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HOUSE BILL NO. 1318

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance
on February 13, 1996)

(Patron Prior to Substitute—Delegate Jones, D.C.)

A BILL to amend and reenact § 63.1-323 of the Code of Virginia and the fourth enactment of Chapter 629 of the Acts of Assembly of 1981, as amended by Chapter 407 of the Acts of Assembly of 1986, Chapter 660 of the Acts of Assembly of 1990, and Chapter 779 of the Acts of Assembly of 1995, relating to the Neighborhood Assistance Act.

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 1998, 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 1998, through June 30, 1998 2000, the total amount of tax credit granted for programs approved under this chapter for each fiscal year shall not exceed eight ten million dollars. 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 locality, (ii) have an unemployment rate of at least 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 2000.

2. That the fourth enactment of Chapter 629 of the Acts of Assembly of 1981, as amended by Chapter 407 of the Acts of Assembly of 1986, Chapter 660 of the Acts of Assembly of 1990, and Chapter 779 of the Acts of Assembly of 1995, is amended and reenacted as follows:

4. That this act shall expire on July 1, 1998 July 1, 2000, and be of no further force or effect; however, a business firm which received the tax credit provided by this act while it was in effect shall be entitled to carry over that credit for the next five succeeding taxable years whether or not this act shall expire on July 1, 1998 July 1, 2000.

HOUSE SUBSTITUTE

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