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HOUSE BILL NO. 1318

Offered January 22, 1996

A *BILL to amend and reenact § 63.1-323 of the Code of Virginia, relating to the Neighborhood Assistance Act.*

Patrons—Jones, D.C., Christian, Crittenden, Cunningham, Hall, Jones, J.C., McEachin, Melvin and Spruill; Senators: Lambert, Marsh, Maxwell and Miller, Y.B.

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-323 of the Code of Virginia is amended and reenacted as follows:

§ 63.1-323. Tax credit authorized; proposals; regulations; amount for programs.

Any business firm that engages in the activities of providing neighborhood assistance, job training or education for individuals not employed by the business firm, community services or crime prevention services in an impoverished area or for impoverished people shall receive a tax credit as provided in § 63.1-324, if the Commissioner of Social Services or his designee approves the proposal of such business firm or of a neighborhood organization. The proposal shall set forth the program to be conducted, the impoverished area or impoverished people selected, the estimated amount to be invested in the program and the plans for implementing the program. A copy of the proposal shall be submitted by the Commissioner of Social Services or his designee to all planning district commissions within whose boundaries the proposal will operate. The planning district commissions shall thereafter notify their respective local units of government of the contents of the proposal. Such commission or the governing body of each governmental subdivision may thereafter comment in writing on the proposal to the Commissioner or his designee. If, in the opinion of the Commissioner or his designee, a business firm's investment can more consistently meet with the purposes of this chapter if made through contributions to a nonprofit neighborhood organization, a tax credit may similarly be allowed as provided in § 63.1-324. ~~The Commissioner of Social Services or his designee~~ *State Board of Social Services* is hereby authorized to promulgate regulations for the approval or disapproval of such proposals by business firms or neighborhood organizations. Such regulations shall contain a requirement that an annual audit be provided by the business firm or neighborhood organization as a prerequisite for approval. Through June 30, 1996, the total amount of tax credit granted for programs approved under this chapter for each fiscal year shall not exceed \$5,250,000. From July 1, 1996, through June 30, 1998, the total amount of tax credit granted for programs approved under this chapter for each fiscal year shall not exceed ~~eight~~ *ten* million dollars. *At least two million dollars of the total annual amount of tax credits under this chapter shall be for programs serving impoverished areas. For purposes of this section, impoverished areas shall meet the following criteria: (i) have twenty-five percent or more of the population with incomes below eighty percent of the median income of the jurisdiction, (ii) have an unemployment rate of 1.5 times the state average, or (iii) have a demonstrated floor area vacancy rate of industrial and/or commercial properties of twenty percent or more.* Tax credits shall not be authorized after fiscal year 1998.

INTRODUCED

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