

RULES AND REGULATIONS

Title 16—COMMUNITY AFFAIRS

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

[16 PA. CODE CH. 15]

Neighborhood Assistance Program

The Department of Community and Economic Development (Department), under the authority of Article XIX-A of the Neighborhood Assistance Act (act) (72 P. S. §§ 8901-A—8906-A) amends Chapter 15 (relating to neighborhood assistance program). The purpose of the amendments is to establish special program priorities for the Fiscal Year (FY) 1996-97.

Introduction

Under the authority of the act, the Department administers the Neighborhood Assistance Tax Credit Program (NATCP) and the Enterprise Zone Tax Credit Program (EZTCP). The goal of the NATCP is to encourage business firms to provide, either directly or indirectly through neighborhood organizations, neighborhood assistance and job training, education, crime prevention and community services. To meet this objective, the Department of Revenue grants tax credits, equivalent to 50% of the business firms' contributions, to business firms approved by the Department. The goal of the EZTCP is to encourage private companies to invest in the rehabilitation, expansion, and improvement of buildings or land which promote community economic development and which occur in portions of impoverished areas which have been designated as enterprise zones. To meet this objective, the Department of Revenue grants tax credits, equivalent to 20% of the private companies' investments, to private companies approved by the Department.

Section 8905-A of the act directs the Secretary of the Department to promulgate, during the first month of each fiscal year, regulations establishing special program priorities. Under the special program priorities of § 15.41(b) (relating to special program priorities), contributors may earn an additional 20%, for an overall 70% tax credit. Under the special program priorities of § 15.49(a) (relating to enterprise zone tax credit—special program priorities), contributors may earn a 30% tax credit.

Analysis

Section 15.41(b)—NATCP—special program priorities. No changes, except for the reference to the current fiscal year, have been made to this section. Special program priorities adopted for FY 1996-97 continue the priorities that were in effect last year.

Section 15.49(a)—EZTCP—special program priorities. No changes, except for the reference to the current fiscal year, have been made to this section. Special program priorities adopted for FY 1996-97 continue the priorities that have been in effect for several years.

Fiscal Impact

(a) *Commonwealth.* The tax credits extended to corporations and businesses under these amendments represent a proportionate reduction in Commonwealth corporate tax revenues. The costs are substantially justified by

the creation and retention of jobs and the amelioration of the factors which tend to cause poverty within this Commonwealth.

(b) *Political Subdivisions.* The amendments have no measurable cost-effect upon political subdivisions.

(c) *Public.* The amendments continue the tax credits to eligible business firms and private companies.

Paperwork

Organizations interested in participating in the special program priorities for the NATCP shall submit an addendum to their original Neighborhood Assistance Plan proposal. The original proposal is submitted on a Neighborhood Assistance Act Tax Credit form with supporting documentation.

Private companies and neighborhood organizations interested in participating in the special program priorities for the EZTCP shall submit an addendum to their original EZP project application proposal using the Bureau of Human Resources' proposal format.

Regulatory Review

Notice of proposed rulemaking has been omitted under section 204(3) of the act of July 31, 1968 (P. L. 769, No. 240) (CDL) (45 P. S. § 1204(3)), which specifies that a regulation may be adopted without notice of proposed rulemaking if proposed rulemaking procedures are "in the circumstances impracticable, unnecessary, or contrary to the public interest." The proposed rulemaking procedures in this instance are not necessary because the special program priorities for FY 1996-97 continue the priorities that were in effect last year. The only changes being made to these regulations is to change the reference to the "1995-96" fiscal year to the "1996-97" fiscal year.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Department submitted a copy of the amendments with proposed rulemaking omitted on October 18, 1996, to the Independent Regulatory Review Commission (IRRC), the Chairperson of the House Committee on Urban Affairs and the Chairperson of the Senate Committee on Local Government. On the same date, the amendments were submitted to the Office of Attorney General for review and approval under the Commonwealth Attorneys Act (71 P. S. §§ 732-101—732-506). In accordance with section 5(c) of the Regulatory Review Act, the amendments were deemed approved by the House Committee on November 7, 1996 and deemed approved by the Senate Committee on November 7, 1996. IRRC met on November 7, 1996, and approved the amendments.

Effective Date/Sunset Date

(a) These amendments will become effective upon final publication in the *Pennsylvania Bulletin*.

(b) The amendments by law, are monitored on an annual basis and updated as needed.

Contact Person

For an explanation of these amendments contact Jill B. Busch, Deputy Chief Counsel, Department of Community and Economic Development, 416 Forum Building, Harrisburg, PA 17120, (717) 783-8452.

Findings

The Department finds that:

(1) The proposed rulemaking procedures in sections 201 and 202 of the CDL (45 P. S. §§ 1201 and 1202) are impracticable and unnecessary, because the special program priorities for FY 1996-97 continue the priorities that were in effect last year. The only changes being made to these regulations is to change the reference to the "1995-96" fiscal year to the "1996-97" fiscal year.

(2) Public notice of intention to adopt the amendments has been omitted under section 204 of the CDL (45 P. S. § 1204) and the regulation thereunder, 1 Pa. Code § 7.4.

(3) Delay in implementing the amendments will have a serious adverse impact on the public interest.

Order

The Department, acting under the authorizing statute, orders that:

(a) The regulations of the Department, 16 Pa. Code Chapter 15, are amended by amending §§ 15.41b and 15.49a to read as set forth in Annex A, with ellipsis referring to the existing text of the regulations.

(b) The Department shall submit this order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as to legality as required by law.

(c) This order shall take effect upon publication in the Pennsylvania Bulletin.

THOMAS B. HAGEN, Secretary

(Editor's Note: See 26 Pa.B. 5766 (November 23, 1996), for the text of the order of the Independent Regulatory Review Commission relating to this document).

Fiscal Note: 4-60. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 16. COMMUNITY AFFAIRS

PART I. DEPARTMENT OF COMMUNITY AFFAIRS

CHAPTER 15. NEIGHBORHOOD ASSISTANCE PROGRAM

§ 15.41b. Special program priorities.

For Fiscal Year 1996-97, the special program priorities will be accepted in four categories: community development, comprehensive services, affordable housing programs and enterprise zone programs. Projects in each category shall relate to activities which will improve the physical and economic environment of low income neighborhoods or which will contribute to neighborhood stabilization by reversing patterns of deterioration and blight. The projects shall demonstrate the local commitment through partnerships of community based organizations, local government and the private sector. The following paragraphs set forth the requirements for the project to be eligible for tax credit valuation of 70%.

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(5) Limitations. During Fiscal Year 1996-97, the Department will allocate no more than \$1.3 million of the available tax credits for valuation at 70%. No more than \$1 million dollars of the tax credits will be allocated to the combined applicants for community development and affordable housing projects, and no more than \$300,000 will be awarded for comprehensive service programs.

Approval of projects under special program priorities will be contingent upon the availability of tax credits.

(6) Applicability. The special program priorities in this section are applicable to programs implemented during Fiscal Year 1996-97.

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§ 15.49a. Enterprise Zone Tax Credit Program—special program priorities.

(a) Applicability. The special program priorities in this section are applicable to projects for the Fiscal Year 1996-97.

(b) Special program priority status. For the Fiscal Year 1996-97, special program priority status may be granted for projects that will provide employment opportunities for low-income residents of this Commonwealth, or enhance public facilities. If approved under this section, projects will receive tax credits equal to 30% of eligible project costs, up to the maximum amount approved by the Department. The Commonwealth will consider all 20% tax credit requests prior to consideration of 30% tax credit addendum requests for Fiscal Year 1996-97. To qualify for the 30% tax credit, projects shall submit an addendum that addresses the following requirements:

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[Pa.B. Doc. No. 97-6. Filed for public inspection January 3, 1997, 9:00 a.m.]

Title 31—INSURANCE

INSURANCE DEPARTMENT

[31 PA. CODE CH. 66]

No-Fault Motor Vehicle Insurance

The Insurance Department (Department) hereby deletes Chapter 66 under the authority of sections 506 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 186 and 412); 75 Pa.C.S. Chapter 17 (relating to financial responsibility); and 75 Pa.C.S. § 6103 (relating to promulgation of rules and regulations by department). Notice of proposed rulemaking is omitted in accordance with section 204(3) of the act of July 31, 1968 (P. L. 769, No. 240) (CDL) (45 P. S. § 1204(3)).

Purpose

The purpose of this final omitted rulemaking is to repeal Chapter 66 (relating to no-fault automobile insurance) to eliminate obsolete regulations. By order of section 10 of the act of February 12, 1984 (P. L. 26, No. 11), the No-Fault Motor Vehicle Insurance Act (40 P. S. §§ 1009.101—1009.701) was repealed. Section 12 of the act of February 12, 1984 (P. L. 53, No. 12) provided for October 1, 1984, as the effective date of the repeal.

The No-Fault Motor Vehicle Insurance Act was replaced by 75 Pa.C.S. Chapter 17, which became effective on October 1, 1984, for automobile insurance policies issued or renewed on or after this date. On September 28, 1995, the Department adopted regulations to implement the new law in Chapter 67 (relating to motor vehicle responsibility law).

Since the entire no-fault statutory scheme was replaced by a new statute and regulations more than a decade ago, the regulations adopted to implement the No-Fault Motor Vehicle Insurance Act are obsolete and no longer needed.

Under section 204(3) of the CDL, notice of proposed rulemaking may be omitted if the agency finds that the notice procedures are impracticable and unnecessary. This deletion of Chapter 66 eliminates obsolete regulations which are no longer applicable to motor vehicle insurance policies issued in this Commonwealth. Furthermore, public comments cannot change the obsolete status of these regulations. Accordingly, the Insurance Commissioner finds that the proposed rulemaking procedures in sections 201 and 202 of the CDL (45 P. S. §§ 1201 and 1202) are impracticable and unnecessary in this situation.

Affected Parties

There are no parties affected by the deletion of Chapter 66.

Fiscal Impact

There is no fiscal impact from the deletion of Chapter 66.

Paperwork

There is no impact on paperwork as a result of the deletion of Chapter 66.

Effectiveness/Sunset Date

This order is effective upon publication in the *Pennsylvania Bulletin*. No sunset date has been assigned because the order repeals obsolete regulations.

Contact Person

The person to contact for information on this matter is Carolyn Montgomery, Director, Bureau of Consumer Services, 1321 Strawberry Square, Harrisburg, PA 17120, (717) 783-2153.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Department submitted a copy of the regulations with the proposed rulemaking omitted on November 1, 1996, to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of the Senate Banking and Insurance Committee and the House Insurance Committee. On the same date, the regulations were submitted to the Office of Attorney General for review and approval under the Commonwealth Attorneys Act (71 P. S. §§ 732-101—732-506). In accordance with section 5(c) of the Regulatory Review Act, the regulations were deemed approved by the Senate Banking and Insurance Committee on November 24, 1996, and deemed approved by the House Insurance Committee on November 24, 1996. IRRC met on November 21, 1996, and approved the regulations.

Findings

The Insurance Commissioner finds that:

(1) There is good cause to delete the regulations effective upon publication. Deferral of the effective date of the deletion of the regulations is impractical or contrary to the public interest under section 204 of the CDL because there is no purpose served by deferring the effective date, and an immediate effective date best serves the public interest by repealing unnecessary regulations.

(2) There is good cause to forego public notice of the intention to delete Chapter 66 because public notice of the deletion is unnecessary and impractical, for the following reasons:

(i) Deletion of the regulations eliminates a rulemaking that is obsolete and no longer applicable to motor vehicle insurance policies issued in this Commonwealth.

(ii) Public comment cannot change the fact that the regulations are unnecessary.

Order

The Insurance Commissioner, acting under authority under the statutory authority, orders that:

(a) The regulations of the Department, 31 Pa. Code Chapter 66, are amended by deleting §§ 66.1, 66.2, 66.11, 66.12, 66.21, 66.31, 66.41, 66.51—66.57, 66.81, 66.101—66.104, 66.111, 66.112, 66.121—66.123, 66.131, 66.141—66.145, 66.151—66.158 and 66.201 to read as set forth in Annex A.

(b) The Department shall submit this order and Annex A to the Office of the Attorney General and Office of General Counsel for approval as to form and legality as required by law.

(c) The Department shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon its publication in the *Pennsylvania Bulletin*.

LINDA S. KAISER,
Insurance Commissioner

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 26 Pa.B. 5915 (December 7, 1996).)

Fiscal Note: 11-136. No fiscal impact; (8) recommends adoption.

Annex A
TITLE 31. INSURANCE
PART II. AUTOMOBILE INSURANCE
CHAPTER 66. [Reserved].

[Pa.B. Doc. No. 97-7. Filed for public inspection January 3, 1997, 9:00 a.m.]