
By: Chairman, Appropriations Committee (Departmental - Housing and Community Dev.)

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development - Maryland Historical Trust -**
3 **Historical and Cultural Museum Assistance Program**

4 FOR the purpose of transferring the Historical and Cultural Museum Assistance Program
5 to the Maryland Historical Trust; defining certain terms; altering the name of the
6 Maryland Historical Trust Grant Fund; altering the permitted uses of the Fund to
7 include grants awarded under the Historical and Cultural Museum Assistance
8 Program; altering certain definitions; authorizing the Historical and Cultural
9 Museum Assistance Program to make certain operating support grants; and
10 generally relating to the Maryland Historical Trust, the Historical and Cultural
11 Museum Assistance Program, and the Department of Housing and Community
12 Development.

13 BY repealing and reenacting, with amendments,
14 Article 83B - Department of Housing and Community Development
15 Section 5-601(o), 5-613, 5-702, 5-703, 5-704, and 5-705
16 Annotated Code of Maryland
17 (1995 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article 83B - Department of Housing and Community Development**

21 5-601.

22 (o) "MHT Grant Fund" means the Historic Preservation AND HISTORICAL AND
23 CULTURAL MUSEUM ASSISTANCE Grant Fund of the Trust created under § 5-613 of
24 this subtitle.

25 5-613.

26 (a) There is a Historic Preservation Grant Program of the Trust, known as the
27 MHT Grant Program.

28 (b) The purpose of the MHT Grant Program is to implement and encourage the
29 preservation of historic properties as well as promote interest in and study of such
30 matters.

2

1 (c) The Trust shall:

2 (1) Manage, supervise, and administer the MHT Grant Program; and

3 (2) Coordinate the MHT Grant Program with federal or State programs that
4 complement or facilitate carrying out the MHT Grant Program.

5 (d) The MHT Grant Fund may be used FOR THE PURPOSES SET FORTH IN §
6 5-705 OF THIS ARTICLE AND for the following purposes:

7 (1) To make grants to nonprofit organizations, local jurisdictions, business
8 entities, and individuals for the purpose of acquiring, rehabilitating, or restoring historic
9 properties;

10 (2) To make grants to nonprofit organizations and local jurisdictions for the
11 purpose of financing costs directly related to a rehabilitation or restoration project, which
12 may include the costs of studies, surveys, plans and specifications, and architectural,
13 engineering, or other special services;

14 (3) To make grants to nonprofit organizations and local jurisdictions for the
15 purpose of funding historic preservation education and promotion, including the
16 research, survey, and evaluation of historic properties and the preparation of historic
17 preservation planning documents and educational materials;

18 (4) To fund the purchase or acquisition by the Trust of historic properties or
19 partial interests in historic properties for use in accordance with the Trust's authorized
20 purposes or for resale or lease subject to appropriate preservation covenants;

21 (5) To fund the costs of restoration or rehabilitation of historic properties
22 owned by the Trust for use in accordance with the Trust's authorized purposes or for
23 resale or lease subject to appropriate preservation covenants, which may include costs
24 directly related to restoration or rehabilitation such as the costs of studies, surveys, plans
25 and specifications, and architectural, engineering, or other special services; and

26 (6) To fund historic preservation education and promotion by the Trust,
27 including the research, survey, and evaluation of historic properties and the preparation
28 of historic preservation planning documents and educational materials.

29 (e) (1) The Trustees shall review and make recommendations to the Secretary
30 who shall approve each grant or expenditure of moneys from the MHT Grant Fund.

31 (2) Except for the emergency reserve allocation referred to in paragraph (3)
32 of this subsection, the Trustees' recommendations to the Secretary on the granting of
33 moneys from the MHT Grant Fund to nonprofit organizations, local jurisdictions,
34 business entities, and individuals shall be based upon a competitive selection process.

35 (3) In any fiscal year, the Secretary may allocate up to 20 percent of the
36 total moneys available in the MHT Grant Fund to be held in reserve for unanticipated
37 emergency use in accordance with subsection (d) of this section.

38 (4) Grants to business entities may not exceed more than 10 percent of all
39 grants made by the Trust under this section.

3

1 (f) The Trust shall:

2 (1) Ensure that funding under the MHT Grant Program for the acquisition,
3 restoration, or rehabilitation of historic properties is utilized only if the property has been
4 listed in or is eligible for the Maryland Register of Historic Properties; and

5 (2) Require recipients of grants made under the MHT Grant Program to
6 enter into an agreement to preserve and maintain the historic property, which agreement
7 shall be a recordable historic preservation easement if the property is historic real
8 property, unless the Secretary has determined that such an agreement or easement is
9 impracticable or infeasible under the circumstances in accordance with the regulations.

10 (g) (1) The Department shall adopt regulations to carry out the purposes of the
11 MHT Grant Program.

12 (2) In addition to provisions otherwise required by this section, the
13 regulations shall include the following:

14 (i) Application procedures;

15 (ii) Procedures for adequate public notice of available assistance
16 under the MHT Grant Program;

17 (iii) Provisions for the review of plans and specifications and the
18 inspection of projects during construction; and

19 (iv) A set of selection criteria which the Trust must consider in
20 recommending approval of applications for grants and which must include:

21 A. The relative historical or cultural significance of, and urgency
22 of need for, the project being financed with the grant;

23 B. The extent to which there is any proposed contribution by
24 the appropriate local jurisdiction to support the project being financed with the grant;
25 and

26 C. Other factors that may be relevant, such as the geographic
27 distribution of grant assistance from the MHT Grant Fund.

28 (h) The Secretary shall submit grants or expenditures from the MHT Grant Fund
29 which were financed through the sale of State general obligation bonds to the Board of
30 Public Works for approval to the extent required by regulations promulgated by the
31 Secretary and approved by the Board of Public Works. Except for expenditures under
32 paragraphs (4) and (5) of subsection (d) of this section, grants or expenditures from the
33 MHT Grant Fund shall not otherwise be subject to the provisions of Titles 4 and 5 of the
34 State Finance and Procurement Article of the Code.

35 (i) (1) [The MHT Grant Program shall operate as] THERE IS A HISTORIC
36 PRESERVATION AND HISTORICAL AND CULTURAL MUSEUM ASSISTANCE GRANT
37 FUND KNOWN AS THE MHT GRANT FUND, WHICH IS a continuing, nonlapsing, special
38 fund [known as the MHT Grant Fund,] that consists of:

4

1 (i) Moneys appropriated by the State to the MHT Grant Program OR
2 THE HISTORICAL AND CULTURAL MUSEUM ASSISTANCE PROGRAM ESTABLISHED
3 UNDER § 5-703 OF THIS ARTICLE;

4 (ii) Any moneys received from the sale of State general obligation
5 bonds;

6 (iii) Moneys received from other public or private sources;

7 (iv) The moneys contained in the Capital Grant Fund for Historic
8 Preservation which shall be transferred to the MHT Grant Fund as of June 30, 1989; and

9 (v) The proceeds from the resale or lease of any properties originally
10 acquired by the Trust with moneys from the MHT Grant Fund or the Capital Grant Fund
11 for Historic Preservation prior to July 1, 1989.

12 (2) The State Treasurer shall hold and the State Comptroller shall account
13 for the MHT Grant Fund. The MHT Grant Fund shall be invested and reinvested in the
14 same manner as other State funds.

15 (3) On or before December 31 of each year, the Trust shall report to the
16 Governor and, subject to § 2-1312 of the State Government Article, to the General
17 Assembly the financial status of the MHT Grant Program AND THE HISTORICAL AND
18 CULTURAL MUSEUM ASSISTANCE PROGRAM ESTABLISHED UNDER § 5-703 OF THIS
19 ARTICLE and a summary of [its] THEIR operations for the preceding fiscal year.

20 (4) The MHT Grant Fund is a special fund within the meaning of § 10-306
21 of the State Finance and Procurement Article of the Code.

22 (j) (1) A person may not knowingly make or cause to be made any material
23 misstatement of fact, including an understatement or overstatement of financial
24 condition, in a statement or report in or regarding an application for a grant or affecting
25 a grant already made.

26 (2) Any person who violates any provision of this subsection is guilty of a
27 misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment
28 not exceeding 2 years or both.

29 5-702.

30 (a) In this subtitle the following words have the meanings indicated.

31 (b) "Local jurisdiction" means any county or any municipal corporation subject to
32 the provisions of Article XI-E of the Maryland Constitution, and any duly authorized
33 agency or instrumentality of a local jurisdiction.

34 (c) "Museum" means a facility in the State which is organized on a nonprofit
35 basis for essentially educational or preservation purposes, and which:

36 (1) Owns or utilizes tangible inanimate objects;

37 (2) Is organized for the care of those objects and exhibits them to the public
38 on a regular schedule; and

5

1 (3) Interprets the State's cultural heritage or the State's history, natural
2 history, or history of science and technology.

3 (d) "Nonprofit organization" means a corporation, foundation, local jurisdiction,
4 or other legal entity, no part of the net earnings of which inures to the benefit of any
5 private shareholder or individual holding an interest in such entity.

6 (E) "OPERATING SUPPORT" MEANS NECESSARY ADMINISTRATIVE,
7 TECHNICAL, AND PROFESSIONAL SERVICE AND RELATED EXPENSES.

8 [(e)] (F) "Program" means the Historical and Cultural Museum Assistance
9 Program.

10 (G) "TRUST" OR "MHT" MEANS THE MARYLAND HISTORICAL TRUST.

11 5-703.

12 (a) There is an Historical and Cultural Museum Assistance Program [in the
13 Department] OF THE MARYLAND HISTORICAL TRUST.

14 (b) The purpose of the Program is to provide assistance to local jurisdictions and
15 private nonprofit organizations for museums.

16 5-704.

17 (a) (1) There is a Museum Assistance Review Panel appointed by the Secretary,
18 as part of the Historical and Cultural Museum Assistance Program.

19 (2) Members of the Panel shall fairly represent museums eligible for
20 assistance under this subtitle.

21 (3) The Panel shall include 3 ex officio members as follows:

22 (i) The President of the Senate of Maryland or the President's
23 designee;

24 (ii) The Speaker of the House of Delegates of Maryland or the
25 Speaker's designee; and

26 (iii) 1 representative of the executive branch with functions related to
27 the purposes of the Program.

28 (b) (1) The Panel shall review and make recommendations to the Secretary for
29 approval of grants under the Program.

30 (2) Except for the reserve allocation provided for in § 5-705(b)(3) of this
31 subtitle, the Panel's recommendations shall be made following a competitive selection
32 process.

33 (c) The Panel shall seek the advice and recommendations of the Maryland State
34 Archivist in reviewing grant applications that in whole or in part relate to the care or
35 preservation of, or access to, archival material.

36 (D) THE PANEL SHALL ADVISE THE SECRETARY AND TRUST STAFF
37 REGARDING PROGRAM POLICIES AND ACTIVITIES.

6

1 5-705.

2 (a) The [Department] TRUST shall:

3 (1) Manage, supervise, and administer the Program; and

4 (2) Coordinate the Program with federal, State, or private programs that
5 complement or facilitate carrying out the Program.

6 (b) (1) The purpose of the Program is to make grants FROM THE MHT GRANT
7 FUND ESTABLISHED UNDER § 5-613 OF THIS ARTICLE to local jurisdictions and
8 nonprofit organizations for use by museums for:

9 (i) Research related to collections, exhibits or other educational
10 activities;

11 (ii) The care, conservation, interpretation, and documentation of
12 collections;

13 (iii) The planning, design, and construction of exhibits;

14 (iv) Educational programs and projects;

15 (v) The development of master plans for museums, including activities
16 required to achieve accreditation by the American Association of Museums or other
17 pertinent entity that provides museum accreditation;

18 (vi) The construction of minor structural modifications to existing
19 museum facilities; [or]

20 (vii) The development of plans and specifications and the provision of
21 architectural, engineering, or other special services directly related to the construction or
22 rehabilitation of museum facilities; OR

23 (VIII) OPERATING SUPPORT FOR ANY MUSEUM-RELATED ACTIVITY
24 INCLUDING ACTIVITIES DESCRIBED IN SUBPARAGRAPHS (I) THROUGH (VII) OF THIS
25 PARAGRAPH.

26 (2) Grants may not be made:

27 (i) [For routine administrative overhead expenses;

28 (ii)] For museums that concurrently receive operating support from the
29 Maryland State Arts Council; or

30 [(iii)] (II) For museums operated, in whole or in part, by the State.

31 (3) In any fiscal year, the Secretary may allocate up to 20 percent of the
32 total moneys [appropriated for the Program] AVAILABLE IN THE MHT GRANT FUND to
33 be held in reserve for unanticipated projects that are eligible for assistance in accordance
34 with subsection (b) of this section.

35 (4) The [Department] TRUST shall make grants for museums giving due
36 consideration to equal geographic distribution throughout the State.

7

1 (5) [A grant may not exceed \$20,000 for any single museum in any 1 year.

2 (6) The [Department] TRUST may not make a grant for a museum under
3 this Program unless the museum has been in existence as a nonprofit institution for at
4 least 3 years prior to the date of application for the grant.

5 (c) The [Department] TRUST shall:

6 (1) Conduct a survey to identify the locations, resources, and needs of
7 museums in the State;

8 (2) Provide technical and general advisory assistance to museums that
9 qualify or seek to qualify for grants under the Program; and

10 (3) Encourage the development of long-range planning and accreditation by
11 the American Association of Museums or other pertinent entity that provides museum
12 accreditation and assists museums in meeting professional standards.

13 (d) (1) The Department shall adopt regulations to carry out the purposes of the
14 Program.

15 (2) The regulations shall include:

16 (i) Application procedures and review processes;

17 (ii) Procedures for adequate public notice of available assistance
18 under the Program; and

19 (iii) A set of selection criteria which the Review Panel shall consider in
20 recommending approval of applications for grants and which must include:

21 1. The relative merits of the project or activities within
22 identified statewide needs;

23 2. The extent to which there is any contribution by the
24 appropriate local jurisdiction to support the project being financed with the grant;

25 3. The potential for the project to stimulate increased tourism,
26 attendance, or museum self-sufficiency; and

27 4. Other factors that may be relevant, such as the geographic
28 distribution of grant assistance under the Program.

29 (e) (1) A person may not knowingly make or cause to be made any material
30 misstatement of fact in a statement or report in or regarding an application for a grant or
31 affecting a grant already made.

32 (2) Any person who violates any provision of this subsection is guilty of a
33 misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment
34 not exceeding 2 years or both.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 1996.