



House Bill 275

Department of Housing and Community Development – Neighborhood and Community Assistance Program – Community Investment Tax Credit

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: February 16, 2016

To: Ways & Means Committee
From: Natasha Mehu
& Andrea E. Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** HB 275 **WITH AMENDMENTS**. MACo supports expansion of the neighborhood revitalization program provided by the bill.

Counties have come to a consensus with the Department and the Maryland Municipal League on amendments to address the local government approval process.

HB 275 expands the Community Investment Tax Credit Program operated by the Department of Housing and Community Development. The bill would increase the maximum sum of eligible tax credits from \$3.5 million to \$7 million. This tax credit helps incentivize individuals and businesses to make charitable contributions to projects benefiting communities in priority funding areas across the state.

Counties were concerned with provisions of the bill that would strip local governments of their authority to approve or disapprove of projects occurring within their communities. Currently, a project must receive approval from the local governing body in the form of a resolution or letter before the project may proceed. Tax credit applications may not be approved until the project has been approved. As introduced, this bill would remove that authority and instead establish a “notice with opportunity to comment” process. MACo believes the express local government approval authority should stay intact.

To address local government concerns and to help streamline the process for the Department, MACo has agreed to support amendments that would retain the local government approval authority but would require a 45-day time period for a local government to notify the Department of their decision. If no action to approve or disapprove is taken after 45 days, the Department may deem the application approved.

Local governments benefit from the investment in neighborhood revitalization the program provides to their communities. Counties support the bill as it intends to improve the program, but request the consensus amendments be adopted. For these reasons MACo urges a report of **FAVORABLE WITH AMENDMENTS** for HB 275.