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Exempt Action Final Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation(s)	22VAC40-41
Regulation title(s)	Neighborhood Assistance Tax Credit Program
Action title	Amend the NAP Regulation to comply with the Code of Virginia
Final agency action date	
Date this document prepared	June 14, 2017

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA) or an agency's basic statute, the agency is not required, however, is encouraged to provide information to the public on the Regulatory Town Hall using this form. Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

Amendments to 22VAC40-41 are necessary to conform the Neighborhood Assistance Program (NAP) regulation to legislation passed by the General Assembly in 2017. Senate Bill 1168 (Chapter 724 of the Acts of Assembly) 1) clarifies the requirement for the audit, review or compilation and 2) adds the requirement that at least 50 percent of the neighborhood organization's revenues shall be used to provide services to low-income persons.

A revision to 22VAC40-41-20.B.3 of the regulation is necessary to incorporate the clarifying language made in Code on the requirements of the audit, review, or compilation.

Revision in 22VAC41-20.C.2 of the regulation removes the requirement “that at least 50 percent of total expenditures were for low-income persons or eligible students with disabilities,” and adds “at least 50 percent of the neighborhood organization’s revenues shall be used to provide services to low-income persons.”

The Neighborhood Assistance Act Tax Credit Program (NAP) is a state tax credit program, established by the General Assembly in 1981. NAP uses tax credits as an incentive for businesses, trusts, and, with certain restrictions, individuals, to make donations to eligible nonprofit organizations whose primary function is providing services to low-income persons.

Statement of final agency action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

TBD

Family impact

Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The regulation has no direct impact on families and family stability. Exempt changes made to 22VAC40-41 impact NAP approved nonprofit organizations and their donors. Services provided by these nonprofit organizations have a positive impact on the families and support family stability.