

~~(2) Paragraph (1) of this subsection does not apply to any interest or penalty accruing on or after July 1, 2002 for any tax required to be paid for calendar year 2001 that remains unpaid as of July 1, 2002.~~

~~(e) If the proposed rehabilitation expenditures for all commercial projects approved by the Director of the Maryland Historical Trust in calendar year 2002 before February 1, 2002 in the aggregate are greater than the amount of expenditures that if completed would result in credits totaling \$20,000,000, the Director shall allocate the \$20,000,000 available credit among the projects for which the Director approved proposed rehabilitation expenditures before February 1, 2002 on a prorated basis.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this Act, this Act shall take effect June 1, 2002.~~

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the total estimated rehabilitation expenditures for proposed commercial rehabilitations for the purposes of the tax credit authorized under Article 83B, § 5-801 of the Code approved for any calendar year not exceed an amount of expenditures that in the aggregate would result in tax credits of more than \$50,000,000.

SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Legislative Services shall monitor the approval of proposed commercial rehabilitation projects by the Maryland Historical Trust for the purposes of the tax credit authorized under Article 83B, § 5-801 of the Code. If the total estimated rehabilitation expenditures for proposed commercial rehabilitations approved in any calendar year exceeds an amount that in the aggregate would result in more than \$50,000,000 in tax credits, the Department of Legislative Services shall:

(1) Notify the President of the Senate, the Speaker of the House of Delegates, the Senate Budget and Taxation Committee, and the House Committee on Ways and Means;

(2) Make recommendations to the General Assembly to limit State revenue losses under the heritage structure rehabilitation tax credit program, including options to convert the program to a grant-based program; and

(3) Prepare legislation for introduction in the next legislative session of the General Assembly to impose an aggregate cap on the annual approval of commercial rehabilitation expenses that would ensure that the tax credits resulting from annual approved commercial rehabilitations do not exceed \$50,000,000 in tax credits under Article 83B, § 5-801 of the Code.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as otherwise provided in this section, this Act shall take effect June 1, 2002, and shall be applicable to all taxable years beginning after December 31, 2001. For commercial rehabilitation projects that received the approval of that have submitted an application for approval of a plan of proposed rehabilitation by the Director of the Maryland Historical Trust on or before February 1, 2002 for the proposed rehabilitations, the provisions of