

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 309

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Vaughn” and substitute “Vaughn, and Manno”; strike in their entirety lines 3 through 27, inclusive, and substitute:

“FOR the purpose of requiring the Director of the Maryland Historical Trust to adopt certain regulations relating to the Maryland heritage structure rehabilitation tax credit; altering the circumstances under which the Director may accept an application for approval of plans for a proposed rehabilitation; repealing a certain limit on the award of initial credit certificates for projects in a single jurisdiction for purposes of the credit; providing for an additional credit if certain rehabilitations meet a certain high-performance building standard; providing for the expiration of certain credit certificates under certain circumstances; authorizing the Governor to include an appropriation to a certain reserve fund for certain fiscal years; extending to certain fiscal years the authority of the Director to issue initial credit certificates; making certain rehabilitations ineligible for the tax credit unless occupancy of a certain number of residential rental units in a rehabilitated structure is restricted for households whose median income is below a certain percentage of the area median income; authorizing the Trust to enter into certain agreements for certain purposes; altering a certain provision related to a certain fee for proposed rehabilitations; authorizing a certain fee to be imposed for the monitoring of certain rehabilitations under certain circumstances; providing for the recapture of the credit under certain circumstances; extending the date for the termination of the credit; defining certain terms; altering certain definitions; providing for the application of this Act; and generally relating to the Maryland Heritage Structure Rehabilitation Tax Credit Program.”.

(Over)

On pages 1 and 2, strike in their entirety the lines beginning with line 28 on page 1 through line 10 on page 2, inclusive.

On page 2, in line 11, strike “and transferring to the Session Laws”; and in line 13, after “5A-303” insert “and 5A-318(b)”.

AMENDMENT NO. 2

On pages 2 through 16, strike in their entirety the lines beginning with line 19 on page 2 through line 21 on page 16, inclusive.

On page 16, in line 22, strike the brackets; and in the same line, strike “**1.**”.

AMENDMENT NO. 3

On page 17, in line 14, after “that” insert “**;**”

1.”;

in line 15, after “government” insert “**;**OR”

2. INCLUDES 30 OR MORE RESIDENTIAL RENTAL UNITS, UNLESS AT LEAST 10% OF THE UNITS ARE RESTRICTED FOR AT LEAST 15 YEARS FOR OCCUPANCY BY LOW- OR MODERATE-INCOME HOUSEHOLDS”;

after line 25, insert:

“(10) “LOW- OR MODERATE-INCOME HOUSEHOLD” MEANS A HOUSEHOLD WHOSE INCOME DOES NOT EXCEED 60% OF THE AREA MEDIAN INCOME.”

On page 19, in line 36, after “rehabilitations” insert “AND A REASONABLE FEE TO MONITOR OCCUPANCY OF RESTRICTED OCCUPANCY RESIDENTIAL RENTAL UNITS BY LOW- OR MODERATE-INCOME HOUSEHOLDS”.

AMENDMENT NO. 4

On page 17, after line 22, insert:

“(8) “HIGH-PERFORMANCE BUILDING” MEANS A BUILDING THAT:

(I) MEETS OR EXCEEDS THE CURRENT VERSION OF THE U.S. GREEN BUILDING COUNCIL’S LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN) GREEN BUILDING RATING SYSTEM GOLD RATING; OR

(II) ACHIEVES AT LEAST A COMPARABLE NUMERIC RATING ACCORDING TO A NATIONALLY RECOGNIZED, ACCEPTED, AND APPROPRIATE NUMERIC SUSTAINABLE DEVELOPMENT RATING SYSTEM, GUIDELINE, OR STANDARD APPROVED BY THE SECRETARY OF BUDGET AND MANAGEMENT AND THE SECRETARY OF GENERAL SERVICES UNDER § 3-602.1 OF THIS ARTICLE.”;

and in lines 23, 26, and 31, strike “(8)”, “(9)”, and “(10)”, respectively, and substitute “(9)”, “(11)”, and “(12)”, respectively.

AMENDMENT NO. 5

On page 18, after line 16, insert:

“(13) (I) “SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE” MEANS A STRUCTURE OCCUPIED BY THE OWNER AND THE OWNER’S IMMEDIATE FAMILY AS THEIR PRIMARY OR SECONDARY RESIDENCE.

(II) “SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE” INCLUDES A RESIDENTIAL UNIT IN A COOPERATIVE PROJECT OWNED BY OR LEASED TO A COOPERATIVE HOUSING CORPORATION, AS DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE, AND LEASED FOR EXCLUSIVE OCCUPANCY TO, AND OCCUPIED BY, A MEMBER OF THE CORPORATION AND THE MEMBER’S IMMEDIATE FAMILY UNDER A PROPRIETARY LEASE.”;

and in line 17, strike “(11)” and substitute “(14)”.

AMENDMENT NO. 6

On page 18, in line 19, after “year” insert “WHEN THE REHABILITATION IS COMPLETED”.

AMENDMENT NO. 7

On page 18, in line 33, strike “and”; and after line 33, insert:

“(IV) FOR COMMERCIAL REHABILITATIONS, DETERMINE WHETHER THE CERTIFIED REHABILITATION IS A HIGH-PERFORMANCE BUILDING;

(V) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A REQUIRED EXTERNAL MARKER FOR A REHABILITATION PROJECT THAT IDENTIFIES THAT THE REHABILITATION WAS FUNDED BY MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS;

(VI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH PROCEDURES FOR MONITORING THE OCCUPANCY OF ANY STRUCTURE WITH 30 OR MORE RESIDENTIAL RENTAL UNITS, TO ENSURE THAT AT LEAST 10% OF THE

RESIDENTIAL RENTAL UNITS ARE OCCUPIED BY LOW- OR MODERATE-INCOME HOUSEHOLDS; AND".

On page 19, in line 1, strike "(iv)" and substitute "**(VII)**".

AMENDMENT NO. 8

On page 19, in line 10, strike the second "and"; in line 17, after "Places" insert "**;**
AND

4. FAVORS THE AWARD OF TAX CREDITS FOR REHABILITATION PROJECTS THAT EXCEED THE REQUIREMENTS OF STANDARD 90.1 OF THE AMERICAN SOCIETY OF HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS, INC. (ASHRAE)".

AMENDMENT NO. 9

On page 19, in line 25, after "(4)" insert "**(I)**"; in the same line, strike "For commercial rehabilitations" and substitute "**EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH**"; in lines 27 and 29, strike "(i)" and "(ii)", respectively, and substitute "**1.**" and "**2.**", respectively; strike beginning with "any" in line 27 down through "begun" in line 28 and substitute "**ACTUAL SUBSTANTIVE CONSTRUCTION HAS STARTED**"; and after line 31, insert:

"(II) IF ACTUAL SUBSTANTIVE CONSTRUCTION HAS STARTED, THE DIRECTOR MAY ACCEPT AN APPLICATION FOR APPROVAL OF PLANS FOR A PROPOSED REHABILITATION IF THE REHABILITATION EXPENDITURES WERE NECESSARY TO MAKE THE STRUCTURE HABITABLE IMMEDIATELY AFTER AN EMERGENCY BEYOND THE CONTROL OF THE APPLICANT."

AMENDMENT NO. 10

On page 20, in line 1, after “fee” insert “CHARGED TO CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS”; in line 4, after “(iii)” insert “1.”; in the same line, after “charged” insert “TO CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS”; and after line 8, insert:

“2. THE FEE CHARGED FOR MONITORING OCCUPANCY OF RESTRICTED OCCUPANCY RESIDENTIAL RENTAL UNITS BY LOW- OR MODERATE-INCOME HOUSEHOLDS MAY NOT EXCEED THE COST TO THE TRUST FOR THE MONITORING OF THE RESTRICTION.

“(IV) IF THE FEE CHARGED FOR CERTIFICATION OF A COMMERCIAL REHABILITATION IS NOT RECEIVED BY THE TRUST WITHIN 120 DAYS AFTER THE TRUST SENDS NOTICE THAT THE FEE IS DUE, THE RESERVATION OF AN AWARD FOR AN INITIAL CREDIT CERTIFICATE FOR THE REHABILITATION SHALL EXPIRE.”;

in line 9, strike “fee” and substitute “FEES”; and in lines 9 and 12, strike “(iv)” and “(v)”, respectively, and substitute “(V)” and “(VI)”, respectively.

AMENDMENT NO. 11

On page 19, strike in their entirety lines 32 through 34, inclusive; and in line 35, strike “(6)” and substitute “(5)”.

AMENDMENT NO. 12

On page 20, in line 16, after “(1)” insert “(I)”; and in line 18, after “to” insert “:

1.”;

in line 19, strike “the rehabilitation” and substitute “A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENTIAL REHABILITATION; OR

2. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS SUBSECTION, 20% OF THE INDIVIDUAL’S OR BUSINESS ENTITY’S QUALIFIED REHABILITATION EXPENDITURES FOR A COMMERCIAL REHABILITATION.

(II) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED COMMERCIAL REHABILITATION IS COMPLETED, AN INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 25% OF THE INDIVIDUAL’S OR BUSINESS ENTITY’S QUALIFIED REHABILITATION EXPENDITURES IF THE CERTIFIED REHABILITATION IS A HIGH-PERFORMANCE BUILDING”.

AMENDMENT NO. 13

On page 21, in line 3, after “if” insert “:

1. WITHIN 18 MONTHS AFTER THE INITIAL CREDIT CERTIFICATE WAS ISSUED, THE APPLICANT HAS NOT NOTIFIED THE DIRECTOR, IN WRITING, THAT THE COMMERCIAL REHABILITATION HAS BEGUN; OR

2.”;

and in line 5, after the second “the” insert “30-MONTH”.

AMENDMENT NO. 14

On page 21, in line 16, strike the brackets; in the same line, strike “**THE STATE FINANCE AND PROCUREMENT ARTICLE**”; in line 26, strike “(b)(6)(v)” and

(Over)

substitute “(B)(5)(VI)”; and strike beginning with “the” in line 30 down through “if” in line 36, inclusive.

AMENDMENT NO. 15

On page 22, in line 7, strike “2009 and 2010” and substitute “2011, 2012, 2013, AND 2014”; in line 9, strike the brackets; in line 10, strike “THE STATE FINANCE AND PROCUREMENT ARTICLE”; and in line 14, strike “2010” and substitute “2014”.

On page 26, in lines 22, 23, and 28, in each instance, strike “2010” and substitute “2014”.

AMENDMENT NO. 16

On page 22, in line 34, after “(1)” insert “(I)”; and in the same line, strike beginning with the comma through “that:” and substitute “THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”

(II) 1. “DISPOSE OF” MEANS TO TRANSFER LEGAL TITLE OR, IN THE CASE OF A LEASEHOLD, THE LEASEHOLD INTEREST.

2. “DISPOSE OF” INCLUDES TO SELL IN A SALE-AND-LEASEBACK TRANSACTION, TO TRANSFER ON THE FORECLOSURE OF A SECURITY INTEREST, OR TO TRANSFER BY GIFT.

3. “DISPOSE OF” DOES NOT INCLUDE TO TRANSFER TITLE OR THE LEASEHOLD INTEREST TO A CREDITOR ON CREATION OF A SECURITY INTEREST.

(III) “DISQUALIFYING WORK” MEANS WORK THAT:”.

On page 23, in lines 1 and 3, strike “(i)” and “(ii)”, respectively, and substitute “1.” and “2.”, respectively; in line 8, strike the comma and substitute “:

(I)”;

in line 10, after “completed” insert “; OR

(II) FOR A COMMERCIAL REHABILITATION, THE CERTIFIED REHABILITATION IS COMPLETE AND HAS BEEN DISPOSED OF”;

and in lines 11, 14, 17, 20, 23, and 29, in each instance, after “performed” insert “OR THE CERTIFIED REHABILITATION IS DISPOSED OF”; and after line 29, insert:

“(4) (I) 100% OF THE CREDIT ALLOWED UNDER THIS SECTION FOR REHABILITATION OF A STRUCTURE WITH 30 OR MORE RESIDENTIAL RENTAL UNITS SHALL BE RECAPTURED IF, AT ANY TIME DURING THE TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION IS COMPLETED OR ANY OF THE 15 TAXABLE YEARS SUCCEEDING THE TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION IS COMPLETED, THE STRUCTURE NO LONGER MEETS THE REQUIREMENTS OF SUBSECTION (A)(4)(II)2 OF THIS SECTION.

(II) THE INDIVIDUAL OR BUSINESS ENTITY THAT CLAIMED THE TAX CREDIT SHALL PAY THE AMOUNT TO BE RECAPTURED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AS TAXES PAYABLE TO THE STATE FOR THE FIRST TAXABLE YEAR IN WHICH THE STRUCTURE NO LONGER MEETS THE REQUIREMENTS OF SUBSECTION(A)(4)(II)2 OF THIS SECTION.”.

AMENDMENT NO. 17

On page 27, after line 3, insert:

(Over)

“5A–318.

(b) The Trust may:

- (1) adopt regulations to carry out this subtitle;
- (2) take legal action to enforce this subtitle;
- (3) adopt and use an official seal;
- (4) contract for consultant or other services;
- (5) apply for and accept money, grants, or loans from federal, State, local, or private sources;
- (6) agree with a prospective mortgagor or grantee to provide financial assistance to a historic preservation project;
- (7) acquire and hold real and personal historic property by gift, purchase, devise, bequest, or any other means;
- (8) acquire or take assignment of a note, mortgage, or other security or evidence of indebtedness;
- (9) acquire, attach, accept, or take title to an historic property by conveyance or, if a mortgage is in default, by foreclosure;
- (10) sell, convey, assign, lease, or otherwise transfer or dispose of any property held by the Trust;
- (11) make contracts, leases, or other agreements necessary or incidental to the performance of the POWERS AND duties of the Trust, INCLUDING

AGREEMENTS WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT OR OTHER ENTITIES TO MONITOR COMPLIANCE WITH THE REQUIREMENTS UNDER § 5A-303(A)(4)(II)2 OF THIS SUBTITLE;

(12) preserve, restore, rehabilitate, reconstruct, protect, document, excavate, salvage, exhibit, and interpret historic properties;

(13) accept a gift or bequest for any purpose of the Trust and, unless the donor specifies otherwise, use the principal and income of the gift or bequest by:

(i) spending all or part of them to further the Trust; or

(ii) investing them, with the consent of the State Treasurer, in general obligations of the State or other securities;

(14) apply to Trust purposes any money, asset, property, or other thing of value the Trust receives incident to its operation; or

(15) delegate any of the powers of the Trust to one or more trustees or the Director.”.

AMENDMENT NO. 18

On page 27, strike in their entirety lines 4 through 35, inclusive.

On page 28, in line 1, strike “6.” and substitute “2.”; and in line 2, after “2009” insert “, and shall be applicable to:

(1) Any project for rehabilitation of a single-family, owner-occupied residence for which an application for approval of a plan of proposed rehabilitation is received by the Director of the Maryland Historical Trust on or after July 1, 2009; and

(Over)

(2) Any commercial rehabilitation project for which an initial credit certificate is issued on or after July 1, 2009".