

HOUSE BILL 475

Q7, C8, R2

0lr0176
CF SB 285

By: **The Speaker (By Request – Administration) and Delegates Bartlett, Bobo, Bronrott, Cane, Carr, V. Clagett, Davis, Donoghue, Doory, Eckardt, Elmore, Frush, Gaines, Haddaway, Hammen, Healey, Jones, Kullen, Lafferty, McIntosh, Morhaim, Nathan–Pulliam, Proctor, Ramirez, Rice, ~~and Stein~~ Stein, Barve, Cardin, Frick, George, Gilchrist, Hixson, Howard, Ivey, Kaiser, Murphy, Myers, Olszewski, Ross, Stukes, F. Turner, and Walker**

Introduced and read first time: January 29, 2010

Assigned to: Ways and Means and Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 1, 2010

CHAPTER _____

1 AN ACT concerning

2 **Smart, Green, and Growing – The Sustainable Communities Act of 2010**

3 FOR the purpose of stating certain findings and the intent of the General Assembly
4 concerning sustainable communities; providing for the designation of certain
5 areas as sustainable communities eligible for certain programs; altering the
6 criteria to consider a sustainable community area; authorizing the Smart
7 Growth Subcabinet to designate sustainable communities ~~and approve~~
8 ~~sustainable community plans~~; abolishing certain boards; authorizing the
9 Secretary of Housing and Community Development to administer the
10 Community Legacy Program and to take certain actions; repealing certain
11 authority for certain political subdivisions to approve a designated
12 neighborhood for certain purposes under certain circumstances; requiring the
13 Department of Transportation to consider sustainable communities during the
14 revisions to the Consolidated Transportation Program; requiring the
15 Department of Transportation to consult with the Smart Growth Subcabinet
16 concerning sustainable communities; altering certain authority of the Secretary
17 of Transportation to designate certain facilities, structures, and uses as
18 transit-oriented development for certain purposes; authorizing the Department
19 of Transportation to exercise certain powers with respect to sustainable

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.



1 communities; requiring the Secretary of Business and Economic Development to
2 receive a recommendation of the Smart Growth Subcabinet prior to designating
3 a BRAC Revitalization and Incentive Zone; altering the membership of the
4 Smart Growth Subcabinet; authorizing the Smart Growth Subcabinet to work
5 on sustainable communities, make certain recommendations, and certify certain
6 local jurisdictions for certain purposes; ~~reestablishing~~ extending and altering
7 the Maryland Heritage Structure Rehabilitation Tax Credit Program to be the
8 Sustainable Communities Tax Credit Program; ~~providing a certain tax credit for~~
9 ~~rehabilitation of certain properties;~~ making certain rehabilitation projects
10 eligible for a certain tax credit under certain circumstances; requiring the
11 Director of the Maryland Historical Trust to adopt certain regulations;
12 ~~providing limits on the amount of tax credits for certain purposes; providing for~~
13 ~~an additional credit if a certain rehabilitation meets a certain high performance~~
14 ~~building standard; providing for the issuance of credit certificates for certain~~
15 ~~rehabilitations, subject to certain requirements and limitations;~~ providing
16 certain limits on the amount of the credit percentage of the initial credit
17 certificates issued for any fiscal year that may be ~~claimed~~ issued for certain
18 rehabilitations; ~~authorizing the Director to charge a certain fee for certain~~
19 ~~purposes; prohibiting the Director from issuing credit certificates that exceed a~~
20 ~~certain amount; prohibiting the Director from issuing certain credit certificates~~
21 ~~before a certain date or after a certain date; establishing the Maryland~~
22 ~~Department of Planning Sustainable Communities Tax Credit Administration~~
23 ~~Fund; providing for amended tax returns under certain circumstances;~~
24 ~~authorizing the allocation of the credit in a certain manner; providing for~~
25 ~~certain determinations by the Comptroller;~~ providing for the expiration of
26 certain initial credit certificates under certain circumstances; establishing
27 certain requirements for certain rehabilitation projects to be eligible for the tax
28 credit; altering the percentage of qualified rehabilitation expenditures for which
29 the credit is allowed for certain projects; altering the name of a certain reserve
30 fund; authorizing the Governor to include an appropriation to a certain reserve
31 fund for certain fiscal years; extending through a certain fiscal year certain
32 authority for the Director to issue certain initial credit certificates; ~~providing for~~
33 ~~altering~~ certain reporting requirements; providing for the recapture of the credit
34 under certain circumstances; providing for the termination of the Sustainable
35 Communities Tax Credit Program; ~~requiring certain funds in the Heritage~~
36 ~~Structure Rehabilitation Tax Credit Reserve Fund to revert to the General~~
37 ~~Fund on a certain date;~~ providing for the application of certain provisions of this
38 Act consideration of certain community legacy areas and certain designated
39 neighborhoods as sustainable communities under certain circumstances;
40 requiring a sponsor of a community legacy area or a designated neighborhood to
41 submit a certain application under certain circumstances; ~~providing for the~~
42 ~~retroactive application of a certain provision of this Act;~~ ~~authorizing the~~
43 ~~Comptroller to make certain determinations and adopt certain regulations;~~
44 defining certain terms; altering certain definitions; and generally relating to
45 sustainable communities.

46 BY repealing and reenacting, with amendments,

1 Article – Economic Development
2 Section 5–1304
3 Annotated Code of Maryland
4 (2008 Volume and 2009 Supplement)

5 BY adding to
6 Article – Housing and Community Development
7 Section 6–104
8 Annotated Code of Maryland
9 (2006 Volume and 2009 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – Housing and Community Development
12 Section 6–201, 6–202, 6–204 through 6–211, 6–213, 6–301, 6–303, 6–304, and
13 6–306
14 Annotated Code of Maryland
15 (2006 Volume and 2009 Supplement)

16 BY repealing
17 Article – Housing and Community Development
18 Section 6–203, 6–212, and 6–305
19 Annotated Code of Maryland
20 (2006 Volume and 2009 Supplement)

21 ~~BY adding to~~
22 ~~Article – State Finance and Procurement~~
23 ~~Section 5–901 through 5–911 to be under the new subtitle “Subtitle 9–~~
24 ~~Sustainable Communities Tax Credit Program”~~
25 ~~Annotated Code of Maryland~~
26 ~~(2009 Replacement Volume)~~

27 BY repealing and reenacting, with amendments,
28 Article – State Government
29 Section 9–1406(b)(12) and (13) and (h)
30 Annotated Code of Maryland
31 (2009 Replacement Volume)

32 BY adding to
33 Article – State Government
34 Section 9–1406(b)(14) through(16)
35 Annotated Code of Maryland
36 (2009 Replacement Volume)

37 BY adding to
38 Article – Transportation
39 Section 2–701 through 2–703 to be under the new subtitle “Subtitle 7.
40 Sustainable Communities”

1 Annotated Code of Maryland
2 (2008 Replacement Volume and 2009 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Transportation
5 Section 7–101(m)
6 Annotated Code of Maryland
7 (2008 Replacement Volume and 2009 Supplement)

8 ~~BY repealing and reenacting, with amendments,~~
9 ~~Article – Insurance~~
10 ~~Section 6–105.2~~
11 ~~Annotated Code of Maryland~~
12 ~~(2008 Replacement Volume and 2009 Supplement)~~

13 ~~BY repealing and reenacting, with amendments,~~
14 ~~Article – Tax – General~~
15 ~~Section 10–704.5~~
16 ~~Annotated Code of Maryland~~
17 ~~(2004 Replacement Volume and 2009 Supplement)~~

18 BY repealing and reenacting, with amendments, ~~and transferring to the Session Laws~~
19 Article – State Finance and Procurement
20 Section 5A–303
21 Annotated Code of Maryland
22 (2009 Replacement Volume)

23 Preamble

24 WHEREAS, In June 2009, the Obama Administration announced a new
25 interagency partnership on sustainable communities between the Department of
26 Transportation, the Department Housing and Urban Development, and the
27 Environmental Protection Agency to better coordinate federal transportation,
28 environmental protection, and housing investments; and

29 WHEREAS, An early action by the federal interagency partnership announced
30 a set of Livability Principles to guide future federal investments, policy development,
31 and programs towards the creation of sustainable communities; and

32 WHEREAS, In the Obama Administration’s Fiscal Year 2010 Budget
33 ~~submission and in the current funding bills before Congress,~~ \$150 million is provided
34 to the federal Department of Housing and Urban Development and the Department of
35 Transportation to award grants to communities for more integrated regional planning
36 and sustainability projects; and

37 WHEREAS, A number of studies, reports, and articles by organizations
38 including the Environmental Protection Agency have found that one of the keys to

1 revitalizing and maintaining the character of town centers and preserving
2 surrounding agricultural land in small and rural communities is the promotion of
3 integrated housing, historic preservation, economic, and transportation development
4 in town centers; and

5 WHEREAS, ~~As resources, both natural and financial, become more scarce, there~~
6 ~~is a need for more integrated thinking about how transportation, land use, and~~
7 ~~housing programs all intersect with environmental, economic, and equity goals at the~~
8 ~~State level; and~~ natural and financial resources dwindle, there is a need for tax
9 incentives that will create jobs and spur entrepreneurship, to unlock sources of credit
10 and capital which have been in short supply as a result of the financial crisis and that
11 will do so in a way that promotes and furthers the State's goal of revitalizing
12 communities; and

13 WHEREAS, The State of Maryland needs to further refine its focus on and
14 develop a coordinated approach to creating, enhancing, supporting, and revitalizing
15 sustainable communities in order to position itself to take advantage of federal
16 opportunities; and

17 WHEREAS, The State of Maryland has several programs that are focused on
18 revitalizing communities and have operated independently of each other to achieve
19 similar but slightly different policy goals and that now require more integrated
20 thinking about how transportation, land use, and housing programs intersect with
21 environmental, economic, and equity goals at the State level; and

22 WHEREAS, These revitalization programs can be better coordinated and
23 targeted to achieve investment in housing, historic preservation, economic growth, and
24 transportation development in existing neighborhoods and town centers; now,
25 therefore,

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

28 **Article – Economic Development**

29 5–1304.

30 (a) (1) Within 60 days after a submission date, the Secretary, **AFTER**
31 **RECEIVING A RECOMMENDATION OF THE SMART GROWTH SUBCABINET**, may
32 designate one or more BRAC Revitalization and Incentive Zones from among the areas
33 described in the applications timely submitted.

34 (2) The designation of an area as a BRAC Revitalization and Incentive
35 Zone is effective for 10 years, beginning on the date the first property in the BRAC
36 Revitalization and Incentive Zone becomes a qualified property, as defined in § 2–222
37 of the Tax – Property Article.

1 (3) The Secretary may not designate more than six BRAC
2 Revitalization and Incentive Zones in a calendar year.

3 (4) A county may not receive more than two BRAC Revitalization and
4 Incentive Zones.

5 (5) The precise location and boundaries of a BRAC Revitalization and
6 Incentive Zone may be determined only on application to and approval by the
7 Secretary.

8 (b) [Before designating a BRAC Revitalization and Incentive Zone, the
9 Secretary shall consult with the following cabinet secretaries or their respective
10 designees:

11 (1) the Secretary of Transportation;

12 (2) the Secretary of Housing and Community Development;

13 (3) the Secretary of the Environment; and

14 (4) the Secretary of Planning.

15 (c) The designation of the Secretary is final.

16 [(d)] (C) At any time, a political subdivision may reapply to the Secretary to
17 designate as a BRAC Revitalization and Incentive Zone an area that is not designated.

18 [(e)] (D) (1) This subsection applies only to a political subdivision that is
19 authorized under § 7-211.3 of the Tax – Property Article to enter into a payment in
20 lieu of tax agreement with a private developer for federal enclave property.

21 (2) The Secretary may not designate a BRAC Revitalization and
22 Incentive Zone in a county until, in the judgment of the Secretary, the political
23 subdivision has entered into good faith negotiations for a payment in lieu of tax
24 agreement with all private developers of federal enclave property.

25 Article – Housing and Community Development

26 6-104.

27 (A) (1) THE GENERAL ASSEMBLY FINDS THAT THE STATE MUST
28 HAVE SUSTAINABLE COMMUNITIES IN ORDER TO:

29 (I) PRESERVE AND PROTECT THE STATE'S NATURAL
30 RESOURCES; AND

1 (II) ACHIEVE THE STATE’S ECONOMIC GROWTH, RESOURCE
2 PROTECTION, AND PLANNING POLICY IN § 5-7A-01 OF THE STATE FINANCE AND
3 PROCUREMENT ARTICLE.

4 (2) THE GENERAL ASSEMBLY FINDS THAT SUSTAINABLE
5 COMMUNITIES ARE PLACES WHERE PUBLIC AND PRIVATE INVESTMENTS AND
6 PARTNERSHIPS ACHIEVE:

7 (I) DEVELOPMENT OF A HEALTHY LOCAL ECONOMY;

8 (II) PROTECTION AND APPRECIATION OF HISTORIC AND
9 CULTURAL RESOURCES;

10 (III) A MIX OF LAND USES;

11 (IV) AFFORDABLE AND SUSTAINABLE HOUSING AND JOB
12 OPTIONS; AND

13 (V) GROWTH AND DEVELOPMENT PRACTICES THAT
14 PROTECT THE ENVIRONMENT AND CONSERVE AIR, WATER, AND ENERGY
15 RESOURCES, ENCOURAGE WALKABILITY AND RECREATIONAL OPPORTUNITIES,
16 AND, WHERE AVAILABLE, CREATE ACCESS TO TRANSIT.

17 (B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
18 COMMUNITY LEGACY AND ~~DESIGNATED~~ NEIGHBORHOOD BUSINESS
19 DEVELOPMENT PROGRAMS:

20 (1) BE USED TO CREATE, ENHANCE, SUPPORT, AND REVITALIZE
21 SUSTAINABLE COMMUNITIES ACROSS THE STATE; AND

22 (2) BE COORDINATED WITH OTHER STATE PROGRAMS, SUCH AS
23 THE SUSTAINABLE COMMUNITIES TAX CREDIT PROGRAM ESTABLISHED UNDER
24 TITLE ~~5~~ 5A, SUBTITLE ~~9~~ 3 OF THE STATE FINANCE AND PROCUREMENT
25 ARTICLE, IN ORDER TO MAXIMIZE THE STATE’S INVESTMENT IN SUSTAINABLE
26 COMMUNITIES.

27 6-201.

28 (a) In this subtitle the following words have the meanings indicated.

29 (b) “Application” means an application to the [Board] SECRETARY that
30 includes a request to:

31 (1) designate an area as a SUSTAINABLE community [legacy area];

1 (2) approve a SUSTAINABLE community [legacy] plan; or

2 (3) approve a community legacy project.

3 (c) [“Board” means the Community Legacy Board.

4 (d)] “Community development financial institution” has the meaning stated
5 in 12 U.S.C. § 4702.

6 [(e)] (D) “Community development organization” means an entity that
7 meets the qualifications of § [6–204] 6–203 of this subtitle.

8 [(f)] (E) “Community legacy agreement” means an agreement between the
9 Department and a sponsor to develop a SUSTAINABLE community [legacy] plan or to
10 implement one or more community legacy projects in a designated SUSTAINABLE
11 community [legacy area].

12 [(g) “Community legacy area” means the part of a priority funding area that:

13 (1) as determined by the Board, satisfies the requirements of § 6–206
14 of this subtitle; or

15 (2) has been designated as a BRAC Revitalization and Incentive Zone
16 under Title 5, Subtitle 13 of the Economic Development Article.

17 (h) “Community legacy plan” means a plan consisting of one or more
18 community legacy projects to prevent or reverse the decline of or disinvestment in a
19 community legacy area through improvements in residential, commercial, or other
20 public or private properties.]

21 [(i)] (F) “Community legacy project” includes projects to:

22 (1) create, improve, or preserve housing opportunities by acquiring,
23 constructing, rehabilitating, or improving new or existing residential properties;

24 (2) demolish buildings or improvements strategically to enhance the
25 use of land;

26 (3) create, improve, or preserve commercial or mixed–use
27 development, including an appropriate combination of properties related to business,
28 housing, open–space, and institutional uses;

29 (4) develop public infrastructure that is incidental to the
30 implementation of a community legacy project, such as streets, parking, public
31 utilities, landscaping, lighting, and improvements to pedestrian and bicycle
32 circulation;

1 (5) encourage and develop cooperative ownership or control of open
2 space;

3 (6) develop or create strategies designed to increase investment in
4 existing communities, including outreach activities to attract business, capital,
5 residents, and visitors and the development and maintenance of resources directly
6 related to the development of a **SUSTAINABLE** community [legacy] plan or the
7 implementation of a community legacy project;

8 (7) engage in landbanking or otherwise acquire or improve vacant
9 buildings or unimproved land;

10 (8) provide financial assistance for neighborhood intervention projects;
11 or

12 (9) develop other plans or implement other projects as the [Board]
13 **DEPARTMENT** considers necessary to further the purposes of this subtitle.

14 **[(j)] (G)** “Financial assistance” includes:

15 (1) a grant;

16 (2) a loan;

17 (3) a reduction in the principal obligation of or rate of interest payable
18 on a loan or portion of a loan;

19 (4) a prepayment of interest on a subordinate or superior loan or
20 portion of a loan;

21 (5) an assurance;

22 (6) a guarantee; or

23 (7) any other form of credit enhancement.

24 **[(k)] (H)** “Landbanking” means acquiring or holding improved and
25 unimproved property:

26 (1) in anticipation of future development of the property; or

27 (2) to keep the future use of the property and improvements
28 affordable.

29 **[(l)] (I)** “Priority funding area” means an area designated as a priority
30 funding area under § 5-7B-02 of the State Finance and Procurement Article.

1 **[(m)] (J)** “Program” means the Community Legacy Program established by
2 this subtitle.

3 **(K)** “SMART GROWTH SUBCABINET” MEANS THE SUBCABINET
4 ESTABLISHED UNDER § 9-1406 OF THE STATE GOVERNMENT ARTICLE.

5 **(L)** “SUSTAINABLE COMMUNITY” MEANS THE PART OF A PRIORITY
6 FUNDING AREA THAT:

7 **(1)** AS DETERMINED BY THE SMART GROWTH SUBCABINET,
8 SATISFIES THE REQUIREMENTS OF § 6-205 OF THIS SUBTITLE;

9 **(2)** HAS BEEN DESIGNATED AS A BRAC REVITALIZATION AND
10 INCENTIVE ZONE UNDER TITLE 5, SUBTITLE 13 OF THE ECONOMIC
11 DEVELOPMENT ARTICLE; OR

12 **(3)** HAS BEEN DESIGNATED A TRANSIT-ORIENTED DEVELOPMENT
13 UNDER § 7-101 OF THE TRANSPORTATION ARTICLE.

14 **(M)** “SUSTAINABLE COMMUNITY PLAN” MEANS A PLAN CONSISTING OF
15 ONE OR MORE COMMUNITY LEGACY PROJECTS OR OTHER REVITALIZATION
16 PROJECTS TO PREVENT OR REVERSE THE DECLINE OF OR DISINVESTMENT IN A
17 SUSTAINABLE COMMUNITY THROUGH IMPROVEMENTS IN RESIDENTIAL,
18 COMMERCIAL, OR OTHER PUBLIC OR PRIVATE PROPERTIES.

19 6-202.

20 (a) There is a Community Legacy Program.

21 (b) The Department [and the Board] shall administer the Program.

22 (c) The purposes of the Program are to:

23 (1) preserve existing communities as desirable places to live and
24 conduct business to reduce outward pressure for sprawl development; and

25 (2) provide financial assistance to sponsors or their designees to
26 develop SUSTAINABLE community [legacy] plans or community legacy projects.

27 (d) The Program shall encourage partnerships among the federal
28 government, the State government, political subdivisions, and community
29 development organizations to develop and implement SUSTAINABLE community
30 [legacy] plans and community legacy projects.

1 (e) A **SUSTAINABLE** community [legacy] plan or a community legacy project
2 may be sponsored by a political subdivision, a group of political subdivisions, a
3 community development organization, or a community development financial
4 institution.

5 **[6–203.**

6 (a) There is a Community Legacy Board.

7 (b) The Board consists of the following five members:

8 (1) the Secretary of Housing and Community Development;

9 (2) the Secretary of Natural Resources;

10 (3) the Secretary of Planning;

11 (4) the Secretary of Transportation; and

12 (5) the Governor’s Special Secretary for Smart Growth.

13 (c) The Secretary of Housing and Community Development is the chair of
14 the Board.

15 (d) The Department shall provide staff to the Board.

16 (e) The Board may:

17 (1) exercise all powers necessary to carry out this subtitle; and

18 (2) recommend to the Secretary the adoption of regulations.]

19 **[6–204.] 6–203.**

20 A corporation, foundation, or other legal entity qualifies as a community
21 development organization if:

22 (1) its purpose is to improve the physical, economic, or social
23 environment of the area where it operates; and

24 (2) no part of its net earnings inures to the benefit of a private
25 shareholder or individual holding an interest in that entity.

26 **[6–205.] 6–204.**

27 (a) A sponsor may file one or more applications in accordance with the
28 schedules that the [Board] **DEPARTMENT** establishes.

1 (b) An application shall set forth:

2 (1) a description of one or more [community legacy areas]
3 **SUSTAINABLE COMMUNITIES** where the sponsor proposes to develop a
4 **SUSTAINABLE** community [legacy] plan or to carry out a community legacy project
5 using the standards listed in § [6–206] **6–205** of this subtitle;

6 (2) a detailed description of the proposed **SUSTAINABLE** community
7 [legacy] plan or proposed community legacy project;

8 (3) the amount and type of financial assistance sought;

9 (4) the ability of the sponsor to carry out the proposed **SUSTAINABLE**
10 community [legacy] plan or community legacy project;

11 (5) the strength and quality of partnerships created among the federal
12 government, the State government, political subdivisions, community development
13 organizations, and other private organizations to develop the **SUSTAINABLE**
14 community [legacy] plan or carry out the community legacy project, including:

15 (i) financial support;

16 (ii) dedication of staff and resources; and

17 (iii) commitment to and development of local smart growth
18 policies;

19 (6) proposed benchmarks for evaluating whether the proposed
20 **SUSTAINABLE** community [legacy] plan or community legacy project results in a
21 desired outcome for a proposed **SUSTAINABLE** community [legacy area], such as:

22 (i) stabilizing it;

23 (ii) reversing its social, economic, or physical decline; or

24 (iii) encouraging growth in it; and

25 (7) the process used to seek and receive public input on the proposed
26 **SUSTAINABLE** community [legacy] plan or community legacy project, including the
27 nature and extent of public support or opposition.

28 (c) **(1)** [Except as provided in subsection (d) of this section, a community
29 legacy plan or a community legacy project does not take effect until its sponsor has
30 submitted to the Board an application for its approval and the Board has approved it]
31 **THE SMART GROWTH SUBCABINET, ON THE RECOMMENDATION OF THE**

1 ~~SECRETARY, MAY DESIGNATE AN AREA AS A SUSTAINABLE COMMUNITY OR MAY~~
2 ~~APPROVE A SUSTAINABLE COMMUNITY PLAN.~~

3 (2) IF THE SMART GROWTH SUBCABINET HAS NOT ACTED WITHIN
4 90 DAYS OF A RECOMMENDATION FROM THE SECRETARY, THE SECRETARY MAY
5 DESIGNATE AN AREA AS A SUSTAINABLE COMMUNITY WITHOUT THE APPROVAL
6 OF THE SMART GROWTH SUBCABINET.

7 [(d) The Secretary may approve a community legacy project without the
8 approval of the Board in the case of an emergency or when the project requires urgent
9 approval if the project is funded from the reserve established under § 6–213(h) of this
10 subtitle.]

11 [6–206.] **6–205.**

12 (A) The [Board] **SMART GROWTH SUBCABINET, ON THE**
13 **RECOMMENDATION OF THE SECRETARY,** may designate an area as a
14 **SUSTAINABLE** community [legacy area] if the sponsor demonstrates that past and
15 current trends in homeownership, property values, commercial and residential
16 vacancy, and business or housing investment show a need for reinvestment in the area
17 and if:

18 (1) entities in the community, such as **LOCAL GOVERNMENTS,**
19 employers, educational institutions, civic organizations, community organizations, or
20 cultural organizations, support the proposed **SUSTAINABLE** community [legacy] plan
21 [or community legacy project] and have pledged resources to develop or implement it;

22 (2) the proposed **SUSTAINABLE** community [legacy] plan [or
23 community legacy project] addresses the need for reinvestment in the area and will
24 enhance the area, and give individuals of different incomes a range of housing options,
25 employment opportunities, and other amenities;

26 (3) a community in the proposed area is culturally or historically
27 significant;

28 (4) the proposed area is near a town center or a transportation center;
29 [or]

30 (5) the proposed **SUSTAINABLE** community [legacy] plan [or
31 community legacy project] is consistent with and complements other existing or
32 proposed projects for housing, commercial or community development, education,
33 historic preservation, neighborhood revitalization, transportation, or other things
34 significant to the comprehensive enhancement of the community; **OR**

1 **(6) THERE IS A DEMONSTRATED NEED FOR FINANCING**
 2 **ASSISTANCE FOR SMALL BUSINESSES, NONPROFIT ORGANIZATIONS, OR**
 3 **MICROENTERPRISES;~~OR~~**

4 ~~**(7) OTHER STANDARDS THAT THE DEPARTMENT CONSIDERS**~~
 5 ~~**RELEVANT AS SET FORTH IN REGULATIONS, INCLUDING STANDARDS**~~
 6 ~~**ESTABLISHED FOR OTHER STATE OR FEDERAL PROGRAMS.**~~

7 **(B) (1) TO MAINTAIN A SUSTAINABLE COMMUNITY DESIGNATION;**

8 **(I) EVERY 5 YEARS A SPONSOR SHALL FILE AN UPDATED**
 9 **PLAN AND APPLICATION WITH THE DEPARTMENT; AND**

10 **(II) THE SECRETARY SHALL MAKE DESIGNATION**
 11 **RECOMMENDATIONS FOR APPROVAL BY THE SMART GROWTH SUBCABINET**
 12 **UNDER § 6-204 OF THIS SUBTITLE.**

13 **(2) THE DEPARTMENT SHALL CONVENE AN INTERAGENCY**
 14 **REVIEW TEAM FROM THE AGENCIES OF THE SMART GROWTH SUBCABINET TO:**

15 **(I) REVIEW APPLICATIONS AND PLANS;**

16 **(II) PROVIDE ASSISTANCE AND GUIDANCE TO APPLICANTS;**

17 **AND**

18 **(III) MAKE RECOMMENDATIONS TO THE SECRETARY.**

19 **(3) THE SMART GROWTH SUBCABINET MAY REDESIGNATE AN**
 20 **AREA AS A SUSTAINABLE COMMUNITY TAKING INTO CONSIDERATION THE**
 21 **FACTORS IN SUBSECTION (A) OF THIS SECTION.**

22 **[6-207.] 6-206.**

23 (a) The [Board] **DEPARTMENT** shall:

24 (1) review each application and may request more information from
 25 the sponsor;

26 (2) accept public input on each application;

27 (3) submit each application to appropriate State units and
 28 **APPROPRIATE MEMBERS OF THE SMART GROWTH SUBCABINET;**

29 (4) consider any recommendation a State unit **OR MEMBER OF THE**
 30 **SMART GROWTH SUBCABINET** makes;

1 ~~[(4)]~~ **(5)** consider geographic balance when reviewing applications;
2 **AND**

3 ~~[(5)]~~ **(6)** give priority in awarding financial assistance to applicants
4 that are likely to repay the financial assistance to a community development financial
5 institution or to the Community Legacy Financial Assistance Fund[; and

6 (6) refer to the Secretary each application that it approves].

7 (b) (1) The ~~[Board]~~ **DEPARTMENT** may not approve an application unless
8 the political subdivision in which the proposed project is located approves the
9 application by resolution.

10 (2) If an application affects a **SUSTAINABLE** community ~~[legacy area]~~
11 entirely within a municipal corporation, the approval must come from the municipal
12 corporation rather than the surrounding county.

13 (3) If an application affects a **SUSTAINABLE** community ~~[legacy area]~~
14 within more than one political subdivision, each political subdivision must approve it
15 by resolution.

16 (c) The Secretary shall award financial assistance to a sponsor or a sponsor's
17 designee:

18 (1) in the amount and of the type that the ~~[Board]~~ **SECRETARY**
19 determines; and

20 (2) under the terms of a community legacy agreement.

21 ~~[6-208.]~~ **6-207.**

22 (a) The Department and the sponsor shall execute a community legacy
23 agreement.

24 (b) The sponsor shall comply with the terms of the community legacy
25 agreement and any regulations the Department adopts to carry out this subtitle.

26 (c) Not more than 15% of the total financial assistance that the Program
27 provides may be used for noncapital expenditures.

28 (d) The Department may exercise any remedy provided under the community
29 legacy agreement or by law if a sponsor:

30 (1) violates any provision of the community legacy agreement; or

31 (2) ceases to meet the requirements of this subtitle.

1 ~~[6-209.]~~ **6-208.**

2 (a) Subject to this section, the Department has the powers necessary or
3 desirable to implement the Program.

4 (b) (1) The Department may determine the terms and conditions for
5 financial assistance awarded under § ~~[6-207(c)]~~ **6-206(C)** of this subtitle.

6 (2) Financial assistance may be secured by a mortgage, lien, or
7 security interest that is superior to or subordinate to other mortgages, liens, or
8 security interests.

9 (3) The Department may establish time limits for the use of financial
10 assistance.

11 (c) (1) The Department may enforce the terms and conditions of the
12 financial assistance given under this subtitle.

13 (2) Notwithstanding any other law, if a loan or grant is secured by a
14 first or subordinate mortgage or other lien, the Department may:

15 (i) begin an action to protect or enforce any right given by law,
16 a contract, or other agreement;

17 (ii) foreclose on property;

18 (iii) purchase property at any foreclosure or other sale, or
19 acquire or take possession of the property through conveyance in lieu of foreclosure or
20 otherwise, and convey property after acquiring it;

21 (iv) settle or compromise any debt or obligation owed to the
22 Department;

23 (v) pay the principal of and interest on any obligation incurred
24 in connection with the property, and dispose of or otherwise deal with the property to
25 protect the interests of the Program; or

26 (vi) release or sell any mortgage, obligation, or property that the
27 Department holds at public or private sale, with or without public bidding.

28 (d) (1) The Department may contract with any person, including a private
29 property manager, mortgage servicer, architect, engineer, or other property
30 consultant, or with any governmental unit, for property or services necessary to
31 operate the Program or to implement community legacy projects.

1 (2) The Department may make agreements with other governmental
2 units to establish partnerships to carry out the Program.

3 (3) The Department may contract for and accept any grant,
4 contribution, or loan of money, property, or other aid from the federal government and
5 may do all things consistent with this subtitle to qualify for the aid or participate in or
6 administer a federal program.

7 (e) In connection with loans that it makes, the Department may:

8 (1) require and obtain appraisals, credit information, and other
9 pertinent information; and

10 (2) charge interest.

11 (f) When it is consistent with the best interests of the State to do so, the
12 Department may consent to the modification of any provision of any loan or other
13 financial assistance.

14 **[6-210.] 6-209.**

15 (a) The purposes of a neighborhood intervention project are to provide
16 financial assistance for:

17 (1) buying properties that need rehabilitation and redeveloping the
18 properties through rehabilitation, demolition, reconstruction, or re-use; or

19 (2) demolishing property improvements and preparing property for
20 revitalization, redevelopment, or re-use.

21 (b) To be eligible for financial assistance for a neighborhood intervention
22 project, an applicant shall be:

23 (1) a political subdivision; or

24 (2) a community development finance institution.

25 (c) To be eligible for financial assistance, the applicant must provide
26 evidence at the time of application that:

27 (1) the applicant has a legal interest in the property through:

28 (i) ownership of the property;

29 (ii) a contract, option, or other legal right to acquire the
30 property; or

1 (iii) the right to demolish the improvements on the property;

2 (2) the applicant intends to revitalize, redevelop, sell, or re-use the
3 property as part of a redevelopment strategy for the property or a redevelopment plan;

4 (3) the applicant has complied with the requirements of §§ 5A-325
5 and 5A-326 of the State Finance and Procurement Article and § 13-1112(b) of the
6 Financial Institutions Article;

7 (4) the financial assistance from the Program is the least amount
8 necessary to complete the project; and

9 (5) the project meets any other condition that the [Board]
10 **DEPARTMENT** may require under this subtitle.

11 (d) Unless waived by [the Board or] the Secretary [acting under subsection
12 (f) of this section], a neighborhood intervention project shall meet the additional
13 following requirements:

14 (1) the project shall be located in a **SUSTAINABLE** community [legacy
15 area] and be a part of a **SUSTAINABLE** community [legacy] plan in accordance with §§
16 [6-205(b)(1) and 6-206] **6-204(B)(1) AND 6-205** of this subtitle; and

17 (2) for a project under subsection (a)(2) of this section, the applicant
18 shall agree to repay the financial assistance to the Community Legacy Financial
19 Assistance Fund, up to the amount the applicant receives from:

20 (i) the net proceeds of the sale of the property on which the
21 demolition took place; or

22 (ii) any payment to the applicant relating to the property,
23 including any payment for the costs of demolishing the improvements on the property.

24 (e) (1) The [Board] **SECRETARY** may not allocate annually more than
25 15% of the Community Legacy Financial Assistance Fund to neighborhood
26 intervention projects.

27 (2) The [Board] **SECRETARY** may not award more than \$500,000 for
28 any neighborhood intervention project.

29 (3) The restrictions in paragraphs (1) and (2) of this subsection do not
30 apply to projects approved by the Secretary [under subsection (f) of this section.

31 (f) The Secretary may approve a neighborhood intervention project without
32 the approval of the Board] in the case of an emergency or when the project requires

1 urgent approval if the project is funded from the reserve established under
2 § [6-213(h)] **6-211(H)** of this subtitle.

3 **[6-211.] 6-210.**

4 (a) The sponsor shall submit to the [Board] **DEPARTMENT** quarterly
5 progress reports on the development of a **SUSTAINABLE** community [legacy] plan or
6 the implementation of a community legacy project.

7 (b) (1) The [Board] **DEPARTMENT** shall submit an annual report to the
8 Governor and, subject to § 2-1246 of the State Government Article, to the General
9 Assembly on or before each October 31.

10 (2) The report shall include:

11 (i) the financial status of the Program for the preceding fiscal
12 year, including the amount and type of financial assistance encumbered and
13 disbursed;

14 (ii) the number of applications received;

15 (iii) the number and location of [community legacy areas]
16 **SUSTAINABLE COMMUNITIES** designated; and

17 (iv) a summary of the quarterly reports submitted by sponsors
18 under subsection (a) of this section.

19 **[6-212.**

20 (a) There is an Advisory Committee to the Board.

21 (b) The Committee shall:

22 (1) make recommendations to the Board concerning community legacy
23 areas, community legacy plans, and community legacy projects; and

24 (2) consider the matters that the Board requests.

25 (c) (1) The Committee consists of the following 11 members appointed by
26 the Governor:

27 (i) one member to represent the Department of Business and
28 Economic Development;

29 (ii) one member to represent the Governor's Office of Crime
30 Control and Prevention;

1 (iii) one member to represent the Department of General
2 Services;

3 (iv) one member to represent the State Economic Growth,
4 Resource Protection, and Planning Commission; and

5 (v) seven members with experience and expertise in community
6 development and preservation.

7 (2) Members with experience and expertise in community
8 development and preservation may include representatives of political subdivisions,
9 advocacy organizations, the business community, and the public.

10 (d) To the extent possible, the members shall reflect the geographic and
11 ethnic diversity of the State.

12 (e) (1) The term of a member is 3 years.

13 (2) A member may not serve more than two terms consecutively.

14 (3) The terms of the members are staggered as required by the terms
15 provided for members of the Committee on October 1, 2005.

16 (4) At the end of a term, a member continues to serve until a successor
17 is appointed.

18 (5) A member who is appointed after a term has begun serves only for
19 the rest of the term and until a successor is appointed.

20 (f) A member:

21 (1) may not receive compensation as a member of the Committee; but

22 (2) is entitled to reimbursement for expenses under the Standard
23 State Travel Regulations as provided in the State budget.

24 (g) The Governor shall designate a chair from among the members of the
25 Committee.

26 (h) The Department shall provide staff to the Committee.]

27 **[6-213.] 6-211.**

28 (a) In this section, "Fund" means the Community Legacy Financial
29 Assistance Fund.

30 (b) There is a Community Legacy Financial Assistance Fund.

1 (c) The Fund shall be used to carry out this subtitle.

2 (d) (1) The Secretary shall administer the Fund in accordance with [the
3 recommendations of the Board] **THIS SUBTITLE**.

4 (2) The State Treasurer shall hold and the Comptroller shall account
5 for the Fund.

6 (e) The Fund is a continuing, nonlapsing special fund that is not subject to §
7 7–302 of the State Finance and Procurement Article.

8 (f) The Fund consists of:

9 (1) money appropriated in the State budget to the Fund;

10 (2) earnings from the investment of money in the Fund;

11 (3) repayments and prepayments of financial assistance provided by
12 the Program; and

13 (4) any other money accepted for the benefit of the Fund from any
14 governmental or private source.

15 (g) Notwithstanding any other law, the State Treasurer may invest money in
16 the Fund in the same way as money is invested by the State Retirement and Pension
17 System.

18 (h) In any fiscal year, the Secretary may hold up to 10% of the money in the
19 Fund in reserve for emergency use or urgent projects in accordance with this subtitle.

20 6–301.

21 (a) In this subtitle the following words have the meanings indicated.

22 [(b) “Designated neighborhood” means:

23 (1) an area approved as a designated neighborhood under § 6–305 of
24 this subtitle; or

25 (2) an area located in a priority funding area and designated as a
26 BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic
27 Development Article.]

28 [(c)] **(B)** (1) “Development costs” means the costs incurred to construct
29 or rehabilitate a neighborhood business development project.

- 1 (2) “Development costs” includes the costs of:
- 2 (i) necessary studies, surveys, plans, and specifications;
- 3 (ii) architectural, engineering, or other special services,
4 including flood plain studies, environmental audits, and critical area or wetland
5 assessments;
- 6 (iii) land and improvements;
- 7 (iv) site preparation;
- 8 (v) construction, reconstruction, and rehabilitation;
- 9 (vi) machinery, equipment, and furnishings;
- 10 (vii) essential start-up operating costs, including working capital
11 and initial occupancy expenses;
- 12 (viii) indemnity and surety bonds and premiums on insurance;
- 13 (ix) temporary relocation expenses; and
- 14 (x) other necessary fees.

15 **[(d)] (C)** “Fund” means the Neighborhood Business Development Fund.

16 **[(e)] (D)** “Microenterprise” means a business with not more than five
17 employees that:

18 (1) requires not more than \$35,000 in total start-up capital; and

19 (2) does not have access to the traditional commercial banking sector.

20 **[(f)] (E)** “Program” means the Neighborhood Business Development
21 Program.

22 **[(g)] (F)** “Project” means a neighborhood business development project that
23 receives financial assistance from the Fund.

24 **[(h)] (G)** “Small business” means a business that qualifies as a small
25 business under § 6-302 of this subtitle.

26 **(H) “SUSTAINABLE COMMUNITY” MEANS THE PART OF A PRIORITY**
27 **FUNDING AREA THAT:**

1 (1) AS DETERMINED BY THE SMART GROWTH SUBCABINET,
2 SATISFIES THE REQUIREMENTS OF § 6–205 OF THIS TITLE;

3 (2) HAS BEEN DESIGNATED AS A BRAC REVITALIZATION AND
4 INCENTIVE ZONE UNDER TITLE 5, SUBTITLE 13 OF THE ECONOMIC
5 DEVELOPMENT ARTICLE; OR

6 (3) HAS BEEN DESIGNATED A TRANSIT-ORIENTED DEVELOPMENT
7 UNDER § 7–101 OF THE TRANSPORTATION ARTICLE.

8 6–303.

9 (a) There is a Neighborhood Business Development Program.

10 (b) The purposes of the Program are, in [designated neighborhoods]
11 SUSTAINABLE COMMUNITIES, to:

12 (1) help develop, redevelop, or expand small businesses and
13 microenterprises;

14 (2) stimulate investment by the private sector;

15 (3) invest in revitalization projects for small businesses and
16 microenterprises; and

17 (4) stimulate political subdivisions to participate in developing and
18 expanding small businesses and microenterprises.

19 (c) The Program includes:

20 (1) the Business Development Program; and

21 (2) the Capital Access Program.

22 6–304.

23 (a) There is a Business Development Program in the Neighborhood Business
24 Development Program.

25 (b) The Business Development Program shall provide financial assistance to
26 projects in [designated neighborhoods] SUSTAINABLE COMMUNITIES.

27 [6–305.

28 With the concurrence of the Secretary, a political subdivision may approve a
29 designated neighborhood after considering:

- 1 (1) the availability, cost, and condition of business facilities;
- 2 (2) the age and number of abandoned structures;
- 3 (3) the age and number of substandard structures;
- 4 (4) the income of residents relative to State or regional median
5 incomes, including the number of welfare recipients;
- 6 (5) the extent of unemployment and the availability of jobs for
7 residents;
- 8 (6) the need for financing for small businesses, nonprofit
9 organizations, or microenterprises to upgrade social and economic conditions;
- 10 (7) the development or redevelopment strategy of the political
11 subdivision for the area and any plans, or financial commitment to undertake
12 improvements there; and
- 13 (8) other standards that the Department considers relevant as set
14 forth in regulations, including standards established for other State or federal
15 programs.]

16 ~~6-306.~~ **6-305.**

- 17 (a) (1) A small business, nonprofit organization, or microenterprise may
18 apply for financial assistance under the Business Development Program.
- 19 (2) The Department shall review each application.
- 20 (b) An applicant may qualify for financial assistance for a project in a
21 [designated neighborhood] **SUSTAINABLE COMMUNITY** if the application
22 demonstrates that:
 - 23 (1) the project has significant commitments for financing from other
24 private and nonState public sources that are sufficient to complete the project with the
25 money from the Fund;
 - 26 (2) the financial assistance from the Fund is the minimum amount
27 necessary to make the project financially feasible;
 - 28 (3) the project is ready to proceed when it receives financial assistance
29 from the Business Development Program; and
 - 30 (4) the political subdivision has adopted a resolution, or its authorized
31 designee has delivered a letter to the Business Development Program, that expresses
32 support for the project.

1 (c) Financial assistance under the Business Development Program may be
2 provided to a small business, nonprofit organization, or microenterprise as:

3 (1) a grant;

4 (2) a loan;

5 (3) a reduction in the principal obligation of or interest rate on a loan
6 or portion of a loan;

7 (4) a prepayment of interest on a subordinate or superior loan or
8 portion of a loan;

9 (5) an assurance;

10 (6) a guarantee; or

11 (7) any other form of credit enhancement.

12 ~~Article State Finance and Procurement~~

13 ~~SUBTITLE 9. SUSTAINABLE COMMUNITIES TAX CREDIT PROGRAM.~~

14 ~~5-901.~~

15 ~~(A) (1) THE GENERAL ASSEMBLY FINDS THAT THE STATE MUST~~
16 ~~HAVE SUSTAINABLE COMMUNITIES IN ORDER TO:~~

17 ~~(I) PRESERVE AND PROTECT THE STATE'S NATURAL~~
18 ~~RESOURCES; AND~~

19 ~~(II) ACHIEVE THE STATE'S ECONOMIC GROWTH, RESOURCE~~
20 ~~PROTECTION, AND PLANNING POLICY IN § 5-7A-01 OF THIS TITLE.~~

21 ~~(2) THE GENERAL ASSEMBLY FINDS THAT SUSTAINABLE~~
22 ~~COMMUNITIES ARE PLACES WHERE PUBLIC AND PRIVATE INVESTMENTS AND~~
23 ~~PARTNERSHIPS ACHIEVE:~~

24 ~~(I) DEVELOPMENT OF A HEALTHY LOCAL ECONOMY;~~

25 ~~(II) PROTECTION AND APPRECIATION OF HISTORIC AND~~
26 ~~CULTURAL RESOURCES;~~

27 ~~(III) A MIX OF LAND USES;~~

1 ~~(IV) AFFORDABLE AND SUSTAINABLE HOUSING AND JOB~~
2 ~~OPTIONS; AND~~

3 ~~(V) GROWTH AND DEVELOPMENT PRACTICES THAT~~
4 ~~PROTECT THE ENVIRONMENT AND CONSERVE AIR, WATER, AND ENERGY~~
5 ~~RESOURCES, ENCOURAGE WALKABILITY AND RECREATIONAL OPPORTUNITIES,~~
6 ~~AND WHERE AVAILABLE, CREATE ACCESS TO TRANSIT.~~

7 ~~(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE~~
8 ~~SUSTAINABLE COMMUNITIES TAX CREDIT PROGRAM:~~

9 ~~(1) BE USED TO CREATE, ENHANCE, SUPPORT, AND REVITALIZE~~
10 ~~SUSTAINABLE COMMUNITIES ACROSS THE STATE; AND~~

11 ~~(2) BE COORDINATED WITH OTHER STATE PROGRAMS, SUCH AS~~
12 ~~THE COMMUNITY LEGACY AND NEIGHBORHOOD BUSINESS DEVELOPMENT~~
13 ~~PROGRAMS ESTABLISHED UNDER TITLE 6 OF THE HOUSING AND COMMUNITY~~
14 ~~DEVELOPMENT ARTICLE, IN ORDER TO MAXIMIZE THE STATE'S INVESTMENT IN~~
15 ~~SUSTAINABLE COMMUNITIES.~~

16 ~~5-902.~~

17 ~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
18 ~~INDICATED:~~

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

20 ~~(1) A PERSON CONDUCTING OR OPERATING A TRADE OR~~
21 ~~BUSINESS IN THE STATE; OR~~

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

25 ~~(C) "CERTIFIED HERITAGE AREA" HAS THE MEANING STATED IN §~~
26 ~~13-1101 OF THE FINANCIAL INSTITUTIONS ARTICLE.~~

27 ~~(D) (1) "CERTIFIED HISTORIC STRUCTURE" MEANS A STRUCTURE~~
28 ~~THAT IS LOCATED IN THE STATE AND IS:~~

29 ~~(i) LISTED IN THE NATIONAL REGISTER OF HISTORIC~~
30 ~~PLACES;~~

1 ~~(H) DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL~~
2 ~~LAW AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE~~
3 ~~NATIONAL REGISTER OF HISTORIC PLACES;~~

4 ~~(H) 1. LOCATED IN A HISTORIC DISTRICT LISTED ON THE~~
5 ~~NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT~~
6 ~~THAT THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL~~
7 ~~REGISTER OF HISTORIC PLACES; AND~~

8 ~~2. CERTIFIED BY THE DIRECTOR AS CONTRIBUTING~~
9 ~~TO THE SIGNIFICANCE OF THE DISTRICT; OR~~

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

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

16 ~~(E) "CERTIFIED REHABILITATION" MEANS A COMPLETED~~
17 ~~REHABILITATION OF:~~

18 ~~(1) A CERTIFIED HISTORIC STRUCTURE THAT THE DIRECTOR~~
19 ~~CERTIFIES IS A SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE~~
20 ~~REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE~~
21 ~~INTERIOR; OR~~

22 ~~(2) A QUALIFIED REHABILITATED STRUCTURE.~~

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

25 ~~(G) "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND~~
26 ~~HISTORICAL TRUST.~~

27 ~~(H) "FINANCIAL ASSISTANCE" MEANS ACTION BY THE STATE OR A~~
28 ~~STATE UNIT TO AWARD GRANTS, LOANS, LOAN GUARANTEES, OR INSURANCE TO~~
29 ~~A PUBLIC OR PRIVATE ENTITY TO FINANCE, WHOLLY OR PARTLY, A PROJECT~~
30 ~~THAT INVOLVES OR MAY RESULT IN BUILDING CONSTRUCTION, BUILDING~~
31 ~~ALTERATION, OR LAND DISTURBANCE.~~

32 ~~(I) "HIGH PERFORMANCE BUILDING" MEANS A BUILDING THAT:~~

1 ~~(1) MEETS OR EXCEEDS THE CURRENT VERSION OF THE U.S.~~
2 ~~GREEN BUILDING COUNCIL'S LEED (LEADERSHIP IN ENERGY AND~~
3 ~~ENVIRONMENTAL DESIGN) GREEN BUILDING RATING SYSTEM GOLD RATING; OR~~

4 ~~(2) ACHIEVES AT LEAST A COMPARABLE NUMERIC RATING~~
5 ~~ACCORDING TO A NATIONALLY RECOGNIZED, ACCEPTED, AND APPROPRIATE~~
6 ~~NUMERIC SUSTAINABLE DEVELOPMENT RATING SYSTEM, GUIDELINE, OR~~
7 ~~STANDARD APPROVED BY THE SECRETARIES OF BUDGET AND MANAGEMENT~~
8 ~~AND GENERAL SERVICES UNDER § 3-602.1 OF THIS ARTICLE.~~

9 ~~(J) (1) "HISTORIC PROPERTY" MEANS A DISTRICT, SITE, BUILDING,~~
10 ~~STRUCTURE, MONUMENT, OR OBJECT SIGNIFICANT TO:~~

11 ~~(I) THE PREHISTORY OR HISTORY OF THE STATE; OR~~

12 ~~(II) THE UPLAND OR UNDERWATER ARCHEOLOGY,~~
13 ~~ARCHITECTURE, ENGINEERING, OR CULTURE OF THE STATE.~~

14 ~~(2) "HISTORIC PROPERTY" INCLUDES RELATED ARTIFACTS,~~
15 ~~RECORDS, AND REMAINS.~~

16 ~~(K) "INITIAL CREDIT CERTIFICATE" MEANS A CERTIFICATE THAT~~
17 ~~GUARANTEES THE BUSINESS ENTITY A TAX CREDIT UNDER THE PROVISIONS OF~~
18 ~~THIS SUBTITLE.~~

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

23 ~~(M) "MAIN STREET MARYLAND COMMUNITY" MEANS:~~

24 ~~(1) A COMMERCIAL AREA IN A LOCAL JURISDICTION DESIGNATED~~
25 ~~BY THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT AS A MAIN~~
26 ~~STREET MARYLAND COMMUNITY UNDER THE MAIN STREET MARYLAND~~
27 ~~PROGRAM ON OR BEFORE JANUARY 1, 2010; OR~~

28 ~~(2) A COMMERCIAL AREA IN BALTIMORE CITY DESIGNATED AS A~~
29 ~~MAIN STREET BY THE MAYOR OF BALTIMORE CITY ON OR BEFORE JANUARY 1,~~
30 ~~2010.~~

31 ~~(N) "MAIN STREET MARYLAND PROGRAM" MEANS THE MARYLAND~~
32 ~~MAIN STREET DESIGNATION PROGRAM FOR LOCAL JURISDICTIONS~~
33 ~~ESTABLISHED IN THE CODE OF MARYLAND REGULATIONS (COMAR).~~

1 ~~(O) "MAPLE STREET COMMUNITY" MEANS A RESIDENTIAL AREA IN A~~
2 ~~LOCAL JURISDICTION DESIGNATED BY THE SECRETARY OF HOUSING AND~~
3 ~~COMMUNITY DEVELOPMENT UNDER COMAR AS PART OF THE MAIN STREET~~
4 ~~MARYLAND PROGRAM ON OR BEFORE JANUARY 1, 2010.~~

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

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

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

11 ~~(Q) "POLITICAL SUBDIVISION" MEANS A COUNTY OR MUNICIPAL~~
12 ~~CORPORATION OF THE STATE.~~

13 ~~(R) "PROGRAM" MEANS THE SUSTAINABLE COMMUNITIES TAX CREDIT~~
14 ~~PROGRAM.~~

15 ~~(S) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT~~
16 ~~THAT:~~

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

18 ~~(2) IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT~~
19 ~~BY THE END OF THE CALENDAR YEAR IN WHICH THE CERTIFIED~~
20 ~~REHABILITATION IS COMPLETED IS A CERTIFIED HISTORIC STRUCTURE OR A~~
21 ~~QUALIFIED REHABILITATED STRUCTURE;~~

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

24 ~~(4) IS NOT FUNDED, FINANCED, OR OTHERWISE REIMBURSED BY~~
25 ~~ANY;~~

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

27 ~~(II) GRANT MADE FROM THE PROCEEDS OF TAX-EXEMPT~~
28 ~~BONDS ISSUED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR AN~~
29 ~~INSTRUMENTALITY OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE~~
30 ~~STATE;~~

31 ~~(III) STATE TAX CREDIT OTHER THAN THE TAX CREDIT~~
32 ~~UNDER THIS SUBTITLE; OR~~

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

6 ~~(T) (1) "QUALIFIED REHABILITATED STRUCTURE" MEANS A~~
7 ~~BUILDING;~~

8 ~~(I) THAT:~~

9 ~~1. IS LOCATED IN A TRANSIT-ORIENTED~~
10 ~~DEVELOPMENT AND IS A COMMERCIAL REHABILITATION; OR~~

11 ~~2. IS LOCATED IN A MAIN STREET MARYLAND~~
12 ~~COMMUNITY, A MAPLE STREET COMMUNITY, OR IN FISCAL YEAR 2012, A~~
13 ~~SUSTAINABLE COMMUNITY;~~

14 ~~(H) THAT WILL BE SUBSTANTIALLY REHABILITATED UNDER~~
15 ~~THE PROGRAM; AND~~

16 ~~(III) THAT MEETS THE REQUIREMENTS SET FORTH IN §~~
17 ~~5-904 OF THIS SUBTITLE.~~

18 ~~(2) "QUALIFIED REHABILITATED STRUCTURE" DOES NOT~~
19 ~~INCLUDE A CERTIFIED HISTORIC STRUCTURE.~~

20 ~~(U) (1) "SINGLE FAMILY, OWNER OCCUPIED RESIDENCE" MEANS A~~
21 ~~STRUCTURE OCCUPIED BY THE OWNER AND THE OWNER'S IMMEDIATE FAMILY~~
22 ~~AS THEIR PRIMARY OR SECONDARY RESIDENCE.~~

23 ~~(2) "SINGLE FAMILY, OWNER OCCUPIED RESIDENCE" INCLUDES~~
24 ~~A RESIDENTIAL UNIT IN A COOPERATIVE PROJECT OWNED BY OR LEASED TO A~~
25 ~~COOPERATIVE HOUSING CORPORATION, AS DEFINED IN § 5-6B-01 OF THE~~
26 ~~CORPORATIONS AND ASSOCIATIONS ARTICLE, AND LEASED FOR EXCLUSIVE~~
27 ~~OCCUPANCY TO, AND OCCUPIED BY, A MEMBER OF THE CORPORATION AND THE~~
28 ~~MEMBER'S IMMEDIATE FAMILY UNDER A PROPRIETARY LEASE.~~

29 ~~(V) "SMART GROWTH SUBCABINET" MEANS THE SMART GROWTH~~
30 ~~SUBCABINET ESTABLISHED UNDER TITLE 9, SUBTITLE 14 OF THE STATE~~
31 ~~GOVERNMENT ARTICLE.~~

32 ~~(W) "STATE UNIT" HAS THE MEANING STATED IN § 11-101 OF THE~~
33 ~~STATE GOVERNMENT ARTICLE.~~

1 ~~(X) "SUSTAINABLE COMMUNITY" HAS THE MEANING STATED IN § 6-201~~
2 ~~OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.~~

3 ~~(Y) (1) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION~~
4 ~~OF A STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES,~~
5 ~~DURING THE 24 MONTH PERIOD SELECTED BY THE INDIVIDUAL OR BUSINESS~~
6 ~~ENTITY ENDING WITH OR WITHIN THE TAXABLE YEAR, EXCEED:~~

7 ~~(I) FOR SINGLE FAMILY, OWNER OCCUPIED RESIDENTIAL~~
8 ~~PROPERTY, \$5,000;~~

9 ~~(II) FOR COMMERCIAL PROPERTY LOCATED IN A MAIN~~
10 ~~STREET MARYLAND COMMUNITY, THE GREATER OF 50% OF THE ADJUSTED~~
11 ~~BASIS OF THE STRUCTURE OR \$25,000; OR~~

12 ~~(III) FOR ALL OTHER COMMERCIAL PROPERTY, THE~~
13 ~~GREATER OF THE ADJUSTED BASIS OF THE STRUCTURE OR \$25,000.~~

14 ~~(Z) "TRANSIT ORIENTED DEVELOPMENT" MEANS TRANSIT ORIENTED~~
15 ~~DEVELOPMENT AS DEFINED IN § 7-101 OF THE TRANSPORTATION ARTICLE~~
16 ~~THAT IS LOCATED WITHIN ONE HALF MILE OF A TRANSIT STATION ON A LIGHT~~
17 ~~RAIL OR HEAVY RAIL LINE.~~

18 ~~(AA) "TRUST" MEANS THE MARYLAND HISTORICAL TRUST ESTABLISHED~~
19 ~~UNDER SUBTITLE 5A OF THIS TITLE.~~

20 ~~5-903.~~

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

22 ~~(1) ESTABLISH PROCEDURES AND STANDARDS FOR CERTIFYING~~
23 ~~HISTORIC STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;~~

24 ~~(2) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A RATING~~
25 ~~SYSTEM, BASED ON PAST PRACTICES AND TO FUND THE HIGHEST QUALITY~~
26 ~~REHABILITATION PROJECTS THAT WILL PROVIDE A STIMULUS FOR~~
27 ~~REVITALIZATION BEYOND THE INDIVIDUAL PROJECT, THAT FAVORS THE AWARD~~
28 ~~OF TAX CREDITS FOR REHABILITATION PROJECTS THAT:~~

29 ~~(I) ARE LOCATED IN JURISDICTIONS THAT HAVE BEEN~~
30 ~~HISTORICALLY UNDERREPRESENTED IN THE AWARD OF TAX CREDITS FOR~~
31 ~~COMMERCIAL REHABILITATIONS, BASED ON THE NUMBER OF NATIONAL~~
32 ~~REGISTER STRUCTURES IN EACH JURISDICTION;~~

1 ~~(II) ARE CONSISTENT WITH AND ADVANCE GROWTH AND~~
2 ~~DEVELOPMENT POLICIES AND PROGRAMS OF THE STATE;~~

3 ~~(III) ARE LOCATED IN AREAS TARGETED BY THE STATE FOR~~
4 ~~ADDITIONAL REVITALIZATION AND ECONOMIC DEVELOPMENT OPPORTUNITIES~~
5 ~~DUE TO THE FOCUSING OF STATE RESOURCES AND INCENTIVES;~~

6 ~~(IV) ARE LOCATED IN SUSTAINABLE COMMUNITIES;~~

7 ~~(V) ARE LOCATED IN AREAS WHERE LOCAL JURISDICTIONS~~
8 ~~HAVE IMPLEMENTED REGULATORY STREAMLINING OR OTHER DEVELOPMENT~~
9 ~~INCENTIVES IN PRIORITY FUNDING AREAS THAT HAVE BEEN CERTIFIED BY THE~~
10 ~~SMART GROWTH SUBCABINET IN ACCORDANCE WITH § 9-1406 OF THE STATE~~
11 ~~GOVERNMENT ARTICLE;~~

12 ~~(VI) INCLUDE AFFORDABLE AND WORKFORCE HOUSING~~
13 ~~OPTIONS; AND~~

14 ~~(VII) ARE QUALIFIED REHABILITATED STRUCTURES MORE~~
15 ~~THAN 50 YEARS OLD;~~

16 ~~(3) FOR COMMERCIAL REHABILITATIONS, ESTABLISH AN~~
17 ~~APPLICATION PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR~~
18 ~~SUSTAINABLE COMMUNITIES TAX CREDITS CONSISTENT WITH THE~~
19 ~~REQUIREMENTS OF THIS SUBTITLE;~~

20 ~~(4) FOR REHABILITATIONS, ESTABLISH CRITERIA, CONSISTENT~~
21 ~~WITH THE REQUIREMENTS OF THIS SUBSECTION, FOR EVALUATING PLANS OF~~
22 ~~PROPOSED REHABILITATION THAT HAVE BEEN DETERMINED BY THE DIRECTOR~~
23 ~~TO;~~

24 ~~(I) FOR CERTIFIED HISTORIC STRUCTURES, CONFORM TO~~
25 ~~THE REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE~~
26 ~~INTERIOR; AND~~

27 ~~(II) FOR REHABILITATIONS OF THE EXTERIORS OF~~
28 ~~QUALIFIED REHABILITATED STRUCTURES, BE COMPATIBLE WITH THE~~
29 ~~REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE~~
30 ~~INTERIOR IF THE STRUCTURE IS LOCATED IN, OR ADVERSELY AFFECTS:~~

31 ~~1. DESIGNATED HISTORIC DISTRICTS; OR~~

32 ~~2. DISTRICTS DETERMINED BY THE DIRECTOR TO BE~~
33 ~~ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES;~~

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

3 ~~(6) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A~~
4 ~~REQUIRED EXTERNAL MARKER OR, AT LEAST, AN INTERNAL MARKER FOR THE~~
5 ~~REHABILITATION PROJECTS THAT IDENTIFIES THAT THE REHABILITATION WAS~~
6 ~~FUNDED BY MARYLAND SUSTAINABLE COMMUNITIES TAX CREDITS; AND~~

7 ~~(7) AS PROVIDED IN SUBSECTION (B)(1) AND (2) OF THIS~~
8 ~~SECTION, CHARGE A REASONABLE FEE TO CERTIFY HISTORIC REHABILITATIONS~~
9 ~~AND QUALIFIED REHABILITATED STRUCTURES UNDER THIS SUBTITLE.~~

10 ~~(B) (1) THE DIRECTOR SHALL SET THE LEVEL OF THE FEE UNDER~~
11 ~~SUBSECTION (A)(7) OF THIS SECTION SO THAT THE PROJECTED PROCEEDS~~
12 ~~FROM THE FEE WILL COVER THE COSTS TO THE TRUST OF ADMINISTERING THE~~
13 ~~CREDIT UNDER THIS SUBTITLE AND THE FEDERAL HISTORIC PRESERVATION~~
14 ~~TAX CREDIT.~~

15 ~~(2) THE FEE CHARGED MAY NOT EXCEED 2% OF THE AMOUNT OF:~~

16 ~~(I) THE INITIAL CREDIT CERTIFICATE ISSUED FOR A~~
17 ~~COMMERCIAL REHABILITATION; OR~~

18 ~~(II) THE QUALIFIED REHABILITATION EXPENDITURES FOR A~~
19 ~~SINGLE FAMILY, OWNER OCCUPIED RESIDENTIAL REHABILITATION.~~

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

24 ~~(C) THE DIRECTOR SHALL CONSULT WITH THE SMART GROWTH~~
25 ~~SUBCABINET ON THE RATING SYSTEM REQUIRED UNDER SUBSECTION (A)(2) OF~~
26 ~~THIS SECTION.~~

27 ~~5-904.~~

28 ~~A BUILDING IS A QUALIFIED REHABILITATED STRUCTURE IF, IN THE~~
29 ~~REHABILITATION PROCESS:~~

30 ~~(1) 50% OR MORE OF THE EXISTING EXTERNAL WALLS OF THE~~
31 ~~BUILDING ARE RETAINED IN PLACE AS EXTERNAL WALLS;~~

32 ~~(2) 75% OR MORE OF THE EXISTING EXTERNAL WALLS OF THE~~
33 ~~BUILDING ARE RETAINED IN PLACE AS INTERNAL OR EXTERNAL WALLS; AND~~

1 ~~(3) 75% OR MORE OF THE INTERNAL STRUCTURAL FRAMEWORK~~
2 ~~OF THE BUILDING IS RETAINED IN PLACE.~~

3 ~~5-905.~~

4 ~~(A) (1) THE DIRECTOR MAY ACCEPT AN APPLICATION FOR~~
5 ~~APPROVAL OF PLANS OF A PROPOSED REHABILITATION IF THE PROPOSED~~
6 ~~REHABILITATION MEETS THE REQUIREMENTS FOR ELIGIBILITY UNDER THE~~
7 ~~PROGRAM.~~

8 ~~(2) IF THE PLANS OF A PROPOSED REHABILITATION MEET THE~~
9 ~~ELIGIBILITY REQUIREMENTS OF THE PROGRAM, THE DIRECTOR SHALL ACCEPT~~
10 ~~APPLICATIONS FOR APPROVAL OF PLANS FOR REHABILITATION IN THE ORDER~~
11 ~~IN WHICH THEY ARE RECEIVED BY THE TRUST.~~

12 ~~(3) THE DIRECTOR MAY NOT ACCEPT AN APPLICATION FOR~~
13 ~~APPROVAL OF PLANS OF A PROPOSED REHABILITATION IF:~~

14 ~~(I) ANY SUBSTANTIAL PART OF THE PROPOSED~~
15 ~~REHABILITATION WORK HAS BEGUN; OR~~

16 ~~(II) THE APPLICANT FOR A COMMERCIAL REHABILITATION~~
17 ~~HAS PREVIOUSLY SUBMITTED THREE OR MORE APPLICATIONS FOR~~
18 ~~COMMERCIAL REHABILITATIONS WITH TOTAL PROPOSED REHABILITATIONS~~
19 ~~EXCEEDING \$500,000 IN THAT YEAR.~~

20 ~~(4) SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, FOR A~~
21 ~~COMMERCIAL REHABILITATION, THE DIRECTOR MAY MAKE AN AWARD OF AN~~
22 ~~INITIAL CREDIT CERTIFICATE CONSISTENT WITH THE REQUIREMENTS OF THIS~~
23 ~~SUBTITLE.~~

24 ~~(5) PRIOR TO MAKING AWARDS OF AN INITIAL CREDIT~~
25 ~~CERTIFICATE, THE DIRECTOR SHALL NOTIFY THE SMART GROWTH~~
26 ~~SUBCABINET OF THE APPLICATIONS AND PROPOSED AWARDS.~~

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

32 ~~(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR THE~~
33 ~~TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED, AN~~

~~1 INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN AN AMOUNT
2 EQUAL TO:~~

~~3 (I) 20% OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S
4 QUALIFIED REHABILITATION EXPENDITURES FOR A SINGLE FAMILY,
5 OWNER OCCUPIED RESIDENTIAL CERTIFIED HISTORIC STRUCTURE
6 REHABILITATION; OR~~

~~7 (II) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF
8 THIS SUBSECTION, 20% OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S
9 QUALIFIED REHABILITATION EXPENDITURES FOR ANY OTHER REHABILITATION.~~

~~10 (2) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED COMMERCIAL
11 REHABILITATION IS COMPLETED, AN INDIVIDUAL OR BUSINESS ENTITY MAY
12 CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 25% OF THE INDIVIDUAL'S OR
13 BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE
14 CERTIFIED REHABILITATION IS A CERTIFIED HISTORIC STRUCTURE AND A HIGH
15 PERFORMANCE BUILDING.~~

~~16 (3) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED
17 REHABILITATION IS COMPLETED, AN INDIVIDUAL OR BUSINESS ENTITY MAY
18 CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 10% OF THE INDIVIDUAL'S OR
19 BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE
20 CERTIFIED REHABILITATION IS A QUALIFIED REHABILITATED STRUCTURE.~~

~~21 (4) (I) FOR ANY COMMERCIAL REHABILITATION, THE STATE
22 TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:~~

~~23 1. \$3,000,000; OR~~

~~24 2. THE MAXIMUM AMOUNT SPECIFIED UNDER THE
25 INITIAL CREDIT CERTIFICATE ISSUED FOR THE REHABILITATION.~~

~~26 (II) FOR A REHABILITATION OTHER THAN A COMMERCIAL
27 REHABILITATION, THE STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY
28 NOT EXCEED \$50,000.~~

~~29 (III) FOR THE PURPOSES OF THE LIMITATION UNDER
30 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE FOLLOWING SHALL BE TREATED
31 AS A SINGLE COMMERCIAL REHABILITATION:~~

~~32 1. THE PHASED REHABILITATION OF THE SAME
33 STRUCTURE OR PROPERTY;~~

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

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

5 ~~(5) (i) SUBJECT TO SUBPARAGRAPH (ii) OF THIS PARAGRAPH,~~
6 ~~THE INITIAL CREDIT CERTIFICATE FOR A PROPOSED COMMERCIAL~~
7 ~~REHABILITATION SHALL EXPIRE AND THE CREDIT UNDER THIS SECTION MAY~~
8 ~~NOT BE CLAIMED IF:~~

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

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

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

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

22 ~~(i) APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING~~
23 ~~TAXABLE YEARS UNTIL THE EARLIER OF:~~

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

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

27 ~~(ii) CLAIM A REFUND IN THE AMOUNT OF THE EXCESS IF:~~

28 ~~1. THE REHABILITATION IS A SINGLE FAMILY,~~
29 ~~OWNER OCCUPIED RESIDENCE;~~

30 ~~2. THE REHABILITATION IS A COMMERCIAL~~
31 ~~REHABILITATION AND THE QUALIFIED REHABILITATION EXPENDITURES FOR~~
32 ~~THE REHABILITATION DO NOT EXCEED \$250,000; OR~~

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

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

7 ~~(F) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS~~
8 ~~SUBSECTION, THE DIRECTOR MAY NOT ISSUE INITIAL CREDIT CERTIFICATES~~
9 ~~UNDER THIS SUBTITLE THAT:~~

10 ~~(I) IN THE AGGREGATE EXCEED \$50,000,000; AND~~

11 ~~(II) 1. EXCEED \$20,000,000 IN FISCAL YEAR 2011;~~

12 ~~2. EXCEED \$15,000,000 IN FISCAL YEAR 2012; AND~~

13 ~~3. EXCEED \$15,000,000 IN FISCAL YEAR 2013.~~

14 ~~(2) THE DIRECTOR MAY NOT ISSUE INITIAL CREDIT~~
15 ~~CERTIFICATES TO QUALIFIED REHABILITATED STRUCTURES THAT EXCEED 40%~~
16 ~~OF THE TOTAL CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR.~~

17 ~~(3) THE AMOUNT OF RESERVATIONS FOR INITIAL CREDIT~~
18 ~~CERTIFICATE AWARDS AND ISSUED INITIAL CREDIT CERTIFICATES THAT EXPIRE~~
19 ~~PRIOR TO OCTOBER 1, 2013, UNDER THE PROVISIONS OF § 5-903(B)(3) OF THIS~~
20 ~~SUBTITLE AND SUBSECTION (C)(5) OF THIS SECTION MAY NOT BE INCLUDED IN~~
21 ~~THE AGGREGATE AMOUNT OF INITIAL CREDIT CERTIFICATES ISSUED.~~

22 ~~(4) IF THE INITIAL CREDIT CERTIFICATES ISSUED IN ANY FISCAL~~
23 ~~YEAR DO NOT EXCEED THE AMOUNTS UNDER PARAGRAPH (1)(II) OF THIS~~
24 ~~SUBSECTION, THE AMOUNT NOT AWARDED SHALL BE CARRIED OVER TO AND~~
25 ~~AVAILABLE FOR AWARD IN THE NEXT FISCAL YEAR.~~

26 ~~(5) THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT~~
27 ~~CERTIFICATE UNDER THIS SUBTITLE BEFORE OCTOBER 1, 2010, OR AFTER~~
28 ~~SEPTEMBER 30, 2013.~~

29 ~~5-906.~~

30 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE~~
31 ~~MEANINGS INDICATED:~~

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

3 ~~(ii) "DISPOSITION" OR "DISPOSE" INCLUDES A SALE IN A~~
4 ~~SALE AND LEASEBACK TRANSACTION, A TRANSFER UPON THE FORECLOSURE~~
5 ~~OF A SECURITY INTEREST, AND A GIFT.~~

6 ~~(iii) "DISPOSITION" OR "DISPOSE" DOES NOT INCLUDE A~~
7 ~~TRANSFER OF TITLE OR THE LEASEHOLD INTEREST TO A CREDITOR UPON~~
8 ~~CREATION OF A SECURITY INTEREST.~~

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

10 ~~(i) IS PERFORMED ON A CERTIFIED REHABILITATION; AND~~

11 ~~(ii) IF PERFORMED AS PART OF THE REHABILITATION~~
12 ~~CERTIFIED UNDER THIS SECTION, WOULD HAVE MADE THE REHABILITATION~~
13 ~~INELIGIBLE FOR CERTIFICATION.~~

14 ~~(b) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE~~
15 ~~RECAPTURED AS PROVIDED IN SUBSECTION (c) OF THIS SECTION IF, DURING~~
16 ~~THE TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED OR~~
17 ~~ANY OF THE 4 TAXABLE YEARS SUCCEEDING THE TAXABLE YEAR IN WHICH THE~~
18 ~~CERTIFIED REHABILITATION IS COMPLETED;~~

19 ~~(1) ANY DISQUALIFYING WORK IS PERFORMED ON A CERTIFIED~~
20 ~~REHABILITATION; OR~~

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

23 ~~(c) (1) (i) IF DISPOSITION OCCURS OR DISQUALIFYING WORK IS~~
24 ~~PERFORMED DURING THE TAXABLE YEAR IN WHICH THE CERTIFIED~~
25 ~~REHABILITATION WAS COMPLETED, 100% OF THE CREDIT SHALL BE~~
26 ~~RECAPTURED.~~

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

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

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

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

9 ~~(2) THE INDIVIDUAL OR BUSINESS ENTITY THAT CLAIMED THE~~
10 ~~TAX CREDIT SHALL PAY THE AMOUNT TO BE RECAPTURED, AS DETERMINED~~
11 ~~UNDER PARAGRAPH (1) OF THIS SUBSECTION, AS TAXES PAYABLE TO THE~~
12 ~~STATE FOR THE TAXABLE YEAR IN WHICH THE DISPOSITION OCCURS OR THE~~
13 ~~DISQUALIFYING WORK IS PERFORMED.~~

14 ~~5-907.~~

15 ~~(A) THE COMPTROLLER MAY DETERMINE, UNDER THE PROCESS FOR~~
16 ~~RETURN EXAMINATION AND AUDIT UNDER §§ 13-301 AND 13-302 OF THE TAX~~
17 ~~GENERAL ARTICLE:~~

18 ~~(1) THE AMOUNT OF REHABILITATION EXPENDITURES USED IN~~
19 ~~CALCULATING THE CREDIT;~~

20 ~~(2) WHETHER SUCH EXPENDITURES ARE QUALIFIED~~
21 ~~REHABILITATION EXPENDITURES UNDER THIS SECTION; AND~~

22 ~~(3) WHETHER THE CREDIT IS ALLOWABLE AS CLAIMED.~~

23 ~~(B) THE AUTHORITY OF THE COMPTROLLER TO EXAMINE AND AUDIT A~~
24 ~~TAX RETURN DOES NOT LIMIT THE AUTHORITY OF THE DIRECTOR TO~~
25 ~~DETERMINE WHETHER A REHABILITATION QUALIFIES AS A CERTIFIED~~
26 ~~REHABILITATION OR WHETHER A CERTIFICATE OF COMPLETION FOR THE~~
27 ~~CERTIFIED REHABILITATION HAS BEEN PROPERLY ISSUED.~~

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

31 ~~5-908.~~

32 ~~(A) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE~~
33 ~~CREDIT UNDER THIS SUBTITLE MAY BE CLAIMED FOR THE YEAR A CERTIFIED~~

~~REHABILITATION IS COMPLETED, ONLY IF THE DIRECTOR HAS, BY THE TIME THE RETURN IS FILED, ISSUED A CERTIFICATE OF COMPLETION FOR THE CERTIFIED REHABILITATION.~~

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

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

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

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

~~(B) A REFUND PAYABLE UNDER § 5-905(C)(6)(H) OF THIS SUBTITLE:~~

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

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

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

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

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

~~5-909.~~

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

1 ~~(1) THE INITIAL CREDIT CERTIFICATES AWARDED FOR~~
2 ~~COMMERCIAL REHABILITATIONS UNDER THIS SECTION DURING THAT FISCAL~~
3 ~~YEAR;~~

4 ~~(2) THE TAX CREDITS AWARDED FOR CERTIFIED~~
5 ~~REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR;~~

6 ~~(3) WHETHER THE TAX CREDITS AWARDED FOR CERTIFIED~~
7 ~~REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR WERE~~
8 ~~LOCATED IN:~~

9 ~~(I) A MAIN STREET MARYLAND COMMUNITY OR MAPLE~~
10 ~~STREET COMMUNITY;~~

11 ~~(II) A TRANSIT-ORIENTED DEVELOPMENT;~~

12 ~~(III) A SUSTAINABLE COMMUNITY;~~

13 ~~(IV) A LOCAL HISTORIC DISTRICT; OR~~

14 ~~(V) A NATIONAL REGISTER DISTRICT; AND~~

15 ~~(4) TO THE EXTENT POSSIBLE AND IN CONSULTATION WITH THE~~
16 ~~DEPARTMENTS OF HOUSING AND COMMUNITY DEVELOPMENT AND~~
17 ~~TRANSPORTATION, WHETHER THE CERTIFIED REHABILITATIONS COMPLETED~~
18 ~~IN THE PRECEDING FISCAL YEAR CONTRIBUTED TO THE REVITALIZATION OF A~~
19 ~~COMMUNITY.~~

20 ~~(B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION~~
21 ~~SHALL INCLUDE FOR EACH INITIAL CREDIT CERTIFICATE AWARDED DURING~~
22 ~~THE FISCAL YEAR FOR A COMMERCIAL REHABILITATION:~~

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

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

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

29 ~~(I) FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY~~
30 ~~WILL QUALIFY AS A CERTIFIED HISTORIC STRUCTURE; AND~~

1 ~~(H) FOR APPROVAL OF THE PLAN OF PROPOSED~~
2 ~~REHABILITATION; AND~~

3 ~~(4) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE~~
4 ~~INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED~~
5 ~~REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL~~
6 ~~OF THE PLAN OF PROPOSED REHABILITATION.~~

7 ~~(C) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION~~
8 ~~SHALL INCLUDE FOR EACH CERTIFIED COMMERCIAL REHABILITATION~~
9 ~~COMPLETED DURING THE PRECEDING FISCAL YEAR;~~

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

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

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

16 ~~(4) (I) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE~~
17 ~~INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED~~
18 ~~REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL~~
19 ~~OF THE PLAN OF PROPOSED REHABILITATION; AND~~

20 ~~(H) THE ACTUAL QUALIFIED REHABILITATION~~
21 ~~EXPENDITURES AND THE FINAL AMOUNT OF THE CREDIT FOR WHICH THE~~
22 ~~PROJECT QUALIFIED.~~

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

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

26 ~~(I) CERTIFICATION THAT A STRUCTURE OR PROPERTY~~
27 ~~WILL QUALIFY AS A CERTIFIED HISTORIC STRUCTURE;~~

28 ~~(II) APPROVAL OF PLANS OF PROPOSED REHABILITATIONS;~~
29 ~~OR~~

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

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

1 ~~(3) THE TOTAL ESTIMATED REHABILITATION EXPENDITURES~~
2 ~~STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED~~
3 ~~REHABILITATION AND THE TOTAL QUALIFIED REHABILITATION EXPENDITURES~~
4 ~~FOR COMPLETED REHABILITATIONS CERTIFIED.~~

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

8 ~~(1) SINGLE FAMILY, OWNER OCCUPIED RESIDENTIAL~~
9 ~~STRUCTURES; AND~~

10 ~~(2) COMMERCIAL REHABILITATIONS.~~

11 ~~5-910.~~

12 ~~(A) THERE IS A MARYLAND DEPARTMENT OF PLANNING SUSTAINABLE~~
13 ~~COMMUNITIES TAX CREDIT ADMINISTRATION FUND THAT IS A CONTINUING,~~
14 ~~NONLAPSING SPECIAL FUND THAT IS NOT SUBJECT TO § 7-302 OF THIS~~
15 ~~ARTICLE.~~

16 ~~(B) THE PROCEEDS FROM THE FEE CHARGED UNDER THIS SUBTITLE~~
17 ~~SHALL BE DEPOSITED IN THE FUND, TO BE USED ONLY FOR THE PURPOSES OF~~
18 ~~PAYING THE COSTS OF ADMINISTERING THE CREDIT UNDER THIS SUBTITLE AND~~
19 ~~THE FEDERAL HISTORIC TAX CREDIT.~~

20 ~~(C) THE STATE TREASURER SHALL HOLD THE FUND AND THE~~
21 ~~COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~

22 ~~5-911.~~

23 ~~(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE PROVISIONS~~
24 ~~OF THIS SUBTITLE AND THE TAX CREDIT AUTHORIZED UNDER THIS SUBTITLE~~
25 ~~SHALL TERMINATE AS OF OCTOBER 1, 2013.~~

26 ~~(B) ON AND AFTER OCTOBER 1, 2013, THE TAX CREDIT AUTHORIZED~~
27 ~~UNDER THIS SECTION MAY BE CLAIMED FOR:~~

28 ~~(1) A REHABILITATION PROJECT, OTHER THAN A COMMERCIAL~~
29 ~~REHABILITATION, FOR WHICH AN APPLICATION FOR APPROVAL OF A PLAN OF~~
30 ~~PROPOSED REHABILITATION WAS RECEIVED BY THE DIRECTOR ON OR BEFORE~~
31 ~~OCTOBER 1, 2013; OR~~

~~(2) A COMMERCIAL REHABILITATION FOR WHICH AN INITIAL CREDIT CERTIFICATE HAS BEEN AWARDED UNDER § 5-905 OF THIS SUBTITLE.~~

~~(c) THE DIRECTOR SHALL CONTINUE TO REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY AS REQUIRED UNDER § 5-909 OF THIS SUBTITLE FOR AS LONG AS ANY REHABILITATION PROJECT FOR WHICH THE TAX CREDIT MAY BE CLAIMED REMAINS INCOMPLETE.~~

Article – State Government

9–1406.

(b) The Subcabinet consists of:

(12) the Secretary of Transportation; [and]

(13) a representative of the Governor’s office;

(14) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;

(15) THE SECRETARY OF LABOR, LICENSING, AND REGULATION;

AND

(16) THE DIRECTOR OF THE MARYLAND ENERGY ADMINISTRATION.

(h) (1) The Subcabinet shall:

[(1)] (I) provide a forum for discussion of interdepartmental issues relating to activities that affect growth, development, neighborhood conservation, and resource management;

[(2)] (II) work together using all available resources to promote the understanding of smart growth;

(III) WORK TOGETHER TO CREATE, ENHANCE, SUPPORT, AND REVITALIZE SUSTAINABLE COMMUNITIES ACROSS THE STATE;

~~(IV) AFTER RECEIVING A REQUEST FROM A LOCAL JURISDICTION, CERTIFY THAT THE LOCAL JURISDICTION HAS IMPLEMENTED REGULATORY STREAMLINING OR OTHER DEVELOPMENT INCENTIVES IN PRIORITY FUNDING AREAS FOR THE PURPOSE OF THE RATING SYSTEM IN THE SUSTAINABLE COMMUNITIES TAX CREDIT PROGRAM UNDER TITLE 5 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;~~

1 ~~(v)~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
2 MAKE RECOMMENDATIONS TO:

3 1. THE DEPARTMENT OF BUSINESS AND ECONOMIC
4 DEVELOPMENT IN ACCORDANCE WITH § 5-1304 OF THE ECONOMIC
5 DEVELOPMENT ARTICLE;

6 2. THE DEPARTMENT OF HOUSING AND COMMUNITY
7 DEVELOPMENT IN ACCORDANCE WITH § 6-206 OF THE HOUSING AND
8 COMMUNITY DEVELOPMENT ARTICLE;

9 3. THE DEPARTMENT OF PLANNING IN
10 ACCORDANCE WITH § 5-904 OF THE STATE FINANCE AND PROCUREMENT
11 ARTICLE; AND

12 4. THE DEPARTMENT OF TRANSPORTATION IN
13 ACCORDANCE WITH § 7-101 OF THE TRANSPORTATION ARTICLE;

14 [(3)] ~~(v)~~ (v) in coordination with State agencies, evaluate and
15 report annually to the Governor and, in accordance with § 2-1246 of this article, to the
16 General Assembly on the implementation of the State’s smart growth policy; and

17 [(4)] ~~(vii)~~ (vi) perform other duties assigned by the Governor.

18 (2) THE FAILURE OF THE SUBCABINET TO MAKE A
19 RECOMMENDATION UNDER PARAGRAPH ~~(1)(v)~~ (1)(iv) OF THIS SUBSECTION
20 MAY NOT BE CONSTRUED AS PROHIBITING A DEPARTMENT TO ACT IN
21 ACCORDANCE WITH THE DEPARTMENT’S AUTHORITY UNDER STATE LAW.

22 Article – Transportation

23 SUBTITLE 7. SUSTAINABLE COMMUNITIES.

24 2-701.

25 (A) THE GENERAL ASSEMBLY FINDS THAT THE STATE MUST HAVE
26 SUSTAINABLE COMMUNITIES IN ORDER TO:

27 (1) PRESERVE AND PROTECT THE STATE’S NATURAL RESOURCES;
28 AND

29 (2) ACHIEVE THE STATE’S ECONOMIC GROWTH, RESOURCE
30 PROTECTION, AND PLANNING POLICY IN § 5-7A-01 OF THE STATE FINANCE
31 AND PROCUREMENT ARTICLE.

1 **(B) THE GENERAL ASSEMBLY FINDS THAT SUSTAINABLE COMMUNITIES**
2 **ARE PLACES WHERE PUBLIC AND PRIVATE INVESTMENTS AND PARTNERSHIPS**
3 **ACHIEVE:**

4 **(1) DEVELOPMENT OF A HEALTHY LOCAL ECONOMY;**

5 **(2) PROTECTION AND APPRECIATION OF HISTORIC AND**
6 **CULTURAL RESOURCES;**

7 **(3) A MIX OF LAND USES;**

8 **(4) AFFORDABLE AND SUSTAINABLE HOUSING AND JOB OPTIONS;**
9 **AND**

10 **(5) GROWTH AND DEVELOPMENT PRACTICES THAT PROTECT THE**
11 **ENVIRONMENT AND CONSERVE AIR, WATER, AND ENERGY RESOURCES,**
12 **ENCOURAGE WALKABILITY AND RECREATIONAL OPPORTUNITIES, AND, WHERE**
13 **AVAILABLE, CREATE ACCESS TO TRANSIT.**

14 **2-702.**

15 **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE DEPARTMENT**
16 **SHALL:**

17 **(1) CONSIDER SUSTAINABLE COMMUNITIES AS IT CONSIDERS**
18 **ANNUAL REVISIONS UNDER THE CONSOLIDATED TRANSPORTATION PROGRAM**
19 **IN § 2-103.1(B) THROUGH (F) OF THIS TITLE; AND**

20 **(2) TWICE A YEAR CONSULT WITH THE SMART GROWTH**
21 **SUBCABINET ESTABLISHED UNDER § 9-1406 OF THE STATE GOVERNMENT**
22 **ARTICLE ON HOW THE DEPARTMENT MAY WORK COOPERATIVELY TO MAKE**
23 **MUTUAL INVESTMENTS TOWARDS CREATING AND SUPPORTING SUSTAINABLE**
24 **COMMUNITIES ACROSS THE STATE.**

25 **2-703.**

26 **SUBJECT TO THE LIMITATIONS IMPOSED BY THIS SUBTITLE, THE**
27 **DEPARTMENT MAY EXERCISE ALL POWERS REASONABLY NECESSARY TO**
28 **ACHIEVE THE PURPOSES OF THIS SUBTITLE, INCLUDING THE AUTHORITY TO:**

29 **(1) ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF**
30 **THIS SUBTITLE;**

31 **(2) APPLY FOR AND RECEIVE GRANTS, GIFTS, PAYMENTS, LOANS,**
32 **ADVANCES, APPROPRIATIONS, PROPERTY, AND SERVICES FROM THE FEDERAL**

1 GOVERNMENT AND THE STATE, ANY OF THE AGENCIES OR POLITICAL
 2 SUBDIVISIONS OF THE FEDERAL GOVERNMENT AND THE STATE, OR OTHER
 3 PUBLIC OR PRIVATE PERSON; AND

4 **(3) ENTER INTO AGREEMENTS AND CONTRACT FOR:**

5 **(I) ANY STUDIES, PLANS, DEMONSTRATIONS, OR**
 6 **PROJECTS;**

7 **(II) PLANNING, ENGINEERING, AND TECHNICAL SERVICES;**
 8 **OR**

9 **(III) ANY PURPOSE NECESSARY FOR OR INCIDENTAL TO THE**
 10 **PERFORMANCE OF ITS DUTIES AND THE EXERCISE OF ITS POWERS UNDER THIS**
 11 **SUBTITLE.**

12 7–101.

13 (m) “Transit-oriented development” means a mix of private or public parking
 14 facilities, commercial and residential structures, and uses, improvements, and
 15 facilities customarily appurtenant to such facilities and uses, that:

16 (1) Is part of a deliberate development plan or strategy involving:

17 (i) Property that is adjacent to the passenger boarding and
 18 alighting location of a planned or existing transit station; or

19 (ii) Property, any part of which is located within one-half mile
 20 of the passenger boarding and alighting location of a planned or existing transit
 21 station;

22 (2) Is planned to maximize the use of transit, walking, and bicycling
 23 by residents and employees; and

24 (3) Is designated as a transit-oriented development by:

25 (i) The Secretary [in consultation with the secretaries of
 26 Business and Economic Development, General Services, Housing and Community
 27 Development, the Environment, and Planning], **AFTER CONSIDERING A**
 28 **RECOMMENDATION OF THE SMART GROWTH SUBCABINET ESTABLISHED**
 29 **UNDER § 9–1406 OF THE STATE GOVERNMENT ARTICLE;** and

30 (ii) The local government or multicounty agency with land use
 31 and planning responsibility for the relevant area.

1 ~~6-105.2.~~

2 ~~A person subject to the tax imposed under this subtitle may claim a credit~~
 3 ~~against the tax for a certified rehabilitation as provided under [§ 5A-303] TITLE 5,~~
 4 ~~SUBTITLE 9 of the State Finance and Procurement Article.~~

5 ~~Article Tax General~~

6 ~~10-704.5.~~

7 ~~(a) An individual or corporation may claim a credit against the State income~~
 8 ~~tax for a certified rehabilitation as provided under [§ 5A-303] TITLE 5, SUBTITLE 9~~
 9 ~~of the State Finance and Procurement Article.~~

10 ~~(b) An individual or corporation that is not otherwise required to file an~~
 11 ~~income tax return, including a corporation exempt from income tax under § 501(c)(3) of~~
 12 ~~the Internal Revenue Code:~~

13 ~~(1) may file a return to claim a refund of the credit under this section;~~
 14 ~~and~~

15 ~~(2) shall file a return if the individual or corporation is subject to the~~
 16 ~~recapture of the credit under this section as provided under [§ 5A-303] TITLE 5,~~
 17 ~~SUBTITLE 9 of the State Finance and Procurement Article.~~

18 ~~SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5A-303 of the~~
 19 ~~Article State Finance and Procurement of the Annotated Code of Maryland be~~
 20 ~~repealed and reenacted, with amendments, and transferred to the Session Laws, to~~
 21 ~~read as follows:~~

22 Article – State Finance and Procurement

23 ~~[5A-303.] 1.~~

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

25 (2) “Business entity” means:

26 (i) a person conducting or operating a trade or business in the
 27 State; or

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

30 (3) “Certified heritage area” has the meaning stated in § 13-1101 of
 31 the Financial Institutions Article.

1 (4) (i) “Certified ~~heritage~~ HISTORIC structure” means a structure
2 that is located in the State and is:

- 3 1. listed in the National Register of Historic Places;
- 4 2. designated as a historic property under local law and
5 determined by the Director to be eligible for listing on the National Register of Historic
6 Places;
- 7 3. A. located in a historic district listed on the
8 National Register of Historic Places or in a local historic district that the Director
9 determines is eligible for listing on the National Register of Historic Places; and
- 10 B. certified by the Director as contributing to the
11 significance of the district; or
- 12 4. located in a certified heritage area and certified by the
13 Maryland Heritage Areas Authority as contributing to the significance of the certified
14 heritage area.

15 (ii) “Certified ~~heritage~~ HISTORIC structure” does not include a
16 structure that is owned by the State, a political subdivision of the State, or the federal
17 government.

18 (5) “Certified rehabilitation” means a completed rehabilitation of:

19 **(I)** a certified ~~heritage~~ HISTORIC structure that the Director
20 certifies is a substantial rehabilitation in conformance with the rehabilitation
21 standards of the United States Secretary of the Interior; **OR**

22 **(II) A QUALIFIED REHABILITATED STRUCTURE.**

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

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

26 **(8) “FINANCIAL ASSISTANCE” MEANS ACTION BY THE STATE OR A**
27 **STATE UNIT TO AWARD GRANTS, LOANS, LOAN GUARANTEES, OR INSURANCE TO**
28 **A PUBLIC OR PRIVATE ENTITY TO FINANCE, WHOLLY OR PARTLY, A PROJECT**
29 **THAT INVOLVES OR MAY RESULT IN BUILDING CONSTRUCTION, BUILDING**
30 **ALTERATION, OR LAND DISTURBANCE.**

31 **(9) “HIGH PERFORMANCE BUILDING” MEANS A BUILDING THAT:**

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

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

9 (10) (I) "HISTORIC PROPERTY" MEANS A DISTRICT, SITE,
10 BUILDING, STRUCTURE, MONUMENT, OR OBJECT SIGNIFICANT TO:

11 1. THE PREHISTORY OR HISTORY OF THE STATE; OR

12 2. THE UPLAND OR UNDERWATER ARCHEOLOGY,
13 ARCHITECTURE, ENGINEERING, OR CULTURE OF THE STATE.

14 (II) "HISTORIC PROPERTY" INCLUDES RELATED
15 ARTIFACTS, RECORDS, AND REMAINS.

16 ~~(8)~~ (11) "Local historic district" means a district that the governing
17 body of a county or municipal corporation, or the Mayor and City Council of Baltimore,
18 has designated under local law as historic.

19 (12) "MAIN STREET MARYLAND COMMUNITY" MEANS:

20 (I) A COMMERCIAL AREA IN A LOCAL JURISDICTION
21 DESIGNATED BY THE SECRETARY OF HOUSING AND COMMUNITY
22 DEVELOPMENT AS A MAIN STREET MARYLAND COMMUNITY UNDER THE MAIN
23 STREET MARYLAND PROGRAM ON OR BEFORE JANUARY 1, 2010; OR

24 (II) A COMMERCIAL AREA IN BALTIMORE CITY DESIGNATED
25 AS A MAIN STREET BY THE MAYOR OF BALTIMORE CITY ON OR BEFORE
26 JANUARY 1, 2010.

27 (13) "MAIN STREET MARYLAND PROGRAM" MEANS THE
28 MARYLAND MAIN STREET DESIGNATION PROGRAM FOR LOCAL JURISDICTIONS
29 ESTABLISHED IN THE CODE OF MARYLAND REGULATIONS (COMAR).

30 ~~(9)~~ (14) "National register structure" means a structure that is:

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

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

4 **(15) “POLITICAL SUBDIVISION” MEANS A COUNTY OR MUNICIPAL**
 5 **CORPORATION OF THE STATE.**

6 ~~(10)~~ **(16)** “Qualified rehabilitation expenditure” means any amount
 7 that:

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

9 (ii) is expended in the rehabilitation of a structure that by the
 10 end of the calendar year in which the certified rehabilitation is completed is a certified
 11 ~~heritage~~ **HISTORIC** structure **OR A QUALIFIED REHABILITATED STRUCTURE;**

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

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

15 1. State or local grant;

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

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

21 4. other financial assistance from the State or a political
 22 subdivision of the State, other than a loan that must be repaid at an interest rate that
 23 is greater than the interest rate on general obligation bonds issued by the State at the
 24 most recent bond sale prior to the time the loan is made.

25 **(17) (I) “QUALIFIED REHABILITATED STRUCTURE” MEANS A**
 26 **BUILDING, OTHER THAN A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE,**
 27 **THAT:**

28 **1. A. IS LOCATED IN A MAIN STREET MARYLAND**
 29 **COMMUNITY; OR**

30 **B. BEGINNING IN FISCAL 2012, IS LOCATED IN A**
 31 **MAIN STREET MARYLAND COMMUNITY OR A SUSTAINABLE COMMUNITY;**

32 **2. WILL BE SUBSTANTIALLY REHABILITATED; AND**

1 3. MEETS THE REQUIREMENTS SET FORTH IN
 2 SUBSECTION (B)(7) OF THIS SECTION.

3 (II) "QUALIFIED REHABILITATED STRUCTURE" DOES NOT
 4 INCLUDE A CERTIFIED HISTORIC STRUCTURE.

5 (18) (I) "SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE"
 6 MEANS A STRUCTURE OR A PORTION OF A STRUCTURE OCCUPIED BY THE
 7 OWNER AND THE OWNER'S IMMEDIATE FAMILY AS THEIR PRIMARY OR
 8 SECONDARY RESIDENCE.

9 (II) "SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE"
 10 INCLUDES A RESIDENTIAL UNIT IN A COOPERATIVE PROJECT OWNED BY OR
 11 LEASED TO A COOPERATIVE HOUSING CORPORATION, AS DEFINED IN § 5-6B-01
 12 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE, AND LEASED FOR
 13 EXCLUSIVE OCCUPANCY TO, AND OCCUPIED BY, A MEMBER OF THE
 14 CORPORATION AND THE MEMBER'S IMMEDIATE FAMILY UNDER A PROPRIETARY
 15 LEASE.

16 (19) "SMART GROWTH SUBCABINET" MEANS THE SMART GROWTH
 17 SUBCABINET ESTABLISHED UNDER TITLE 9, SUBTITLE 14 OF THE STATE
 18 GOVERNMENT ARTICLE.

19 (20) "STATE UNIT" HAS THE MEANING STATED IN § 11-101 OF THE
 20 STATE GOVERNMENT ARTICLE.

21 ~~(11)~~ (21) "Substantial rehabilitation" means rehabilitation of a
 22 structure for which the qualified rehabilitation expenditures, during the 24-month
 23 period selected by the individual or business entity ending with or within the taxable
 24 year, exceed:

25 (i) for SINGLE-FAMILY, owner-occupied residential property,
 26 \$5,000; ~~or~~

27 (II) FOR A QUALIFIED REHABILITATED STRUCTURE
 28 LOCATED IN A MAIN STREET MARYLAND COMMUNITY, THE GREATER OF:

29 1. 50% OF THE ADJUSTED BASIS OF THE
 30 STRUCTURE; OR

31 2. \$25,000; OR

32 ~~(iii)~~ (III) for all other property, the greater of:

1. the adjusted basis of the structure; or
2. ~~\$5,000~~ \$25,000.

(22) "SUSTAINABLE COMMUNITY" HAS THE MEANING STATED IN § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

(b) (1) The Director, IN CONSULTATION WITH THE SMART GROWTH SUBCABINET, shall adopt regulations to:

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

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

(iii) for commercial rehabilitations, establish criteria, consistent with the requirements of this subsection, for evaluating, comparing, and rating plans of proposed rehabilitation that have been determined by the Director ~~to~~:

1. FOR CERTIFIED HISTORIC STRUCTURES, TO conform with the rehabilitation standards of the United States Secretary of the Interior;

2. FOR REHABILITATIONS OF THE EXTERIORS OF QUALIFIED REHABILITATED STRUCTURES, TO BE COMPATIBLE WITH THE REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE INTERIOR IF THE STRUCTURE IS LOCATED IN, OR ADVERSELY AFFECTS:

A. A DESIGNATED HISTORIC DISTRICT; OR

B. A DISTRICT DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES;
and

(iv) for commercial rehabilitations, establish a competitive award process for the award of initial credit certificates for Maryland ~~heritage structure rehabilitation~~ SUSTAINABLE COMMUNITIES tax credits that **FAVORS THE AWARD OF TAX CREDITS FOR REHABILITATION PROJECTS THAT:**

1. ~~favours the award of tax credits for rehabilitation projects~~ **ARE** located in jurisdictions that have been historically underrepresented in the award of tax credits for commercial rehabilitations, based on the number of national register structures in each jurisdiction;

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

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

8 ~~B. favors the award of tax credits for structures that are~~
9 ~~contributing buildings with historic significance and are located in historic districts~~
10 ~~listed in the National Register of Historic Places.~~

11 **3. ARE LOCATED IN AREAS TARGETED BY THE STATE**
12 **FOR ADDITIONAL REVITALIZATION AND ECONOMIC DEVELOPMENT**
13 **OPPORTUNITIES DUE TO THE FOCUSING OF STATE RESOURCES AND**
14 **INCENTIVES;**

15 **4. BEGINNING IN FISCAL 2012, ARE LOCATED IN**
16 **SUSTAINABLE COMMUNITIES;**

17 **5. ARE LOCATED IN AREAS WHERE THE POLITICAL**
18 **SUBDIVISION HAS IMPLEMENTED REGULATORY STREAMLINING OR OTHER**
19 **DEVELOPMENT INCENTIVES THAT FOSTER REDEVELOPMENT AND**
20 **REVITALIZATION IN PRIORITY FUNDING AREAS, AS DEFINED IN TITLE 5,**
21 **SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND THE**
22 **APPROPRIATE LOCAL GOVERNING BODY OR THE PLANNING BOARD OR**
23 **COMMISSION, IF DESIGNATED BY THE LOCAL GOVERNING BODY, HAS CERTIFIED**
24 **TO THE SMART GROWTH SUBCABINET THOSE REGULATORY STREAMLINING OR**
25 **OTHER DEVELOPMENT INCENTIVES;**

26 **6. INCLUDE AFFORDABLE AND WORKFORCE**
27 **HOUSING OPTIONS; AND**

28 **7. ARE QUALIFIED REHABILITATED STRUCTURES**
29 **MORE THAN 50 YEARS OLD;**

30 **(V) FOR COMMERCIAL REHABILITATIONS, DETERMINE**
31 **WHETHER THE CERTIFIED REHABILITATION IS A HIGH PERFORMANCE**
32 **BUILDING;**

33 **(VI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A**
34 **REQUIRED EXTERNAL MARKER OR, AT A MINIMUM, AN INTERNAL MARKER FOR**
35 **THE REHABILITATION PROJECTS THAT IDENTIFIES THAT THE REHABILITATION**
36 **WAS FUNDED BY MARYLAND SUSTAINABLE COMMUNITIES TAX CREDITS; AND**

1 **(VII) AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION,**
2 **CHARGE A REASONABLE FEE TO CERTIFY HISTORIC STRUCTURES AND**
3 **QUALIFIED REHABILITATED STRUCTURES UNDER THIS SUBTITLE.**

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

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

11 (4) For commercial rehabilitations, the Director may not accept an
12 application for approval of plans of proposed rehabilitation if:

13 (i) any substantial part of the proposed rehabilitation work has
14 begun; or

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

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

21 **(II) NOT MORE THAN 10% OF THE TOTAL CREDIT AMOUNTS**
22 **UNDER INITIAL CREDIT CERTIFICATES ISSUED FOR ANY FISCAL YEAR MAY BE**
23 **ISSUED FOR PROJECTS THAT ARE QUALIFIED REHABILITATED STRUCTURES.**

24 (6) (i) The Director shall adopt regulations to charge a reasonable
25 fee to certify ~~heritage~~ **HISTORIC** structures and rehabilitations under this section.

26 (ii) The Director shall set the level of the fee so that the
27 projected proceeds from the fee will cover the costs to the Trust of administering the
28 credit under this section and the federal historic tax credit.

29 (iii) The fee charged may not exceed 1% of the amount of the
30 initial credit certificate issued for a commercial rehabilitation project or the amount of
31 the credit for which a single-family, owner-occupied rehabilitation would be eligible
32 based on the greater of the estimated or final qualified rehabilitation expenditures for
33 the rehabilitation.

34 **(IV) IF THE FEE CHARGED FOR A COMMERCIAL**
35 **REHABILITATION IS NOT RECEIVED BY THE TRUST WITHIN 120 DAYS AFTER THE**

1 **TRUST SENDS NOTICE THAT THE FEE IS DUE, THE INITIAL CREDIT CERTIFICATE**
 2 **FOR THE REHABILITATION SHALL EXPIRE.**

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

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

10 **(7) FOR A BUILDING TO BE A QUALIFIED REHABILITATED**
 11 **STRUCTURE, AFTER THE REHABILITATION PROCESS:**

12 **(I) 50% OR MORE OF THE EXISTING EXTERNAL WALLS OF**
 13 **THE BUILDING MUST BE RETAINED IN PLACE AS EXTERNAL WALLS;**

14 **(II) 75% OR MORE OF THE EXISTING EXTERNAL WALLS OF**
 15 **THE BUILDING MUST BE RETAINED IN PLACE AS INTERNAL OR EXTERNAL**
 16 **WALLS; AND**

17 **(III) 75% OR MORE OF THE INTERNAL STRUCTURAL**
 18 **FRAMEWORK OF THE BUILDING MUST BE RETAINED IN PLACE.**

19 (c) (1) **(I)** Except as otherwise provided in this section, for the taxable
 20 year in which a certified rehabilitation is completed, an individual or business entity
 21 may claim a tax credit in an amount equal to 20% of the individual's or business
 22 entity's qualified rehabilitation expenditures for the rehabilitation.

23 **(II) AN INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX**
 24 **CREDIT IN AN AMOUNT EQUAL TO 25% OF THE INDIVIDUAL'S OR BUSINESS**
 25 **ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE CERTIFIED**
 26 **REHABILITATION IS A CERTIFIED HISTORIC STRUCTURE AND A HIGH**
 27 **PERFORMANCE BUILDING.**

28 **(III) AN INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A TAX**
 29 **CREDIT IN AN AMOUNT EQUAL TO 10% OF THE INDIVIDUAL'S OR BUSINESS**
 30 **ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE CERTIFIED**
 31 **REHABILITATION IS A QUALIFIED REHABILITATED STRUCTURE.**

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

34 1. \$3,000,000; or

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

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

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

7 1. the phased rehabilitation of the same structure or
8 property;

9 2. the separate rehabilitation of different components of
10 the same structure or property; or

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

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

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

19 **2.** the commercial rehabilitation is not completed within
20 30 months after the initial credit certificate was issued.

21 (ii) For reasonable cause, the Director may postpone the
22 **30-MONTH** expiration date for an initial credit certificate for a commercial
23 rehabilitation.

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

28 (d) (1) In this subsection, "Reserve Fund" means the ~~Heritage Structure~~
29 **SUSTAINABLE COMMUNITIES Rehabilitation** Tax Credit Reserve Fund established
30 under paragraph (2) of this subsection.

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

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

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

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

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

14 2. If the aggregate credit amounts under initial credit
15 certificates issued in a fiscal year total less than the amount appropriated to the
16 Reserve Fund for that fiscal year as a result of the limitation under subsection ~~(b)(5)~~
17 **(B)(5)(I)** of this section, any excess amount may be issued under initial credit
18 certificates for projects in a county or Baltimore City in the same fiscal year, without
19 regard to the limitation under subsection ~~(b)(5)~~ **(B)(5)(I)** of this section.

20 3. Subject to subsubparagraph 2 of this subparagraph, if
21 the aggregate credit amounts under initial credit certificates issued in a fiscal year
22 total less than the amount appropriated to the Reserve Fund for that fiscal year, any
23 excess amount shall remain in the Reserve Fund and may be issued under initial
24 credit certificates for the next fiscal year.

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

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

32 (v) Notwithstanding the provisions of § 7-213 of ~~[this article]~~
33 ~~THE STATE FINANCE AND PROCUREMENT ARTICLE~~, the Governor may not reduce
34 an appropriation to the Reserve Fund in the State budget as approved by the General
35 Assembly.

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

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

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

6 A. the maximum credit amount stated in the initial
7 credit certificate for the project; and

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

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

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

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

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

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

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

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

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

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

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

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

7 **(I)** any disqualifying work is performed on the certified ~~heritage~~
8 ~~structure for which the certified rehabilitation has been completed~~ **REHABILITATION;**
9 **OR**

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

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

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

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

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

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

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

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

1 (i) the amount of rehabilitation expenditures used in
2 calculating the credit;

3 (ii) whether such expenditures are qualified rehabilitation
4 expenditures under this section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (i) the initial credit certificates awarded for commercial
9 rehabilitations under this section for that fiscal year; ~~and~~

10 (ii) the tax credits awarded for certified rehabilitations
11 completed in the preceding fiscal year; **AND**

12 **(III) WHETHER THE TAX CREDITS AWARDED FOR CERTIFIED**
13 **REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR WERE**
14 **LOCATED IN:**

15 **1. A MAIN STREET MARYLAND COMMUNITY;**

16 **2. BEGINNING IN FISCAL 2012, A SUSTAINABLE**
17 **COMMUNITY;**

18 **3. A LOCAL HISTORIC DISTRICT; OR**

19 **4. A NATIONAL REGISTER DISTRICT.**

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

23 (i) the name of the owner or developer of the commercial
24 rehabilitation;

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

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

29 1. for certification that a structure or property will
30 qualify as a certified ~~heritage~~ **HISTORIC** structure **OR A QUALIFIED**
31 **REHABILITATED STRUCTURE;** and

1 2. for approval of the proposed rehabilitation; and

2 (iv) the maximum amount of the credit stated in the initial
3 credit certificate for the project and the estimated rehabilitation expenditures stated
4 in the application for approval of the plan of proposed rehabilitation.

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

8 (i) the name of the owner or developer of the commercial
9 rehabilitation;

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

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

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

17 2. the actual qualified rehabilitation expenditures and
18 the final amount of the credit for which the project qualified.

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

21 (i) the total number of applicants for:

22 1. certification that a structure or property will qualify
23 as a certified ~~heritage~~ **HISTORIC** structure **OR A QUALIFIED REHABILITATED**
24 **STRUCTURE**;

25 2. approval of plans of proposed rehabilitations; or

26 3. certification of the completed rehabilitations;

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

29 (iii) the total estimated rehabilitation expenditures stated in
30 approved applications for approval of plans of proposed rehabilitation and the total
31 qualified rehabilitation expenditures for completed rehabilitations certified.

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

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

5 (ii) commercial rehabilitations.

6 (i) (1) Subject to the provisions of this subsection, the provisions of this
7 section and the tax credit authorized under this section shall terminate as of July 1,
8 ~~2010~~ **2014**.

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

10 (i) the tax credit authorized under this section may be claimed
11 for:

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

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

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

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

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

24 ~~(a) Title 5, Subtitle 9 of the State Finance and Procurement Article, as~~
25 ~~enacted by Section 1 of this Act, shall be applicable to:~~

26 ~~(1) Any project for rehabilitation of a single family, owner-occupied~~
27 ~~residence for which an application for approval of a plan of proposed rehabilitation is~~
28 ~~received by the Director of the Maryland Historical Trust on or after July 1, 2010; and~~

29 ~~(2) Any commercial rehabilitation project for which an application of a~~
30 ~~plan of proposed rehabilitation is approved by the Director of the Maryland Historical~~
31 ~~Trust on or after July 1, 2010.~~

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

4 ~~(1) Any project for rehabilitation of a single family, owner-occupied~~
5 ~~residence for which an application for approval of a plan of proposed rehabilitation is~~
6 ~~received by the Director of the Maryland Historical Trust on or before June 30, 2010;~~
7 ~~and~~

8 ~~(2) Any commercial rehabilitation project for which an application of a~~
9 ~~plan of proposed rehabilitation is approved by the Director of the Maryland Historical~~
10 ~~Trust on or before June 30, 2010.~~

11 ~~SECTION 4. AND BE IT FURTHER ENACTED, That any unencumbered funds~~
12 ~~in the Heritage Structure Rehabilitation Tax Credit Reserve Fund established under~~
13 ~~former § 5A-303 of the State Finance and Procurement Article, as amended and~~
14 ~~transferred to the Session Laws by Section 2 of this Act, shall revert to the General~~
15 ~~Fund on June 30, 2014.~~

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

21 ~~SECTION 6. 2. AND BE IT FURTHER ENACTED, That any community legacy~~
22 ~~area and community legacy plan approved by the Community Legacy Board prior to~~
23 ~~the effective date of this Act January 1, 2008 shall be considered a sustainable~~
24 ~~community and a sustainable plan for 18 months for 24 months after the effective date~~
25 ~~of this Act, and any community legacy area approved by the Community Legacy Board~~
26 ~~on or after January 1, 2008, shall be considered a sustainable community for 36~~
27 ~~months after the effective date of this Act.~~

28 ~~SECTION 7. 3. AND BE IT FURTHER ENACTED, That within 18 months after~~
29 ~~the effective date the time periods specified in Section 2 of this Act, a sponsor shall~~
30 ~~submit an updated application and plan to the Secretary to redesignate any previously~~
31 ~~approved community legacy area and community legacy plan to a sustainable~~
32 ~~community and sustainable community plan in accordance with § 6-205 §§ 6-204 and~~
33 ~~6-205 of the Housing and Community Development Article for projects to be eligible~~
34 ~~for financial assistance under §§ 6-205 and 6-207 § 6-206 of the Housing and~~
35 ~~Community Development Article, as enacted by Section 1 of this Act.~~

36 ~~SECTION 8. 4. AND BE IT FURTHER ENACTED, That any designated~~
37 ~~neighborhood approved by the Secretary of Housing and Community Development~~
38 ~~prior to the effective date of this Act shall be considered a sustainable community for~~
39 ~~18 24 months after the effective date of this Act.~~

1 SECTION ~~9~~ 5. AND BE IT FURTHER ENACTED, That within ~~18~~ 24 months
 2 after the effective date of this Act, a sponsor shall file an application to redesignate
 3 any approved designated neighborhood as a sustainable community under §§ 6-204
 4 and 6-205 ~~and 6-206~~ of the Housing and Community Development Article for projects
 5 to be eligible for financial assistance under § ~~6-306(a)~~ 6-305(b) of the Housing and
 6 Community Development Article, as enacted by Section 1 of this Act.

7 SECTION 6. AND BE IT FURTHER ENACTED, That a sponsor of a proposed
 8 sustainable community may use, and is encouraged to use, a current or recently
 9 updated community legacy area plan or another revitalization plan as a basis for an
 10 application to redesignate any community legacy area as a sustainable community.

11 SECTION ~~10~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take
 12 effect ~~October~~ June 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.