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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 NAP Regulation to comply with Code
Final agency action date	August 17, 2016
Date this document prepared	August 17, 2016

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of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed.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 2016. House Bill 742 (Chapter 426 of the Acts of Assembly) changes the title "Commissioner of the State Department of Social Services" to "Commissioner of Social Services" and creates an exception to the requirement that each affiliate of a neighborhood organization must also meet all program regulations and guidelines as a condition of the neighborhood organization's eligibility for tax credits.

The new requirement ensures the applicant neighborhood organization will be eligible to receive an allocation of tax credits provided, if (a) the organization otherwise meets all program requirements of the application regulations; (b) the neighborhood organization received a fiscal

year 2013-2014 allocation of neighborhood assistance tax credits; and (c) no affiliate of the neighborhood organization submits a proposal for or receives an allocation of tax credits for the program year for which the neighborhood organization has submitted its proposal.

The 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 or an eligible student with a disability.

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.

The State Board of Social Services took final action on 22VAC40-41, Neighborhood Assistance Tax Credit Program, on August 17, 2016.

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.