

# SENATE BILL 741

P3

(9lr2227)

## ENROLLED BILL

— Education, Health, and Environmental Affairs/Environment and Transportation —

Introduced by ~~Senator Hester~~ Senators Hester, Ready, Salling, and Young

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Maryland Historical Trust – Properties Subject to Historic Preservation~~

3 ~~Easements – Waiver Process~~

4 Secretary of Planning – Adaptive Reuse of Historic Properties – Study

5 FOR the purpose of ~~requiring the Maryland Historical Trust to develop a process for the~~  
6 ~~waiver, in exceptional circumstances, of certain requirements, regulations, and~~  
7 ~~processes applicable to a property subject to a certain historic preservation~~  
8 ~~easement; specifying the conditions under which exceptional circumstances exist for~~  
9 ~~purposes of this Act; and generally relating to properties subject to historic~~  
10 ~~preservation easements held by the Maryland Historical Trust requiring the~~  
11 Secretary of Planning to contract with a certain consultant to conduct a certain study  
12 on the adaptive reuse of certain historic properties; authorizing the Secretary to use  
13 up to a certain amount to pay for the costs of the study; requiring that the work of  
14 the consultant be guided by a certain steering committee; requiring that the study  
15 focus on certain complexes and campuses; prohibiting the study from including

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



certain properties; requiring that the study identify certain factors and obstacles, develop a certain historic resource package, develop certain case studies, and provide certain recommendations; requiring that certain reports be submitted to certain persons on or before certain dates; and generally relating to a study of the adaptive reuse of historic properties.

~~BY repealing and reenacting, without amendments,  
Article — State Finance and Procurement  
Section 5A-301(a), (m), and (n)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)~~

~~BY adding to  
Article — State Finance and Procurement  
Section 5A-321  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)~~

### Preamble

WHEREAS, Preservation of Maryland's irreplaceable heritage is intrinsically valuable; and

WHEREAS, Historic preservation can result in substantial economic benefit, as well as significant economic cost; and

WHEREAS, The disposal of excess and underutilized historic real property by state and federal government agencies is often challenged by competing stakeholder interests, regulatory constraints, costly environmental requirements, geographical location, and design; and

WHEREAS, It is in the public interest to identify solutions in support of the redevelopment and adaptive reuse of excess historic real property in a manner that is economically feasible, results in positive preservation outcomes, supports local community development goals, and takes into account exceptional circumstances; now, therefore,

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

(a) (1) Subject to paragraph (2) of this subsection, the Secretary of Planning shall contract with a consultant to conduct a study on the adaptive reuse of historic properties located within the State that are or were owned by the State or the federal government.

(2) The consultant contracted to conduct the study under paragraph (1) of this subsection must be an independent, nongovernmental party with multidiscipline

1 experience and knowledge in the areas of historic preservation, construction and  
2 development, economic development, and stakeholder engagement.

3 (b) The Secretary of Planning may use up to \$75,000 to pay for the costs of the  
4 study required under subsection (a)(1) of this section.

5 (c) The work of the consultant contracted to conduct the study under subsection  
6 (a)(1) of this section shall be guided by a steering committee that includes:

7 (1) the Secretary of Planning, or the Secretary's designees;

8 (2) one member of the Senate, designated by the President of the Senate;

9 (3) one member of the House of Delegates, designated by the Speaker of  
10 the House;

11 (4) one representative of the private sector with experience in historic  
12 preservation, designated by the Secretary of Planning; and

13 (5) one representative of a nonprofit organization who has experience in  
14 historic preservation, designated by the Secretary of Planning.

15 (d) Subject to the discretion of the Secretary of Planning, the study conducted  
16 under subsection (a)(1) of this section:

17 (1) shall focus on complexes or campuses consisting of multiple buildings  
18 that:

19 (i) are or were owned by the federal government or the State; and

20 (ii) consist of at least three discrete buildings, which may be  
21 interconnected, that encompass at least 50,000 square feet in total gross floor area located  
22 on at least 3 acres of land; and

23 (2) may not include farms and other properties that are primarily used for  
24 agricultural purposes.

25 (e) The study conducted under subsection (a)(1) of this section shall:

26 (1) identify key success factors and primary obstacles to the preservation  
27 and redevelopment of historic properties, including how major components contribute to  
28 the delicate cost-value balance of a project, including:

29 (i) structural conditions;

30 (ii) environmental and health considerations;

1           (iii) local community economic development goals;

2           (iv) prevailing market real estate conditions;

3           (v) material, labor, and other regulatory requirements; and

4           (vi) available tax credits and other incentives;

5           (2) develop a historic resource package of existing, new, and altered  
6 enticements, programs, and resources that could be applied to support projects, such as the  
7 preservation of campuses and complexes described under subsection (d)(1) of this section,  
8 including:

9           (i) existing federal, state, and local governmental and private  
10 programs and resources that have been used or can be used to support projects, such as the  
11 preservation of campuses and complexes described under subsection (d)(1) of this section;

12           (ii) potential new support programs that could be created to help  
13 support projects, such as the preservation of campuses and complexes described under  
14 subsection (d)(1) of this section; and

15           (iii) regulatory changes that might be effective in balancing financial,  
16 fiscal, economic development, preservation, and local community development goals;

17           (3) develop three case studies of historic complexes or campuses that are  
18 not yet preserved or redeveloped that:

19           (i) exemplify how the major components outlined under item (1) of  
20 this subsection contribute to the delicate cost-value balance of the project; and

21           (ii) demonstrate how the historic resource package developed under  
22 item (2) of this subsection could positively impact the redevelopment of the historic  
23 complexes or campuses; and

24           (4) provide recommendations, based on items (1) through (3) of this  
25 subsection, for a historic resource package to be considered by the Secretary of Planning  
26 and the General Assembly for the 2020 legislative session.

27           (f) (1) On or before September 15, 2019, the consultant contracted to conduct  
28 the study under subsection (a)(1) of this section shall submit a draft report of its findings  
29 and recommendations to the Secretary of Planning and the steering committee described  
30 under subsection (c) of this section.

31           (2) On or before ~~October 31~~ December 15, 2019:

1                   (i) the consultant contracted to conduct the study under subsection  
 2 (a)(1) of this section shall submit a final report of its findings and recommendations to the  
 3 Secretary of Planning; and

4                   (ii) the Secretary of Planning shall forward the report submitted  
 5 under item (i) of this paragraph to the Governor and, in accordance with § 2-1246 of the  
 6 State Government Article, the General Assembly.

7                   ~~**Article — State Finance and Procurement**~~

8 ~~5A-301.~~

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

10          (m) ~~“Trust” means the Maryland Historical Trust.~~

11          (n) ~~“Undertaking” means a project that involves or may result in building~~  
 12 ~~construction, building alteration, or land disturbance.~~

13 ~~5A-321.~~

14          ~~(A) THE TRUST SHALL DEVELOP A PROCESS FOR THE WAIVER, IN~~  
 15 ~~EXCEPTIONAL CIRCUMSTANCES, OF REQUIREMENTS, REGULATIONS, AND~~  
 16 ~~PROCESSES APPLICABLE TO A PROPERTY SUBJECT TO A HISTORIC PRESERVATION~~  
 17 ~~EASEMENT HELD BY THE TRUST.~~

18          ~~(B) FOR THE PURPOSES OF THIS SECTION, EXCEPTIONAL CIRCUMSTANCES~~  
 19 ~~EXIST IF:~~

20               ~~(1) THE PROPERTY IS SUBJECT TO REPEATED FLOODING OR OTHER~~  
 21 ~~CONTINUING CONDITIONS THAT HAVE RESULTED IN DAMAGE TO THE PROPERTY’S~~  
 22 ~~INFRASTRUCTURE;~~

23               ~~(2) THERE IS AN URGENT NEED TO STABILIZE HISTORIC STRUCTURES~~  
 24 ~~OR CONDUCT ENVIRONMENTAL REMEDIATION AT THE PROPERTY;~~

25               ~~(3) THE COST OF COMPLYING WITH THE REQUIREMENTS,~~  
 26 ~~REGULATIONS, OR PROCESSES OF THE TRUST WOULD EXCEED THE NORMAL COST~~  
 27 ~~OF AN UNDERTAKING BY 20% OR MORE;~~

28               ~~(4) EXTRAORDINARY INFRASTRUCTURE COSTS CHALLENGE THE~~  
 29 ~~VIABILITY OF AN UNDERTAKING; OR~~

30               ~~(5) THE TRUST DETERMINES THAT, IN THE ABSENCE OF A WAIVER,~~  
 31 ~~THE PROPERTY MAY BECOME ABANDONED OR DILAPIDATED.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 ~~October~~ June 1, 2019.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.