

HOUSE BILL 309

Q7

9lr0205
CF SB 258

By: **The Speaker (By Request – Administration) and Delegates Doory, Ross, F. Turner, Branch, Carr, Haynes, Kelly, Nathan–Pulliam, Ramirez, Rosenberg, and Vaughn Vaughn, and Manno**

Introduced and read first time: January 29, 2009

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 29, 2009

CHAPTER _____

1 AN ACT concerning

2 **Maryland Heritage Structure Rehabilitation Tax Credit Program**

3 ~~FOR the purpose of reestablishing and altering the Maryland Heritage Structure~~
4 ~~Rehabilitation Tax Credit Program to provide tax credits for rehabilitation of~~
5 ~~historic properties and other properties contributing to a historic district or a~~
6 ~~certified heritage area; requiring the Director of the Maryland Historical Trust~~
7 ~~in the Maryland Department of Planning to adopt certain regulations; providing~~
8 ~~limits on the amount of tax credits for certain purposes; providing for an~~
9 ~~additional credit if a certain rehabilitation meets a certain high performance~~
10 ~~building standard; providing for the issuance of credit certificates for certain~~
11 ~~rehabilitations, subject to certain requirements and limitations; providing~~
12 ~~certain limits on the amount of the credit that may be claimed for certain~~
13 ~~rehabilitations; authorizing the Director to charge a certain fee for certain~~
14 ~~purposes; prohibiting the Director from issuing credit certificates that exceed a~~
15 ~~certain amount and after a certain date; establishing the Maryland Department~~
16 ~~of Planning Tax Credit Administration Fund; providing for amended tax~~
17 ~~returns under certain circumstances; authorizing the allocation of the credit;~~
18 ~~providing for certain determinations by the Comptroller; providing for certain~~
19 ~~reporting requirements; providing for the recapture of the credit if certain work~~
20 ~~is performed; providing for the termination of the Program; requiring certain~~
21 ~~funds in the Heritage Structure Rehabilitation Tax Credit Reserve Fund to~~
22 ~~revert to the General Fund on a certain date; providing for the application of~~
23 ~~certain provisions of this Act; providing for the retroactive application of a~~
24 ~~certain provision of this Act; authorizing the Comptroller to make certain~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~determinations and adopt certain regulations; defining certain terms; and generally relating to the Maryland Heritage Structure Rehabilitation Tax Credit Program. 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.~~

~~BY adding to~~

~~Article — State Finance and Procurement~~

~~Section 5A-362 through 5A-370 to be under the new part “Part VI. Maryland Heritage Structure Rehabilitation Tax Credit Program”~~

~~Annotated Code of Maryland~~

~~(2006 Replacement Volume and 2008 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Tax — General~~

~~Section 10-704.5~~

~~Annotated Code of Maryland~~

~~(2004 Replacement Volume and 2008 Supplement)~~

~~BY repealing and reenacting, with amendments, and transferring to the Session Laws~~

~~Article — State Finance and Procurement~~

~~Section 5A-303 and 5A-318(b)~~

~~Annotated Code of Maryland~~

~~(2006 Replacement Volume and 2008 Supplement)~~

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

1 Article - State Finance and Procurement

2 ~~5A-360. RESERVED.~~

3 ~~5A-361. RESERVED.~~

4 ~~PART VI. MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDIT~~
5 ~~PROGRAM.~~

6 ~~5A-362.~~

7 ~~(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS~~
8 ~~INDICATED.~~

9 ~~(B) "BUSINESS ENTITY" MEANS:~~

10 ~~(1) A PERSON CONDUCTING OR OPERATING A TRADE OR~~
11 ~~BUSINESS IN THE STATE; OR~~

12 ~~(2) AN ORGANIZATION OPERATING IN MARYLAND THAT IS~~
13 ~~EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE~~
14 ~~CODE.~~

15 ~~(C) "CERTIFIED HERITAGE AREA" HAS THE MEANING STATED IN §~~
16 ~~13-1101 OF THE FINANCIAL INSTITUTIONS ARTICLE.~~

17 ~~(D) (1) "CERTIFIED HERITAGE STRUCTURE" MEANS A STRUCTURE~~
18 ~~THAT IS LOCATED IN THE STATE AND IS:~~

19 ~~(I) LISTED IN THE NATIONAL REGISTER OF HISTORIC~~
20 ~~PLACES;~~

21 ~~(II) DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL~~
22 ~~LAW AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE~~
23 ~~NATIONAL REGISTER OF HISTORIC PLACES;~~

24 ~~(III) 1. LOCATED IN A HISTORIC DISTRICT LISTED ON THE~~
25 ~~NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT~~
26 ~~THAT THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL~~
27 ~~REGISTER OF HISTORIC PLACES; AND~~

28 ~~2. CERTIFIED BY THE DIRECTOR AS CONTRIBUTING~~
29 ~~TO THE SIGNIFICANCE OF THE DISTRICT; OR~~

~~(IV) LOCATED IN A CERTIFIED HERITAGE AREA AND CERTIFIED BY THE MARYLAND HERITAGE AREAS AUTHORITY AS CONTRIBUTING TO THE SIGNIFICANCE OF THE CERTIFIED HERITAGE AREA.~~

~~(2) "CERTIFIED HERITAGE STRUCTURE" DOES NOT INCLUDE A STRUCTURE THAT IS OWNED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR THE FEDERAL GOVERNMENT.~~

~~(E) "CERTIFIED REHABILITATION" MEANS A COMPLETED REHABILITATION OF A CERTIFIED HERITAGE STRUCTURE THAT THE DIRECTOR CERTIFIES IS A SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE INTERIOR.~~

~~(F) "COMMERCIAL REHABILITATION" MEANS A REHABILITATION OF A STRUCTURE OTHER THAN A SINGLE FAMILY, OWNER OCCUPIED RESIDENCE.~~

~~(G) "HIGH PERFORMANCE BUILDING" MEANS A BUILDING THAT:~~

~~(1) 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~~

~~(2) 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.~~

~~(H) "INITIAL CREDIT CERTIFICATE" MEANS A CERTIFICATE THAT AUTHORIZES A BUSINESS ENTITY TO CLAIM A TAX CREDIT UNDER THE PROVISIONS OF THIS PART.~~

~~(I) "LOCAL HISTORIC DISTRICT" MEANS A DISTRICT THAT THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION, OR THE MAYOR AND CITY COUNCIL OF BALTIMORE, HAS DESIGNATED UNDER LOCAL LAW AS HISTORIC.~~

~~(J) "NATIONAL REGISTER STRUCTURE" MEANS A STRUCTURE THAT IS:~~

~~(1) LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES;~~
~~OR~~

1 ~~(2) LOCATED IN A HISTORIC DISTRICT LISTED ON THE NATIONAL~~
2 ~~REGISTER OF HISTORIC PLACES AND CERTIFIED BY THE DIRECTOR AS~~
3 ~~CONTRIBUTING TO THE SIGNIFICANCE OF THE DISTRICT.~~

4 ~~(K) "PROGRAM" MEANS THE HERITAGE STRUCTURE REHABILITATION~~
5 ~~TAX CREDIT PROGRAM ESTABLISHED UNDER THIS PART.~~

6 ~~(L) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT~~
7 ~~THAT:~~

8 ~~(1) IS PROPERLY CHARGEABLE TO A CAPITAL ACCOUNT;~~

9 ~~(2) IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT~~
10 ~~BY THE END OF THE CALENDAR YEAR IN WHICH THE CERTIFIED~~
11 ~~REHABILITATION IS COMPLETED IS A CERTIFIED HERITAGE STRUCTURE;~~

12 ~~(3) IS EXPENDED IN COMPLIANCE WITH A PLAN OF PROPOSED~~
13 ~~REHABILITATION THAT HAS BEEN APPROVED BY THE DIRECTOR; AND~~

14 ~~(4) IS NOT FUNDED, FINANCED, OR OTHERWISE REIMBURSED BY~~
15 ~~ANY;~~

16 ~~(I) STATE OR LOCAL GRANT;~~

17 ~~(II) GRANT MADE FROM THE PROCEEDS OF TAX EXEMPT~~
18 ~~BONDS ISSUED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR AN~~
19 ~~INSTRUMENTALITY OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE~~
20 ~~STATE;~~

21 ~~(III) STATE TAX CREDIT OTHER THAN THE TAX CREDIT~~
22 ~~UNDER THIS PART; OR~~

23 ~~(IV) OTHER FINANCIAL ASSISTANCE FROM THE STATE OR A~~
24 ~~POLITICAL SUBDIVISION OF THE STATE, OTHER THAN A LOAN THAT MUST BE~~
25 ~~REPAID AT AN INTEREST RATE THAT IS GREATER THAN THE INTEREST RATE ON~~
26 ~~GENERAL OBLIGATION BONDS ISSUED BY THE STATE AT THE MOST RECENT~~
27 ~~BOND SALE PRIOR TO THE TIME THE LOAN IS MADE.~~

28 ~~(M) (1) "SINGLE FAMILY, OWNER OCCUPIED RESIDENCE" MEANS A~~
29 ~~STRUCTURE OCCUPIED BY THE OWNER AND THE OWNER'S IMMEDIATE FAMILY~~
30 ~~AS THEIR PRIMARY OR SECONDARY RESIDENCE.~~

31 ~~(2) "SINGLE FAMILY, OWNER OCCUPIED RESIDENCE" INCLUDES~~
32 ~~A RESIDENTIAL UNIT IN A COOPERATIVE PROJECT OWNED BY OR LEASED TO A~~
33 ~~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.~~

~~(N) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION OF A STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES, DURING THE 24 MONTH PERIOD SELECTED BY THE INDIVIDUAL OR BUSINESS ENTITY ENDING WITH OR WITHIN THE TAXABLE YEAR, EXCEED:~~

~~(1) FOR OWNER OCCUPIED RESIDENTIAL PROPERTY, \$5,000; OR~~

~~(2) FOR ALL OTHER PROPERTY, THE GREATER OF:~~

~~(I) THE ADJUSTED BASIS OF THE STRUCTURE; OR~~

~~(II) \$5,000.~~

~~5A-363.~~

~~(A) THE DIRECTOR SHALL ADOPT REGULATIONS TO:~~

~~(1) ESTABLISH PROCEDURES AND STANDARDS FOR CERTIFYING HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS PART;~~

~~(2) FOR COMMERCIAL REHABILITATIONS, ESTABLISH AN APPLICATION PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS CONSISTENT WITH THE REQUIREMENTS OF THIS PART;~~

~~(3) FOR ALL REHABILITATIONS, ESTABLISH CRITERIA, CONSISTENT WITH THE REQUIREMENTS OF THIS SECTION, FOR EVALUATING PLANS OF PROPOSED REHABILITATION THAT HAVE BEEN DETERMINED BY THE DIRECTOR TO CONFORM WITH THE REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE INTERIOR;~~

~~(4) FOR COMMERCIAL REHABILITATIONS, DETERMINE WHETHER THE CERTIFIED REHABILITATION IS A HIGH PERFORMANCE BUILDING;~~

~~(5) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A REQUIRED EXTERNAL MARKER FOR THE REHABILITATION PROJECTS THAT IDENTIFIES THAT THE REHABILITATION WAS FUNDED BY MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS; AND~~

1 ~~(6) AS PROVIDED IN SUBSECTION (B)(1) AND (2) OF THIS~~
2 ~~SECTION, CHARGE A REASONABLE FEE TO CERTIFY HERITAGE STRUCTURES~~
3 ~~AND REHABILITATIONS UNDER THIS PART.~~

4 ~~(B) (1) THE DIRECTOR SHALL SET THE LEVEL OF THE FEE UNDER~~
5 ~~SUBSECTION (A)(6) OF THIS SECTION SO THAT THE PROJECTED PROCEEDS~~
6 ~~FROM THE FEE WILL COVER THE COSTS TO THE TRUST OF ADMINISTERING THE~~
7 ~~CREDIT UNDER THIS SECTION AND THE FEDERAL HISTORIC TAX CREDIT.~~

8 ~~(2) THE FEE CHARGED MAY NOT EXCEED 1% OF THE AMOUNT OF~~
9 ~~THE INITIAL CREDIT CERTIFICATE ISSUED FOR A COMMERCIAL~~
10 ~~REHABILITATION PROJECT OR THE AMOUNT OF THE CREDIT FOR WHICH A~~
11 ~~SINGLE FAMILY, OWNER OCCUPIED REHABILITATION WOULD BE ELIGIBLE~~
12 ~~BASED ON THE GREATER OF THE ESTIMATED OR FINAL QUALIFIED~~
13 ~~REHABILITATION EXPENDITURES FOR THE REHABILITATION.~~

14 ~~(3) IF THE FEE FOR A COMMERCIAL REHABILITATION IS NOT~~
15 ~~RECEIVED BY THE TRUST WITHIN 120 DAYS AFTER THE TRUST SENDS NOTICE~~
16 ~~THAT THE FEE IS DUE, THE RESERVATION OF AN AWARD FOR AN INITIAL CREDIT~~
17 ~~CERTIFICATE FOR THE REHABILITATION SHALL EXPIRE.~~

18 ~~5A-364.~~

19 ~~(A) (1) THE DIRECTOR MAY ACCEPT AN APPLICATION FOR~~
20 ~~APPROVAL OF PLANS OF A PROPOSED REHABILITATION ON A~~
21 ~~FIRST COME, FIRST SERVED BASIS.~~

22 ~~(2) THE DIRECTOR MAY NOT ACCEPT AN APPLICATION FOR~~
23 ~~APPROVAL OF PLANS OF A PROPOSED REHABILITATION IF:~~

24 ~~(I) AN INDIVIDUAL OR A BUSINESS ENTITY HAS OBTAINED~~
25 ~~RIGHTS IN ALL REQUIRED GOVERNMENT APPROVALS FOR CONSTRUCTION;~~

26 ~~(II) ACTUAL SUBSTANTIVE CONSTRUCTION HAS STARTED;~~
27 ~~OR~~

28 ~~(III) THE APPLICANT FOR A COMMERCIAL REHABILITATION~~
29 ~~HAS PREVIOUSLY SUBMITTED THREE OR MORE APPLICATIONS FOR~~
30 ~~COMMERCIAL REHABILITATIONS WITH TOTAL PROPOSED REHABILITATIONS~~
31 ~~EXCEEDING \$500,000 IN THAT YEAR.~~

32 ~~(3) FOR A COMMERCIAL REHABILITATION, THE DIRECTOR MAY~~
33 ~~MAKE AN AWARD OF AN INITIAL CREDIT CERTIFICATE CONSISTENT WITH THE~~
34 ~~REQUIREMENTS OF THIS PART.~~

~~(B) THE DIRECTOR MAY NOT CERTIFY A COMPLETED REHABILITATION FOR THE CERTIFIED REHABILITATION UNDER THIS PART UNLESS THE INDIVIDUAL OR BUSINESS ENTITY SEEKING CERTIFICATION STATES UNDER OATH THE AMOUNT OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES.~~

~~(C) BETWEEN JULY 1, 2009, AND JUNE 30, 2012, NOT MORE THAN 75% OF THE TOTAL CREDIT AMOUNTS UNDER INITIAL CREDIT CERTIFICATES AUTHORIZED UNDER THIS SECTION MAY BE AWARDED FOR PROJECTS IN A SINGLE COUNTY OR BALTIMORE CITY.~~

~~(D) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR THE TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED, AN INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO:~~

~~(I) 20% OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES FOR A SINGLE-FAMILY, OWNER OCCUPIED RESIDENTIAL REHABILITATION; OR~~

~~(H) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, 20% OF THE BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES FOR A COMMERCIAL REHABILITATION.~~

~~(2) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED COMMERCIAL REHABILITATION IS COMPLETED, A BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 25% OF THE BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE CERTIFIED REHABILITATION IS A HIGH-PERFORMANCE BUILDING.~~

~~(3) (I) FOR ANY COMMERCIAL REHABILITATION, THE STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:~~

~~1. \$3,000,000; OR~~

~~2. THE MAXIMUM AMOUNT SPECIFIED UNDER THE INITIAL CREDIT CERTIFICATE ISSUED FOR THE REHABILITATION.~~

~~(H) FOR A REHABILITATION OTHER THAN A COMMERCIAL REHABILITATION, THE STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$50,000.~~

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

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

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

5 3. ~~THE REHABILITATION OF MULTIPLE STRUCTURES~~
6 ~~THAT ARE FUNCTIONALLY RELATED TO SERVE AN OVERALL PURPOSE.~~

7 (4) ~~(I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,~~
8 ~~THE INITIAL CREDIT CERTIFICATE FOR A PROPOSED COMMERCIAL~~
9 ~~REHABILITATION SHALL EXPIRE AND THE CREDIT UNDER THIS SECTION MAY~~
10 ~~NOT BE CLAIMED IF:~~

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

14 2. ~~WITHIN 30 MONTHS AFTER THE INITIAL CREDIT~~
15 ~~CERTIFICATE WAS ISSUED, THE COMMERCIAL REHABILITATION IS NOT~~
16 ~~COMPLETED.~~

17 (H) ~~FOR REASONABLE CAUSE, THE DIRECTOR MAY~~
18 ~~POSTPONE THE 30 MONTH EXPIRATION DATE FOR AN INITIAL CREDIT~~
19 ~~CERTIFICATE FOR A COMMERCIAL REHABILITATION.~~

20 (5) ~~IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY~~
21 ~~TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE~~
22 ~~BUSINESS ENTITY OR THE INDIVIDUAL FOR THAT TAXABLE YEAR, THE~~
23 ~~INDIVIDUAL OR BUSINESS ENTITY MAY:~~

24 (I) ~~APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING~~
25 ~~TAXABLE YEARS UNTIL THE EARLIER OF:~~

26 1. ~~THE FULL AMOUNT OF THE CREDIT IS USED; OR~~

27 2. ~~THE EXPIRATION OF THE TENTH TAXABLE YEAR~~
28 ~~AFTER THE TAXABLE YEAR IN WHICH THE REHABILITATION IS COMPLETED; OR~~

29 (H) ~~CLAIM A REFUND IN THE AMOUNT OF THE EXCESS IF:~~

30 1. ~~THE REHABILITATION IS A SINGLE FAMILY,~~
31 ~~OWNER OCCUPIED RESIDENCE;~~

1 ~~2. THE REHABILITATION IS A COMMERCIAL~~
2 ~~REHABILITATION AND THE QUALIFIED REHABILITATION EXPENDITURES DO NOT~~
3 ~~EXCEED \$250,000; OR~~

4 ~~3. THE BUSINESS ENTITY IS A NONPROFIT~~
5 ~~CORPORATION AND THE QUALIFIED REHABILITATION EXPENDITURES DO NOT~~
6 ~~EXCEED \$250,000.~~

7 ~~(E) THE STATE CREDIT ALLOWED UNDER THIS SECTION MAY BE~~
8 ~~ALLOCATED AMONG THE PARTNERS, MEMBERS, OR SHAREHOLDERS OF AN~~
9 ~~ENTITY IN ANY MANNER AGREED TO BY THOSE PERSONS IN WRITING.~~

10 ~~(F) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS~~
11 ~~SUBSECTION, THE DIRECTOR MAY NOT ISSUE INITIAL CREDIT CERTIFICATES~~
12 ~~AFTER JULY 1, 2009, THAT IN THE AGGREGATE EXCEED \$100,000,000.~~

13 ~~(2) THE AMOUNT OF RESERVATIONS FOR INITIAL CREDIT~~
14 ~~CERTIFICATE AWARDS AND ISSUED INITIAL CREDIT CERTIFICATES WHICH~~
15 ~~EXPIRE PRIOR TO JULY 1, 2014, UNDER THE PROVISIONS OF § 5A-363(B)(3) OF~~
16 ~~THIS PART OR SUBSECTION (D)(4) OF THIS SECTION MAY NOT BE INCLUDED IN~~
17 ~~THE AGGREGATE AMOUNT OF INITIAL CREDIT CERTIFICATES ISSUED.~~

18 ~~(3) THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT~~
19 ~~CERTIFICATE AFTER JUNE 30, 2014.~~

20 ~~5A-365.~~

21 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE~~
22 ~~MEANINGS INDICATED.~~

23 ~~(2) (I) "DISPOSITION" OR "DISPOSE" MEANS A TRANSFER OF~~
24 ~~LEGAL TITLE OR, IN THE CASE OF A LEASEHOLD, THE LEASEHOLD INTEREST.~~

25 ~~(II) "DISPOSITION" OR "DISPOSE" INCLUDES A SALE IN A~~
26 ~~SALE AND LEASEBACK TRANSACTION, A TRANSFER ON THE FORECLOSURE OF A~~
27 ~~SECURITY INTEREST, OR A GIFT.~~

28 ~~(III) "DISPOSITION" OR "DISPOSE" DOES NOT INCLUDE A~~
29 ~~TRANSFER OF TITLE OR THE LEASEHOLD INTEREST TO A CREDITOR ON~~
30 ~~CREATION OF A SECURITY INTEREST.~~

31 ~~(3) "DISQUALIFYING WORK" MEANS WORK THAT:~~

32 ~~(I) IS PERFORMED ON A CERTIFIED HERITAGE STRUCTURE~~
33 ~~FOR WHICH A REHABILITATION HAS BEEN CERTIFIED UNDER THIS PART; AND~~

1 ~~(H) IF PERFORMED AS PART OF THE REHABILITATION~~
2 ~~CERTIFIED UNDER THIS PART, WOULD HAVE MADE THE REHABILITATION~~
3 ~~INELIGIBLE FOR CERTIFICATION.~~

4 ~~(B) THE CREDIT ALLOWED UNDER THIS PART SHALL BE RECAPTURED~~
5 ~~AS PROVIDED IN SUBSECTION (C) OF THIS SECTION IF, DURING THE TAXABLE~~
6 ~~YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED OR ANY OF THE 4~~
7 ~~TAXABLE YEARS SUCCEEDING THE TAXABLE YEAR IN WHICH THE CERTIFIED~~
8 ~~REHABILITATION IS COMPLETED;~~

9 ~~(1) ANY DISQUALIFYING WORK IS PERFORMED ON THE CERTIFIED~~
10 ~~HERITAGE STRUCTURE FOR WHICH THE CERTIFIED REHABILITATION HAS BEEN~~
11 ~~COMPLETED; OR~~

12 ~~(2) FOR A COMMERCIAL REHABILITATION, THE CERTIFIED~~
13 ~~REHABILITATION IS COMPLETE AND HAS BEEN DISPOSED OF.~~

14 ~~(C) (1) (i) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
15 ~~PERFORMED DURING THE TAXABLE YEAR IN WHICH THE CERTIFIED~~
16 ~~REHABILITATION WAS COMPLETED, 100% OF THE CREDIT SHALL BE~~
17 ~~RECAPTURED.~~

18 ~~(ii) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
19 ~~PERFORMED DURING THE FIRST FULL YEAR SUCCEEDING THE TAXABLE YEAR IN~~
20 ~~WHICH THE CERTIFIED REHABILITATION WAS COMPLETED, 80% OF THE CREDIT~~
21 ~~SHALL BE RECAPTURED.~~

22 ~~(iii) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
23 ~~PERFORMED DURING THE SECOND FULL YEAR SUCCEEDING THE TAXABLE YEAR~~
24 ~~IN WHICH THE CERTIFIED REHABILITATION WAS COMPLETED, 60% OF THE~~
25 ~~CREDIT SHALL BE RECAPTURED.~~

26 ~~(iv) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
27 ~~PERFORMED DURING THE THIRD FULL YEAR SUCCEEDING THE TAXABLE YEAR~~
28 ~~IN WHICH THE CERTIFIED REHABILITATION WAS COMPLETED, 40% OF THE~~
29 ~~CREDIT SHALL BE RECAPTURED.~~

30 ~~(v) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
31 ~~PERFORMED DURING THE FOURTH FULL YEAR SUCCEEDING THE TAXABLE YEAR~~
32 ~~IN WHICH THE CERTIFIED REHABILITATION WAS COMPLETED, 20% OF THE~~
33 ~~CREDIT SHALL BE RECAPTURED.~~

34 ~~(2) THE INDIVIDUAL OR BUSINESS ENTITY THAT CLAIMED THE~~
35 ~~TAX CREDIT SHALL PAY THE AMOUNT TO BE RECAPTURED, AS DETERMINED~~

~~1 UNDER PARAGRAPH (1) OF THIS SUBSECTION, AS TAXES PAYABLE TO THE
2 STATE FOR THE TAXABLE YEAR IN WHICH THE DISPOSITION OCCURS OR THE
3 DISQUALIFYING WORK IS PERFORMED.~~

~~4 5A-366.~~

~~5 (A) (1) THE COMPTROLLER MAY DETERMINE, UNDER THE PROCESS
6 FOR RETURN EXAMINATION AND AUDIT UNDER §§ 13-301 AND 13-302 OF THE
7 TAX GENERAL ARTICLE:~~

~~8 (I) THE AMOUNT OF REHABILITATION EXPENDITURES USED
9 IN CALCULATING THE CREDIT;~~

~~10 (II) WHETHER SUCH EXPENDITURES ARE QUALIFIED
11 REHABILITATION EXPENDITURES UNDER THIS PART; AND~~

~~12 (III) WHETHER THE CREDIT IS ALLOWABLE AS CLAIMED.~~

~~13 (B) THE AUTHORITY OF THE COMPTROLLER TO EXAMINE AND AUDIT A
14 TAX RETURN DOES NOT LIMIT THE AUTHORITY OF THE DIRECTOR TO
15 DETERMINE WHETHER A REHABILITATION QUALIFIES AS A CERTIFIED
16 REHABILITATION OR WHETHER A CERTIFICATE OF COMPLETION FOR THE
17 CERTIFIED REHABILITATION HAS BEEN PROPERLY ISSUED.~~

~~18 (C) THE COMPTROLLER MAY ADOPT REGULATIONS TO REQUIRE THAT
19 AN ENTITY, OTHER THAN A CORPORATION, CLAIM THE TAX CREDIT ON THE TAX
20 RETURN FILED BY THAT ENTITY.~~

~~21 5A-367.~~

~~22 (A) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
23 CREDIT UNDER THIS PART MAY BE CLAIMED FOR THE YEAR A CERTIFIED
24 REHABILITATION IS COMPLETED, ONLY IF THE DIRECTOR HAS, BY THE TIME
25 THE RETURN IS FILED, ISSUED A CERTIFICATE OF COMPLETION FOR THE
26 CERTIFIED REHABILITATION.~~

~~27 (2) A TAXPAYER CLAIMING THE CREDIT MAY AMEND A RETURN
28 FOR THE YEAR THE CERTIFIED REHABILITATION WAS COMPLETED TO ACCOUNT
29 FOR A CERTIFICATE ISSUED SUBSEQUENT TO THE FILING OF THE ORIGINAL
30 RETURN.~~

~~31 (3) AN AMENDED RETURN SHALL BE FILED WITHIN THE PERIOD
32 ALLOWED UNDER THE TAX GENERAL ARTICLE FOR FILING REFUND CLAIMS.~~

1 ~~(4) THE PROVISIONS OF THIS SUBSECTION DO NOT EXTEND THE~~
2 ~~PERIOD IN WHICH A CERTIFIED REHABILITATION MUST BE COMPLETED TO BE~~
3 ~~ELIGIBLE FOR A TAX CREDIT UNDER THIS PART.~~

4 ~~(5) AN AMENDED RETURN MAY ACCOUNT FOR AN AMENDED~~
5 ~~CERTIFICATION ISSUED BY THE DIRECTOR FOR A CERTIFIED REHABILITATION.~~

6 ~~(B) A REFUND PAYABLE UNDER § 5A-364 OF THIS PART:~~

7 ~~(1) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM~~
8 ~~CORPORATIONS IF THE PERSON ENTITLED TO THE REFUND IS A CORPORATION~~
9 ~~SUBJECT TO THE INCOME TAX UNDER TITLE 10 OF THE TAX — GENERAL~~
10 ~~ARTICLE;~~

11 ~~(2) OPERATES TO REDUCE INSURANCE PREMIUM TAX REVENUES~~
12 ~~IF THE PERSON ENTITLED TO THE REFUND IS SUBJECT TO TAXATION UNDER~~
13 ~~TITLE 6 OF THE INSURANCE ARTICLE; AND~~

14 ~~(3) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM~~
15 ~~INDIVIDUALS IF THE PERSON ENTITLED TO THE REFUND IS:~~

16 ~~(I) AN INDIVIDUAL SUBJECT TO THE INCOME TAX UNDER~~
17 ~~TITLE 10 OF THE TAX — GENERAL ARTICLE; OR~~

18 ~~(II) AN ORGANIZATION EXEMPT FROM TAXATION UNDER §~~
19 ~~501(C)(3) OF THE INTERNAL REVENUE CODE.~~

20 ~~5A-368.~~

21 ~~(A) ON OR BEFORE DECEMBER 15 OF EACH FISCAL YEAR, THE~~
22 ~~DIRECTOR SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF~~
23 ~~THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON:~~

24 ~~(1) THE INITIAL CREDIT CERTIFICATES AWARDED FOR~~
25 ~~COMMERCIAL REHABILITATIONS UNDER THIS PART DURING THAT FISCAL YEAR;~~
26 ~~AND~~

27 ~~(2) THE TAX CREDITS AWARDED FOR CERTIFIED~~
28 ~~REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR.~~

29 ~~(B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION~~
30 ~~SHALL INCLUDE FOR EACH INITIAL CREDIT CERTIFICATE AWARDED DURING~~
31 ~~THE FISCAL YEAR FOR A COMMERCIAL REHABILITATION;~~

1 ~~(1) THE NAME OF THE OWNER OR DEVELOPER OF THE~~
2 ~~COMMERCIAL REHABILITATION;~~

3 ~~(2) THE NAME AND ADDRESS OF THE PROPOSED OR CERTIFIED~~
4 ~~REHABILITATION AND THE COUNTY WHERE THE PROJECT IS LOCATED;~~

5 ~~(3) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF~~
6 ~~ALL APPLICATIONS REGARDING THE PROJECT, INCLUDING APPLICATIONS:~~

7 ~~(I) FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY~~
8 ~~WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE; AND~~

9 ~~(H) FOR APPROVAL OF THE PLAN OF PROPOSED~~
10 ~~REHABILITATION; AND~~

11 ~~(4) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE~~
12 ~~INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED~~
13 ~~REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL~~
14 ~~OF THE PLAN OF PROPOSED REHABILITATION.~~

15 ~~(C) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION~~
16 ~~SHALL INCLUDE FOR EACH CERTIFIED COMMERCIAL REHABILITATION~~
17 ~~COMPLETED DURING THE PRECEDING FISCAL YEAR:~~

18 ~~(1) THE NAME OF THE OWNER OR DEVELOPER OF THE~~
19 ~~COMMERCIAL REHABILITATION;~~

20 ~~(2) THE NAME AND ADDRESS OF THE CERTIFIED REHABILITATION~~
21 ~~AND THE COUNTY WHERE THE PROJECT IS LOCATED;~~

22 ~~(3) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF~~
23 ~~ALL APPLICATIONS REGARDING THE PROJECT; AND~~

24 ~~(4) (I) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE~~
25 ~~INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED~~
26 ~~REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL~~
27 ~~OF THE PLAN OF PROPOSED REHABILITATION; AND~~

28 ~~(H) THE ACTUAL QUALIFIED REHABILITATION~~
29 ~~EXPENDITURES AND THE FINAL AMOUNT OF THE CREDIT FOR WHICH THE~~
30 ~~PROJECT QUALIFIED.~~

31 ~~(D) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION~~
32 ~~SHALL SUMMARIZE FOR EACH CATEGORY OF CERTIFIED REHABILITATIONS:~~

1 ~~(1) THE TOTAL NUMBER OF APPLICANTS FOR:~~

2 ~~(I) CERTIFICATION THAT A STRUCTURE OR PROPERTY~~
3 ~~WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE;~~

4 ~~(II) APPROVAL OF PLANS OF PROPOSED REHABILITATIONS;~~
5 ~~OR~~

6 ~~(III) CERTIFICATION OF THE COMPLETED REHABILITATIONS;~~

7 ~~(2) THE NUMBER OF PROPOSED PROJECTS FOR WHICH PLANS OF~~
8 ~~PROPOSED REHABILITATION WERE APPROVED; AND~~

9 ~~(3) THE TOTAL ESTIMATED REHABILITATION EXPENDITURES~~
10 ~~STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED~~
11 ~~REHABILITATION AND THE TOTAL QUALIFIED REHABILITATION EXPENDITURES~~
12 ~~FOR COMPLETED REHABILITATIONS CERTIFIED.~~

13 ~~(E) THE INFORMATION REQUIRED UNDER SUBSECTION (D) OF THIS~~
14 ~~SECTION SHALL BE PROVIDED IN THE AGGREGATE AND SEPARATELY FOR EACH~~
15 ~~OF THE FOLLOWING CATEGORIES OF CERTIFIED REHABILITATIONS:~~

16 ~~(1) OWNER OCCUPIED, SINGLE FAMILY RESIDENTIAL~~
17 ~~STRUCTURES; AND~~

18 ~~(2) COMMERCIAL REHABILITATIONS.~~

19 ~~5A-369.~~

20 ~~(A) THERE IS A MARYLAND DEPARTMENT OF PLANNING TAX CREDIT~~
21 ~~ADMINISTRATION FUND WHICH IS A CONTINUING, NONLAPSING SPECIAL FUND~~
22 ~~THAT IS NOT SUBJECT TO § 7-302 OF THIS ARTICLE.~~

23 ~~(B) THE PROCEEDS FROM THE FEE CHARGED UNDER THIS PART SHALL~~
24 ~~BE DEPOSITED IN THE FUND, TO BE USED ONLY FOR THE PURPOSES OF PAYING~~
25 ~~THE COSTS OF ADMINISTERING THE CREDIT UNDER THIS PART AND THE~~
26 ~~FEDERAL HISTORIC TAX CREDIT.~~

27 ~~(C) THE STATE TREASURER SHALL HOLD AND THE COMPTROLLER~~
28 ~~SHALL ACCOUNT FOR THE FUND.~~

29 ~~5A-370.~~

1 (a) (1) In this section the following words have the meanings indicated.

2 (2) “Business entity” means:

3 (i) a person conducting or operating a trade or business in the
4 State; or

5 (ii) an organization operating in Maryland that is exempt from
6 taxation under § 501(c)(3) of the Internal Revenue Code.

7 (3) “Certified heritage area” has the meaning stated in § 13–1101 of
8 the Financial Institutions Article.

9 (4) (i) “Certified heritage structure” means a structure that is
10 located in the State and is:

11 1. listed in the National Register of Historic Places;

12 2. designated as a historic property under local law and
13 determined by the Director to be eligible for listing on the National Register of Historic
14 Places;

15 3. A. located in a historic district listed on the
16 National Register of Historic Places or in a local historic district that the Director
17 determines is eligible for listing on the National Register of Historic Places; and

18 B. certified by the Director as contributing to the
19 significance of the district; or

20 4. located in a certified heritage area and certified by the
21 Maryland Heritage Areas Authority as contributing to the significance of the certified
22 heritage area.

23 (ii) “Certified heritage structure” does not include a structure
24 that:

25 **1.** is owned by the State, a political subdivision of the
26 State, or the federal government; **OR**

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

30 (5) “Certified rehabilitation” means a completed rehabilitation of a
31 certified heritage structure that the Director certifies is a substantial rehabilitation in
32 conformance with the rehabilitation standards of the United States Secretary of the
33 Interior.

1 (6) “Commercial rehabilitation” means a rehabilitation of a structure
2 other than a single-family, owner-occupied residence.

3 (7) “Director” means the Director of the Maryland Historical Trust.

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

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

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

13 ~~(8)~~ **(9)** “Local historic district” means a district that the governing
14 body of a county or municipal corporation, or the Mayor and City Council of Baltimore,
15 has designated under local law as historic.

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

19 ~~(9)~~ **(11)** “National register structure” means a structure that is:

20 (i) listed on the National Register of Historic Places; or

21 (ii) located in a historic district listed on the National Register
22 of Historic Places and certified by the Director as contributing to the significance of
23 the district.

24 ~~(10)~~ **(12)** “Qualified rehabilitation expenditure” means any amount
25 that:

26 (i) is properly chargeable to a capital account;

27 (ii) is expended in the rehabilitation of a structure that by the
28 end of the calendar year in which the certified rehabilitation is completed is a certified
29 heritage structure;

30 (iii) is expended in compliance with a plan of proposed
31 rehabilitation that has been approved by the Director; and

(iv) is not funded, financed, or otherwise reimbursed by any:

1. State or local grant;

2. grant made from the proceeds of tax-exempt bonds issued by the State, a political subdivision of the State, or an instrumentality of the State or of a political subdivision of the State;

3. State tax credit other than the tax credit under this section; or

4. other financial assistance from the State or a political subdivision of the State, 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.

(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.

~~(13)~~ **(14)** "Substantial rehabilitation" means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24-month period selected by the individual or business entity ending with or within the taxable year **WHEN THE REHABILITATION IS COMPLETED**, exceed:

(i) for owner-occupied residential property, \$5,000; or

(ii) for all other property, the greater of:

1. the adjusted basis of the structure; or

2. \$5,000.

(b) (1) The Director shall adopt regulations to:

(i) establish procedures and standards for certifying heritage structures and rehabilitations under this section;

1 (ii) for commercial rehabilitations, establish an application
2 process for the award of initial credit certificates for Maryland heritage structure
3 rehabilitation tax credits consistent with the requirements of this subsection;

4 (iii) for commercial rehabilitations, establish criteria, consistent
5 with the requirements of this subsection, for evaluating, comparing, and rating plans
6 of proposed rehabilitation that have been determined by the Director to conform with
7 the rehabilitation standards of the United States Secretary of the Interior; ~~and~~

8 **(IV) FOR COMMERCIAL REHABILITATIONS, DETERMINE**
9 **WHETHER THE CERTIFIED REHABILITATION IS A HIGH-PERFORMANCE**
10 **BUILDING;**

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

15 **(VI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH**
16 **PROCEDURES FOR MONITORING THE OCCUPANCY OF ANY STRUCTURE WITH 30**
17 **OR MORE RESIDENTIAL RENTAL UNITS, TO ENSURE THAT AT LEAST 10% OF THE**
18 **RESIDENTIAL RENTAL UNITS ARE OCCUPIED BY LOW- OR MODERATE-INCOME**
19 **HOUSEHOLDS; AND**

20 ~~(iv)~~ **(VII)** for commercial rehabilitations, establish a competitive
21 award process for the award of initial credit certificates for Maryland heritage
22 structure rehabilitation tax credits that:

23 1. favors the award of tax credits for rehabilitation
24 projects located in jurisdictions that have been historically underrepresented in the
25 award of tax credits for commercial rehabilitations, based on the number of national
26 register structures in each jurisdiction;

27 2. favors the award of tax credits for rehabilitation
28 projects that are consistent with and promote current growth and development policies
29 and programs of the State; ~~and~~

30 3. A. favors the award of tax credits for structures
31 that are listed in the National Register of Historic Places or are designated as historic
32 properties under local law and determined by the Director to be eligible for listing in
33 the National Register of Historic Places; or

34 B. favors the award of tax credits for structures that are
35 contributing buildings with historic significance and are located in historic districts
36 listed in the National Register of Historic Places; **AND**

1 **4. FAVORS THE AWARD OF TAX CREDITS FOR**
 2 **REHABILITATION PROJECTS THAT EXCEED THE REQUIREMENTS OF STANDARD**
 3 **90.1 OF THE AMERICAN SOCIETY OF HEATING, REFRIGERATING AND**
 4 **AIR-CONDITIONING ENGINEERS, INC. (ASHRAE).**

5 (2) The Director may not certify that a rehabilitation is a certified
 6 rehabilitation eligible for a tax credit provided under this section unless the individual
 7 or business entity seeking certification states under oath the amount of the
 8 individual's or business entity's qualified rehabilitation expenditures.

9 (3) Each year, the Director may accept applications for approval of
 10 plans of proposed commercial rehabilitations and for the award of initial credit
 11 certificates for the fiscal year that begins July 1 of that year.

12 (4) ~~(I) For commercial rehabilitations~~ **EXCEPT AS PROVIDED IN**
 13 **SUBPARAGRAPH (II) OF THIS PARAGRAPH,** the Director may not accept an
 14 application for approval of plans of proposed rehabilitation if:

15 ~~(i)~~ **1. any substantial part of the proposed rehabilitation**
 16 **work has begun ACTUAL SUBSTANTIVE CONSTRUCTION HAS STARTED;** or

17 ~~(ii)~~ **2. the applicant for a commercial rehabilitation has**
 18 **previously submitted three or more applications for commercial rehabilitations with**
 19 **total proposed rehabilitations exceeding \$500,000 in that year.**

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

26 ~~(5) Except as provided in subsection (d)(3)(iii) of this section, not more~~
 27 ~~than 75% of the total credit amounts under initial credit certificates issued for any~~
 28 ~~fiscal year may be issued for projects in a single county or Baltimore City.~~

29 ~~(6)~~ **(5)** (i) The Director shall adopt regulations to charge a
 30 reasonable fee to certify heritage structures and rehabilitations **AND A REASONABLE**
 31 **FEE TO MONITOR OCCUPANCY OF RESTRICTED OCCUPANCY RESIDENTIAL**
 32 **RENTAL UNITS BY LOW- OR MODERATE-INCOME HOUSEHOLDS** under this section.

33 (ii) The Director shall set the level of the fee **CHARGED TO**
 34 **CERTIFY HERITAGE STRUCTURES AND REHABILITATIONS** so that the projected
 35 proceeds from the fee will cover the costs to the Trust of administering the credit
 36 under this section and the federal historic tax credit.

1 (iii) **1.** The fee charged TO CERTIFY HERITAGE
 2 STRUCTURES AND REHABILITATIONS may not exceed 1% of the amount of the
 3 initial credit certificate issued for a commercial rehabilitation project or the amount of
 4 the credit for which a single-family, owner-occupied rehabilitation would be eligible
 5 based on the greater of the estimated or final qualified rehabilitation expenditures for
 6 the rehabilitation.

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

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

16 ~~(iv)~~ **(V)** The proceeds from the ~~fee~~ **FEES** shall be deposited in
 17 a special fund, to be used only for the purposes of paying the costs of administering the
 18 credit under this section and the federal historic tax credit.

19 ~~(v)~~ **(VI)** Any unused balance of the fund at the end of each
 20 fiscal year shall be transferred to the Reserve Fund established under subsection (d) of
 21 this section and shall increase the amount of the initial credit certificates that the
 22 Trust may issue for the following fiscal year.

23 (c) (1) **(I)** Except as otherwise provided in this section, for the taxable
 24 year in which a certified rehabilitation is completed, an individual or business entity
 25 may claim a tax credit in an amount equal to:

26 **1.** 20% of the individual's or business entity's qualified
 27 rehabilitation expenditures for ~~the rehabilitation~~ A SINGLE-FAMILY,
 28 OWNER-OCCUPIED RESIDENTIAL REHABILITATION; OR

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

33 **(II) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED**
 34 **COMMERCIAL REHABILITATION IS COMPLETED, AN INDIVIDUAL OR BUSINESS**
 35 **ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 25% OF THE**
 36 **INDIVIDUAL'S OR BUSINESS ENTITY'S QUALIFIED REHABILITATION**

1 **EXPENDITURES IF THE CERTIFIED REHABILITATION IS A HIGH-PERFORMANCE**
2 **BUILDING.**

3 (2) (i) For any commercial rehabilitation, the State tax credit
4 allowed under this section may not exceed the lesser of:

5 1. \$3,000,000; or

6 2. the maximum amount specified under the initial
7 credit certificate issued for the rehabilitation.

8 (ii) For a rehabilitation other than a commercial rehabilitation,
9 the State tax credit allowed under this section may not exceed \$50,000.

10 (iii) For the purposes of the limitation under subparagraph (i) of
11 this paragraph, the following shall be treated as a single commercial rehabilitation:

12 1. the phased rehabilitation of the same structure or
13 property;

14 2. the separate rehabilitation of different components of
15 the same structure or property; or

16 3. the rehabilitation of multiple structures that are
17 functionally related to serve an overall purpose.

18 (3) (i) Subject to subparagraph (ii) of this paragraph, the initial
19 credit certificate for a proposed commercial rehabilitation shall expire and the credit
20 under this section may not be claimed if:

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

24 **2.** the commercial rehabilitation is not completed within
25 30 months after the initial credit certificate was issued.

26 (ii) For reasonable cause, the Director may postpone the
27 **30-MONTH** expiration date for an initial credit certificate for a commercial
28 rehabilitation.

29 (4) If the tax credit allowed under this section in any taxable year
30 exceeds the total tax otherwise payable by the business entity or the individual for
31 that taxable year, the individual or business entity may claim a refund in the amount
32 of the excess.

1 (d) (1) In this subsection, "Reserve Fund" means the Heritage Structure
2 Rehabilitation Tax Credit Reserve Fund established under paragraph (2) of this
3 subsection.

4 (2) (i) There is a Heritage Structure Rehabilitation Tax Credit
5 Reserve Fund that is a continuing, nonlapsing special fund that is not subject to §
6 7-302 of ~~[this article]~~ ~~THE STATE FINANCE AND PROCUREMENT ARTICLE~~.

7 (ii) The money in the Fund shall be invested and reinvested by
8 the Treasurer, and interest and earnings shall be credited to the General Fund.

9 (3) (i) Subject to the provisions of this subsection, the Director
10 shall issue an initial credit certificate for each commercial rehabilitation for which a
11 plan of proposed rehabilitation is approved.

12 (ii) An initial credit certificate issued under this subsection
13 shall state the maximum amount of credit under this section for which the commercial
14 rehabilitation may qualify.

15 (iii) 1. Except as otherwise provided in this subparagraph
16 and in subsection ~~(b)(6)(v)~~ **(B)(5)(VI)** of this section, for any fiscal year, the Director
17 may not issue initial credit certificates for credit amounts in the aggregate totaling
18 more than the amount appropriated to the Reserve Fund for that fiscal year in the
19 State budget as approved by the General Assembly.

20 2. ~~If the aggregate credit amounts under initial credit~~
21 ~~certificates issued in a fiscal year total less than the amount appropriated to the~~
22 ~~Reserve Fund for that fiscal year as a result of the limitation under subsection (b)(5) of~~
23 ~~this section, any excess amount may be issued under initial credit certificates for~~
24 ~~projects in a county or Baltimore City in the same fiscal year, without regard to the~~
25 ~~limitation under subsection (b)(5) of this section.~~

26 ~~3. Subject to subparagraph 2 of this subparagraph, if~~
27 ~~the aggregate credit amounts under initial credit certificates issued in a fiscal year~~
28 ~~total less than the amount appropriated to the Reserve Fund for that fiscal year, any~~
29 ~~excess amount shall remain in the Reserve Fund and may be issued under initial~~
30 ~~credit certificates for the next fiscal year.~~

31 4. For any fiscal year, if funds are transferred from the
32 Reserve Fund under the authority of any provision of law other than paragraph (4) of
33 this subsection, the maximum credit amounts in the aggregate for which the Director
34 may issue initial credit certificates shall be reduced by the amount transferred.

35 (iv) For each of fiscal years ~~2009 and 2010~~ **2011, 2012, 2013,**
36 **AND 2014**, the Governor shall include in the budget bill an appropriation to the
37 Reserve Fund.

1 (v) Notwithstanding the provisions of § 7-213 of ~~¶this article¶~~
2 ~~THE STATE FINANCE AND PROCUREMENT ARTICLE~~, the Governor may not reduce
3 an appropriation to the Reserve Fund in the State budget as approved by the General
4 Assembly.

5 (vi) The Director may not issue an initial credit certificate for
6 any fiscal year after fiscal year ~~2010~~ 2014.

7 (4) (i) Except as provided in this paragraph, money appropriated to
8 the Reserve Fund shall remain in the Fund.

9 (ii) 1. Within 15 days after the end of each calendar quarter,
10 the Trust shall notify the Comptroller as to each commercial rehabilitation completed
11 and certified during the quarter:

12 A. the maximum credit amount stated in the initial
13 credit certificate for the project; and

14 B. the final certified credit amount for the project.

15 2. On notification that a project has been certified, the
16 Comptroller shall transfer an amount equal to the maximum credit amount stated in
17 the initial credit certificate for the project from the Reserve Fund to the General Fund.

18 (iii) 1. On or before October 1 of each year, the Trust shall
19 notify the Comptroller as to the maximum credit amount stated in the initial credit
20 certificate for each commercial rehabilitation for which the initial credit certificate has
21 expired under subsection (c)(3) of this section as of the end of the prior fiscal year.

22 2. On notification that the initial credit certificate for a
23 project has expired under subsection (c)(3) of this section, the Comptroller shall
24 transfer an amount equal to the maximum credit amount stated in the initial credit
25 certificate for the project from the Reserve Fund to the General Fund.

26 (e) (1) (I) In this subsection, ~~“disqualifying work” means work that~~
27 **THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

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

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

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

4 **(III) “DISQUALIFYING WORK” MEANS WORK THAT:**

5 ~~(i)~~ **1.** is performed on a certified heritage structure for
6 which a rehabilitation has been certified under this section; and

7 ~~(ii)~~ **2.** if performed as part of the rehabilitation certified
8 under this section, would have made the rehabilitation ineligible for certification.

9 (2) The credit allowed under this section shall be recaptured as
10 provided in paragraph (3) of this subsection if, during the taxable year in which a
11 certified rehabilitation is completed or any of the 4 taxable years succeeding the
12 taxable year in which the certified rehabilitation is completed;

13 **(I)** any disqualifying work is performed on the certified heritage
14 structure for which the certified rehabilitation has been completed; **OR**

15 **(II) FOR A COMMERCIAL REHABILITATION, THE CERTIFIED**
16 **REHABILITATION IS COMPLETE AND HAS BEEN DISPOSED OF.**

17 (3) (i) 1. If the disqualifying work is performed **OR THE**
18 **CERTIFIED REHABILITATION IS DISPOSED OF** during the taxable year in which the
19 certified rehabilitation was completed, 100% of the credit shall be recaptured.

20 2. If the disqualifying work is performed **OR THE**
21 **CERTIFIED REHABILITATION IS DISPOSED OF** during the first full year succeeding
22 the taxable year in which the certified rehabilitation was completed, 80% of the credit
23 shall be recaptured.

24 3. If the disqualifying work is performed **OR THE**
25 **CERTIFIED REHABILITATION IS DISPOSED OF** during the second full year
26 succeeding the taxable year in which the certified rehabilitation was completed, 60% of
27 the credit shall be recaptured.

28 4. If the disqualifying work is performed **OR THE**
29 **CERTIFIED REHABILITATION IS DISPOSED OF** during the third full year succeeding
30 the taxable year in which the certified rehabilitation was completed, 40% of the credit
31 shall be recaptured.

32 5. If the disqualifying work is performed **OR THE**
33 **CERTIFIED REHABILITATION IS DISPOSED OF** during the fourth full year
34 succeeding the taxable year in which the certified rehabilitation was completed, 20% of
35 the credit shall be recaptured.

1 (ii) The individual or business entity that claimed the tax credit
2 shall pay the amount to be recaptured as determined under subparagraph (i) of this
3 paragraph as taxes payable to the State for the taxable year in which the disqualifying
4 work is performed **OR THE CERTIFIED REHABILITATION IS DISPOSED OF.**

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

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

17 (f) (1) The Comptroller may determine, under the process for return
18 examination and audit under §§ 13-301 and 13-302 of the Tax – General Article:

19 (i) the amount of rehabilitation expenditures used in
20 calculating the credit;

21 (ii) whether such expenditures are qualified rehabilitation
22 expenditures under this section; and

23 (iii) whether the credit is allowable as claimed.

24 (2) The authority of the Comptroller to examine and audit a tax return
25 does not limit the authority of the Director to determine whether a rehabilitation
26 qualifies as a certified rehabilitation or whether a certificate of certified rehabilitation
27 has been properly issued.

28 (3) The Comptroller may adopt regulations to require that an entity
29 other than a corporation claim the tax credit on the tax return filed by that entity.

30 (4) (i) Except as otherwise provided in this paragraph, the credit
31 under this section may be claimed for the year a certified rehabilitation is completed,
32 only if the Director has, by the time the return is filed, issued a certificate of
33 completion for the certified rehabilitation.

1 (ii) A taxpayer claiming the credit may amend a return for the
2 year the certified rehabilitation was completed to account for a certificate issued
3 subsequent to the filing of the original return.

4 (iii) An amended return shall be filed within the period allowed
5 under the Tax – General Article for filing refund claims.

6 (iv) The provisions of this paragraph do not extend the period in
7 which a certified rehabilitation must be completed to be eligible for a tax credit under
8 this section.

9 (v) An amended return may account for an amended
10 certification issued by the Director for a certified rehabilitation.

11 (g) A refund payable under subsection (c) of this section:

12 (1) operates to reduce the income tax revenue from corporations if the
13 person entitled to the refund is a corporation subject to the income tax under Title 10
14 of the Tax – General Article;

15 (2) operates to reduce insurance premium tax revenues if the person
16 entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

17 (3) operates to reduce the income tax revenue from individuals if the
18 person entitled to the refund is:

19 (i) an individual subject to the income tax under Title 10 of the
20 Tax – General Article; or

21 (ii) an organization exempt from taxation under § 501(c)(3) of
22 the Internal Revenue Code.

23 (h) (1) On or before December 15 of each fiscal year, the Director shall
24 report to the Governor and, subject to § 2–1246 of the State Government Article, to the
25 General Assembly, on:

26 (i) the initial credit certificates awarded for commercial
27 rehabilitations under this section for that fiscal year; and

28 (ii) the tax credits awarded for certified rehabilitations
29 completed in the preceding fiscal year.

30 (2) The report required under paragraph (1) of this subsection shall
31 include for each initial credit certificate awarded for the fiscal year for a commercial
32 rehabilitation:

33 (i) the name of the owner or developer of the commercial
34 rehabilitation;

1 (ii) the name and address of the proposed or certified
2 rehabilitation and the county where the project is located;

3 (iii) the dates of receipt and approval by the Director of all
4 applications regarding the project, including applications:

5 1. for certification that a structure or property will
6 qualify as a certified heritage structure; and

7 2. for approval of the proposed rehabilitation; and

8 (iv) the maximum amount of the credit stated in the initial
9 credit certificate for the project and the estimated rehabilitation expenditures stated
10 in the application for approval of the plan of proposed rehabilitation.

11 (3) The report required under paragraph (1) of this subsection shall
12 include for each certified commercial rehabilitation completed during the preceding
13 fiscal year:

14 (i) the name of the owner or developer of the commercial
15 rehabilitation;

16 (ii) the name and address of the certified rehabilitation and the
17 county where the project is located;

18 (iii) the dates of receipt and approval by the Director of all
19 applications regarding the project; and

20 (iv) 1. the maximum amount of the credit stated in the
21 initial credit certificate for the project and the estimated rehabilitation expenditures
22 stated in the application for approval of the plan of proposed rehabilitation; and

23 2. the actual qualified rehabilitation expenditures and
24 the final amount of the credit for which the project qualified.

25 (4) The report required under paragraph (1) of this subsection shall
26 summarize for each category of certified rehabilitations:

27 (i) the total number of applicants for:

28 1. certification that a structure or property will qualify
29 as a certified heritage structure;

30 2. approval of plans of proposed rehabilitations; or

31 3. certification of the completed rehabilitations;

1 (ii) the number of proposed projects for which plans of proposed
2 rehabilitation were approved; and

3 (iii) the total estimated rehabilitation expenditures stated in
4 approved applications for approval of plans of proposed rehabilitation and the total
5 qualified rehabilitation expenditures for completed rehabilitations certified.

6 (5) The information required under paragraph (4) of this subsection
7 shall be provided in the aggregate and separately for each of the following categories of
8 certified rehabilitations:

9 (i) owner-occupied single family residential structures; and

10 (ii) commercial rehabilitations.

11 (i) (1) Subject to the provisions of this subsection, the provisions of this
12 section and the tax credit authorized under this section shall terminate as of July 1,
13 ~~2010~~ 2014.

14 (2) On and after July 1, ~~2010~~ 2014:

15 (i) the tax credit authorized under this section may be claimed
16 for:

17 1. a rehabilitation project, other than a commercial
18 rehabilitation, for which an application for approval of a plan of proposed
19 rehabilitation was received by the Director on or before June 30, ~~2010~~ 2014; or

20 2. a commercial rehabilitation for which an initial credit
21 certificate has been awarded under subsection (d) of this section; and

22 (ii) the Director shall continue to report to the Governor and the
23 General Assembly as required under subsection (h) of this section for as long as any
24 rehabilitation project for which the tax credit may be claimed remains incomplete.

25 5A-318.

26 (b) The Trust may:

27 (1) adopt regulations to carry out this subtitle;

28 (2) take legal action to enforce this subtitle;

29 (3) adopt and use an official seal;

30 (4) contract for consultant or other services;

1 (5) apply for and accept money, grants, or loans from federal, State,
2 local, or private sources;

3 (6) agree with a prospective mortgagor or grantee to provide financial
4 assistance to a historic preservation project;

5 (7) acquire and hold real and personal historic property by gift,
6 purchase, devise, bequest, or any other means;

7 (8) acquire or take assignment of a note, mortgage, or other security or
8 evidence of indebtedness;

9 (9) acquire, attach, accept, or take title to an historic property by
10 conveyance or, if a mortgage is in default, by foreclosure;

11 (10) sell, convey, assign, lease, or otherwise transfer or dispose of any
12 property held by the Trust;

13 (11) make contracts, leases, or other agreements necessary or
14 incidental to the performance of the POWERS AND duties of the Trust, INCLUDING
15 AGREEMENTS WITH THE DEPARTMENT OF HOUSING AND COMMUNITY
16 DEVELOPMENT OR OTHER ENTITIES TO MONITOR COMPLIANCE WITH THE
17 REQUIREMENTS UNDER § 5A-303(A)(4)(II)2 OF THIS SUBTITLE;

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

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

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

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

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

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

29 ~~(J) THE STATE CREDIT ALLOWED UNDER THIS SECTION MAY BE~~
30 ~~ALLOCATED AMONG THE PARTNERS, MEMBERS, OR SHAREHOLDERS OF AN~~
31 ~~ENTITY IN ANY MANNER AGREED TO BY THOSE PERSONS IN WRITING.~~

32 ~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

1 ~~(a) Sections 5A-362 through 5A-370 of the State Finance and Procurement~~
2 ~~Article, as enacted by Section 1 of this Act, shall be applicable to:~~

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

6 ~~(2) Any commercial rehabilitation project for which an application of a~~
7 ~~plan of proposed rehabilitation is approved by the Director of the Maryland Historical~~
8 ~~Trust on or after July 1, 2009.~~

9 ~~(b) Former § 5A-303 of the State Finance and Procurement Article, as~~
10 ~~amended and transferred to the Session Laws by Section 2 of this Act, shall continue~~
11 ~~to be applicable to:~~

12 ~~(1) Any project for rehabilitation of a single-family, owner-occupied~~
13 ~~residence for which an application for approval of a plan of proposed rehabilitation is~~
14 ~~received by the Director of the Maryland Historical Trust on or before June 30, 2009;~~
15 ~~and~~

16 ~~(2) Any commercial rehabilitation project for which an application of a~~
17 ~~plan of proposed rehabilitation is approved by the Director of the Maryland Historical~~
18 ~~Trust on or before June 30, 2009.~~

19 ~~SECTION 4. AND BE IT FURTHER ENACTED, That any unencumbered funds~~
20 ~~in the Heritage Structure Rehabilitation Tax Credit Reserve Fund established under~~
21 ~~former § 5A-303 of the State Finance and Procurement Article, as amended and~~
22 ~~transferred to the Session Laws by Section 2 of this Act, shall revert to the General~~
23 ~~Fund on June 30, 2016.~~

24 ~~SECTION 5. AND BE IT FURTHER ENACTED, That subsection (j) of Section 2~~
25 ~~of this Act shall be construed to apply retroactively and shall be applied to and~~
26 ~~interpreted to affect any commercial rehabilitation project for which an application of~~
27 ~~a plan of proposed rehabilitation is approved by the Director of the Maryland~~
28 ~~Historical Trust on or after January 1, 2005.~~

29 ~~SECTION 6. 2. AND BE IT FURTHER ENACTED, That this Act shall take~~
30 ~~effect June 1, 2009, and shall be applicable to:~~

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

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