



# HOUSE COMMITTEE ON APPROPRIATIONS

## 2009-10 Legislative Session

### FISCAL NOTE

**HOUSE BILL:** 42

**PRINTER'S NO:** 265  
As Amended by A01027

**PRIME SPONSOR:** Freeman

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
<b>Expenditure Increase/(Decrease):</b>		
General Fund	\$0	See Analysis

#### OVERVIEW:

House Bill 42, as amended by A01027, establishes the Historic Preservation Incentive Program within the Department of Community and Economic Development (DCED) to offer grants for the improvement of eligible residential property and tax credits for the improvement of eligible commercial property.

This act shall take effect in 120 days.

#### ANALYSIS:

House Bill 42, cited as the Historic Preservation Incentive Act, establishes the Historic Preservation Incentive Grant Program to provide grants to owners of eligible residential properties that undertake residential building improvements that meet the requirements of the legislation.

The bill requires a residential applicant to submit an application to DCED requesting a grant for the reimbursement of costs associated with the eligible building improvements. The application must be submitted on a form developed by DCED in consultation with the Pennsylvania Historical and Museum Commission (PHMC). DCED shall forward the application to PHMC for review. If PHMC determines that the property and the project qualify, then PHMC may recommend approval of the property for the program.

The bill provides that:

- a grant awarded to a successful residential applicant shall not be more than 70% of the total amount of expenditures made for eligible building improvements;
- up to \$15,000 may be awarded to a residential applicant in connection with a single project;
- and the applicant must complete the project within two years of receipt of notification from DCED of the award.

The bill also provides for a tax credit in the amount of 25% of a qualified rehabilitation expenditure for commercial applicants. PHMC must review the tax credit applications submitted to DCED for approval. The department shall not grant more than \$10 million in tax credit certificates in a single fiscal year. The tax credit may not exceed \$500,000 for a single commercial applicant in a single fiscal year.

In addition, priority for the award of grants and tax credit certificates may be given to properties located in Elm Street areas, Main Street communities, enterprise zones and local government historic districts.

Amendment A01027 provides that applications will not be made available on the DCED website and in regional community affairs and development offices and grants shall not be awarded for the Historic Preservation Incentive Grant Program unless funding is available. The amendment also specifies that DCED may not approve a tax credit certificate unless the Secretary of the Budget determines enough funds are available for the tax credits in that calendar year.

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House Appropriations Committee, (D)

**DATE:** June 8, 2009

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*