approval of a plan of proposed rehabilitation by the Director of the Maryland Historical Trust on or before February 1, 2002 for the proposed rehabilitations, the provisions of Article 83B, § 5-801 of the Code in effect on May 31, 2002 shall apply to the certified heritage structure rehabilitation credit for the substantial rehabilitation project.”.