

HOUSE BILL 355

Q3

8lr1106

By: **Delegates Haddaway, Eckardt, Aumann, Boteler, Carr, Elmore, Frank, Kipke, Lafferty, Manno, McComas, Norman, Oaks, Ramirez, Riley, Robinson, Shank, Shewell, Sossi, Stifler, V. Turner, Vaughn, and Wood**
Introduced and read first time: January 25, 2008
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Heritage Structure Rehabilitation Tax Credits – Expenditures**
3 **Exempt from Preapproval**

4 FOR the purpose of exempting certain expenditures that are made to a certified
5 heritage structure damaged as a result of fire, storm, or similar disaster from a
6 certain preapproval requirement; and generally relating to the Maryland
7 Heritage Structure Rehabilitation Tax Credit Program.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 5A–303(a)
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2007 Supplement)

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

15 **Article – State Finance and Procurement**

16 5A–303.

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

18 (2) “Business entity” means:

19 (i) a person conducting or operating a trade or business in the
20 State; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

14 B. certified by the Director as contributing to the
15 significance of the district; or

16 4. located in a certified heritage area and certified by the
17 Maryland Heritage Areas Authority as contributing to the significance of the certified
18 heritage area.

19 (ii) “Certified heritage structure” does not include a structure
20 that is owned by the State, a political subdivision of the State, or the federal
21 government.

22 (5) “Certified rehabilitation” means a completed rehabilitation of a
23 certified heritage structure that the Director certifies is a substantial rehabilitation in
24 conformance with the rehabilitation standards of the United States Secretary of the
25 Interior.

26 (6) “Commercial rehabilitation” means a rehabilitation of a structure
27 other than a single–family, owner–occupied residence.

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

29 (8) “Local historic district” means a district that the governing body of
30 a county or municipal corporation, or the Mayor and City Council of Baltimore, has
31 designated under local law as historic.

32 (9) “National register structure” means a structure that is:

33 (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 (10) “Qualified rehabilitation expenditure” means any amount that:

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

6 (ii) is expended in the rehabilitation of a structure that by the
7 end of the calendar year in which the certified rehabilitation is completed is a certified
8 heritage structure;

9 (iii) is expended in compliance with a plan of proposed
10 rehabilitation that has been approved by the Director, **UNLESS THE EXPENDITURE IS**
11 **RELATED TO REPAIRS MADE AFTER DAMAGE CAUSED BY FIRE, FLOOD, STORM,**
12 **OR SIMILAR DISASTER;** and

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

14 1. State or local grant;

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

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

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

24 (11) “Substantial rehabilitation” means rehabilitation of a structure for
25 which the qualified rehabilitation expenditures, during the 24-month period selected
26 by the individual or business entity ending with or within the taxable year, exceed:

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

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

29 1. the adjusted basis of the structure; or

30 2. \$5,000.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2008.