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By: ~~Senator Stoltzfus~~ **Senators Stoltzfus, Jones, and McFadden**

Introduced and read first time: January 29, 2003

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 5, 2003

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Task Force to Study the Maryland Heritage Structure Rehabilitation Tax**  
3 **Credit –Termination**

4 ~~FOR the purpose of altering a certain termination date of the Maryland Heritage~~  
5 ~~Structure Rehabilitation Tax Credit; providing that the tax credit may not be~~  
6 ~~claimed for a rehabilitation project unless an application for approval of a plan~~  
7 ~~of proposed rehabilitation is received by the Director of the Maryland Historical~~  
8 ~~Trust on or before a certain date; and generally relating to the application and~~  
9 ~~termination of the Maryland Heritage Structure Rehabilitation Tax Credit~~  
10 ~~program administered by the Director of the Maryland Historical Trust.~~

11 ~~BY repealing and reenacting, with amendments,~~  
12 ~~Article 83B – Department of Housing and Community Development~~  
13 ~~Section 5-801(h)~~  
14 ~~Annotated Code of Maryland~~  
15 ~~(1998 Replacement Volume and 2002 Supplement)~~

16 FOR the purpose of establishing a Task Force to Study the Maryland Heritage  
17 Structure Rehabilitation Tax Credit; providing for the composition of the Task  
18 Force; requiring the Governor to designate the chairman of the Task Force;  
19 providing for the staffing of the Task Force; prohibiting a member from  
20 receiving certain compensation; authorizing a member to receive certain  
21 reimbursement; establishing the duties of the Task Force; requiring the Task  
22 Force to report its findings to the Governor and the General Assembly; providing  
23 for the termination of certain provisions of this Act; defining certain terms; and  
24 generally relating to the Maryland Heritage Structure Rehabilitation Program  
25 and a Task Force to Study the Maryland Heritage Rehabilitation Tax Credit.

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

3 **Article 83B—Department of Housing and Community Development**

4 ~~5-801.~~

5 ~~(h) (1) (I) Subject to the provisions of this subsection, the provisions of~~  
6 ~~this section and the tax credit authorized under this section shall terminate as of~~  
7 ~~June 1, [2004] 2003.~~

8 (H) THE TAX CREDIT AUTHORIZED UNDER THIS SECTION MAY NOT  
9 BE CLAIMED FOR A REHABILITATION PROJECT UNLESS AN APPLICATION FOR  
10 APPROVAL OF A PLAN OF PROPOSED REHABILITATION WAS RECEIVED BY THE  
11 DIRECTOR ON OR BEFORE FEBRUARY 1, 2003.

12 (2) On and after June 1, [2004] 2003:

13 (i) The tax credit authorized under this section may be claimed for  
14 rehabilitation projects for which an application for approval of a plan of proposed  
15 rehabilitation was received by the Director on or before [May 31, 2004] FEBRUARY 1,  
16 2003.

17 (ii) The Director shall continue to report to the Governor and the  
18 General Assembly as required under subsection (g) for as long as any rehabilitation  
19 project for which an application for approval of a plan of proposed rehabilitation was  
20 received by the Director on or before [May 31, 2004] FEBRUARY 1, 2003, remains  
21 incomplete.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 June 1, 2003.

24 SECTION 1. AND BE IT FURTHER ENACTED, That:

25 (a) There is a Task Force to Study the Maryland Heritage Structure  
26 Rehabilitation Tax Credit.

27 (b) The Task Force consists of the following members:

28 (1) three members of the Senate of Maryland, appointed by the President  
29 of the Senate; and

30 (2) three members of the Maryland House of Delegates, appointed by the  
31 Speaker of the House.

32 (c) The President of the Senate and the Speaker of The House shall designate  
33 co-chairs of the Task Force.

34 (d) A member of the Task Force:

- 1           (1)     may not receive compensation; but
- 2           (2)     is entitled to reimbursement for expenses under the Standard State  
3 Travel Regulations, as provided in the State budget.
- 4       (e)     The Task Force shall:
- 5           (1)     review the implementation and use of the Maryland Heritage  
6 Structure Rehabilitation Tax Credit Program;
- 7           (2)     evaluate the anticipated revenue loss under various legislation  
8 enacted by the General Assembly relating to the Program and actual revenue loss or  
9 projected revenue loss under the Program, including a thorough evaluation of all  
10 projects that have received or are eligible to receive a tax credit under the Program;
- 11          (3)     review and evaluate the direct and indirect economic benefits to the  
12 State of the Maryland Heritage Structure Tax Credit Program;
- 13          (4)     evaluate whether rehabilitations and proposed rehabilitations that  
14 are eligible under the Program would have occurred without the tax credits or would  
15 have occurred in a different manner;
- 16          (5)     evaluate whether rehabilitations and proposed rehabilitations under  
17 the Program could have proceeded or could proceed under a direct grant program and  
18 the value of a tax credit versus a direct grant program to these rehabilitations and  
19 proposed rehabilitations;
- 20          (6)     evaluate the effects of an aggregate cap on total tax credits  
21 authorized under the Program each year and whether a tax credit program is a  
22 preferable means for providing State assistance to rehabilitation projects under these  
23 circumstances;
- 24          (7)     evaluate the effect of the sale of tax credits under the Program and  
25 the effect the sale of a tax credit on the total value of the benefit received by the  
26 rehabilitation project as compared to a direct grant program; and
- 27          (8)     make recommendations as to whether or in what form the Maryland  
28 Heritage Structure Rehabilitation Tax Credit Program should be continued.
- 29       (f)     The Department of Budget and Management shall provide staffing for the  
30 Task Force.
- 31       (g)     The Task Force shall report its findings to the Governor and, in accordance  
32 with § 2-1246 of the State Government Article, the General Assembly on or before  
33 December 1, 2003.
- 34       **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
35 **June 1, 2003. It shall remain effective for a period of 6 months and, at the end of**  
36 **December 31, 2003, with no further action required by the General Assembly, this Act**  
37 **shall be abrogated and of no further force and effect.**

