

Trust] to preserve and maintain the [historic personal] property in such manner and duration as is acceptable to the Trust.

[(c)] (d) The preservation agreement or deed of easement requirements of §D(1)(a) and [(b)] (c) of this regulation may be modified or waived by the Director if the Director determines that such an agreement or easement is impracticable, infeasible, or not necessary under the circumstances. [Evidence of impracticability, infeasibility, or lack of necessity may include, among other things, the existence of a previous agreement or deed of easement in form and substance satisfactory to the beneficiary of the agreement or holder of the easement, as the case may be.]

[(d)] (e) The requirement in §D(1)(a) of this regulation that a deed of easement be conveyed by a property owner if the owner is not the grantee may be modified or waived by the Director, as necessary, if the subject property is long-term leasehold property.

(2) — (4) (text unchanged)

E. (text unchanged)

ROBERT McCORD  
Secretary of Planning

## Subtitle 04 HISTORICAL AND CULTURAL PROGRAMS

### 34.04.07 Heritage Structure Rehabilitation Tax Credit Certifications

Authority: State Finance and Procurement Article, §5A-303, Annotated Code of Maryland

Notice of Proposed Action  
[19-023-P]

The Maryland Department of Planning proposes to amend Regulations .02, .03, .05, and .06 under COMAR 34.04.07 Heritage Structure Rehabilitation Tax Certifications.

#### Statement of Purpose

The purpose of this action is to:

(1) Permit an additional 5 percent tax credit for commercial rehabilitation projects that result in a housing project that qualifies as “affordable housing.” This amendment will bring COMAR into conformance with a statutory change made by the General Assembly during the 2018 Session. See Ch. 842, Acts of 2018.

(2) Clarify that, for commercial rehabilitation projects, the tax credit may not exceed 20 percent of the estimated rehabilitation expenditures identified in the applicant’s “Part 2” application, plus the additional 5 percent for achieving LEED status or affordable housing. This clarification brings the regulations in line with long-standing administrative practices.

#### Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

#### Estimate of Economic Impact

The proposed action has no economic impact.

#### Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

#### Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

#### Opportunity for Public Comment

Comments may be sent to Collin Ingraham, Administrator, Preservation Financial Incentives, Maryland Historical Trust, 100 Community Place, 3rd Floor, Crownsville, Maryland 21032-2023, or call 410-697-9558, or email to Collin.Ingraham@maryland.gov, or

fax to 410-697-9616. Comments will be accepted through February 19, 2019. A public hearing has not been scheduled.

#### .02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) (text unchanged)

(2) “Affordable housing” means a housing project that has received an allocation of federal low-income housing tax credits by the Department of Housing and Community Development.

[(2)] (3) — [(13)] (14) (text unchanged)

[(14)] (15) “Qualified rehabilitation expenditure” means any amount that is:

(a) (text unchanged)

(b) Expended on a certified rehabilitation:

(i) — (ii) (text unchanged)

(iii) For work undertaken after approval by the Director of the rehabilitation plan under Part 2 and during a continuous 24-month period selected by the applicant; and

(c) (text unchanged)

[(15)] (16) — [(23)] (24) (text unchanged)

#### .03 The Heritage Structure Rehabilitation Tax Credit Program.

A. — B. (text unchanged)

C. The Homeowner Tax Credit.

(1) (text unchanged)

(2) The Homeowner Tax Credit shall equal the lesser of:

(a) 20 percent of the qualified rehabilitation expenditures incurred [during the continuous 24-month period selected] by the applicant; or

(b) (text unchanged)

(3) (text unchanged)

D. The Small Commercial Tax Credit.

(1) (text unchanged)

(2) The Small Commercial Tax Credit shall equal the lesser of:

(a) 20 percent of the qualified rehabilitation expenditures incurred [during the continuous 24-month period selected] by the applicant; [or]

(b) 20 percent of estimated qualified rehabilitation expenditures identified in the Part 2 application; or

[(b)] (c) (text unchanged)

(3) (text unchanged)

E. The Competitive Commercial Tax Credit.

(1) (text unchanged)

(2) The Commercial Tax Credit:

(a) Shall equal the sum of:

(i) The lesser of 20 percent of the qualified rehabilitation expenditures incurred [during the continuous 24-month period selected] by the applicant or the estimated qualified rehabilitation expenditures identified in the Part 2 application; and

(ii) If applied for in the Part 2 application, an additional 5 percent of those qualified rehabilitation expenditures if the certified rehabilitation results in either a high performance building or a project that qualifies as affordable housing; and

(b) (text unchanged)

#### .05 Procedures for Application for and Review of Certifications of Eligibility of Certified Historic Structure Rehabilitations (Part 2).

A. Part 2 Application Process.

(1) — (2) (text unchanged)

(3) A Part 2 application shall be deemed incomplete, and may not be accepted or reviewed by the Trust, if the application does not:

(a) (text unchanged)

(b) [For an application for either the Small Commercial Tax Credit or the Competitive Commercial Tax Credit, state the maximum amount of the tax credit for which the rehabilitation may

qualify) *State the applicant's estimated cost of rehabilitation for the proposed rehabilitation project;*

(c) — (d) (text unchanged)

(4) — (5) (text unchanged)

**B. Homeowner Tax Credit.**

(1) Upon receipt of either a complete Part 2 application or an amendment to an application for the Homeowner Tax Credit, the Director shall review the application or amendment and determine whether:

(a) — (b) (text unchanged)

(c) The [anticipated] *estimated* qualified rehabilitation expenditures will exceed \$5,000.

(2) — (3) (text unchanged)

**C. Small Commercial Tax Credit.**

(1) Upon receipt of either a complete Part 2 application or an amendment to an application for the Small Commercial Tax Credit, the Director shall review the application or amendment and determine whether:

(a) — (b) (text unchanged)

(c) The [anticipated] *estimated* qualified rehabilitation expenditures will exceed \$5,000 but not exceed \$500,000.

(2) If the Director determines that each of the criteria set forth in §C(1) of this regulation is satisfied, the Director shall:

(a) (text unchanged)

(b) Issue an initial credit certificate to the applicant in an amount equal to 20 percent of the [anticipated] *estimated* qualified rehabilitation expenditures, which shall be the maximum amount of tax credit approvable under Regulation .06 of this chapter; and

(c) (text unchanged)

(3) — (4) (text unchanged)

**D. Competitive Commercial Tax Credit.**

(1) (text unchanged)

(2) Information required by the Trust as part of a Part 2 application for the Competitive Commercial Tax Credit shall include:

(a) — (c) (text unchanged)

(d) A request that the rehabilitation be eligible for the additional 5 percent tax credit available under Regulation .03E(2)(a)(ii) of this chapter if the applicant [intends for] *anticipates at the time of the application that the rehabilitation [to] will result in either:*

(i) [a] *A high performance building; or*

(ii) *A project that qualifies as affordable housing.*

(3) The Director shall reject a Part 2 application received from an applicant who in the same fiscal year submitted three or more other Part 2 applications for the Competitive Commercial Tax Credit that, together, exceed \$500,000 in [anticipated] *estimated* qualified rehabilitation expenditures.

(4) — (6) (text unchanged)

(7) The maximum amount of an award of an initial credit certificate for a rehabilitation under §D(6) of this regulation may not exceed the lesser of:

(a) [the maximum amount of] *The sum of 20 percent of the estimated qualified rehabilitation expenditures [specified] identified in the Part 2 application and, if requested in the application, the additional 5 percent high performance building or affordable housing credit; or*

(b) \$3,000,000.

(8) For purposes of calculating the limitation on *the credit for qualified rehabilitation [expenditure] expenditures* under §D(7) of this regulation, a rehabilitation project shall include:

(a) — (d) (text unchanged)

(9) — (13) (text unchanged)

**.06 Procedures for Certification of Completed Rehabilitation (Part 3).**

A. — B. (text unchanged)

C. A Part 3 application shall:

(1) — (2) (text unchanged)

(3) For either the Homeowner Tax Credit or the Small Commercial Tax Credit, include an administrative fee in an amount that is equal to the *greater of* [3] 0.6 percent of either the [maximum amount] *estimated cost of rehabilitation* stated in the Part 2 application [in accordance with Regulation .05A(3)(b) of this chapter] *for the rehabilitation* or the [amount of the] qualified rehabilitation expenditures stated in the Part 3 application[, whichever is greater], less \$10 paid with the Part 2 application.

D. (text unchanged)

E. Upon receipt of a timely filed and complete Part 3 application, the Director:

(1) (text unchanged)

(2) Shall:

(a) (text unchanged)

(b) As may be appropriate for a competitive commercial rehabilitation, determine whether the rehabilitation resulted in *either;*

(i) [a] *A high performance building; or*

(ii) *A housing project that qualifies as affordable housing;*

(c) — (d) (text unchanged).

F. (text unchanged)

ROBERT McCORD  
Secretary of Planning

**Title 35  
MARYLAND DEPARTMENT  
OF VETERANS AFFAIRS  
Subtitle 07 VETERAN EMPLOYMENT  
AND TRANSITION SUCCESS  
PROGRAM**

**35.07.01 General Regulations**

*Authority: State Government Article §§9-960 and 9-961, Annotated Code of Maryland*

**Notice of Proposed Action  
[19-024-P]**

The Secretary of Veterans Affairs proposes to adopt new Regulations .01—.04 under COMAR 35.07.01 Veteran Employment and Transition Success Program.

**Statement of Purpose**

The purpose of this action is to establish procedures for the Department to carry out the responsibilities and goals of the Veteran Employment and Transition Success Program pursuant to State Government Article, §9-960(c), Annotated Code of Maryland.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.