

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 51

(Chair, Finance Committee)(By Request - Departmental - Planning)

Finance

Environment and Transportation

Maryland Heritage Areas Authority – Acquisition or Development Grants –
Repeal of Target Investment Zones

This departmental bill repeals limitations that, except under certain circumstances, allow the Maryland Heritage Areas Authority (MHAA) to make acquisition and development grants (1) only for projects in a “target investment zone” within a certified heritage area and (2) only for a period of up to 10 years after the day on which the authority first approves funding for acquisition and development grants in the target investment zone or a portion of the zone added through an approved boundary amendment. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None. While the bill provides MHAA with greater flexibility in making acquisition and development grants, it is not expected to materially affect the level of expenditures under the Maryland Heritage Areas Program.

Local Effect: Local governments, as eligible grant recipients, may benefit from the increased flexibility given to MHAA in making acquisition and development grants.

Small Business Effect: The Maryland Department of Planning (MDP) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: A “target investment zone” is defined as a specific area that is (1) located within a certified heritage area; (2) identified in a management plan approved by MHAA or through a process specified by MHAA; and (3) intended to attract significant private investment to the area in order to encourage demonstrable results and return on public investment within the area in a relatively short period of time.

Except under certain circumstances, MHAA is authorized to make acquisition and development grants only for projects in a target investment zone within a certified heritage area for a period of up to 10 years after the day on which MHAA first approves funding for acquisition or development grants in the target investment zone or that portion of the target investment zone added through a boundary amendment approved by MHAA.

MHAA may make acquisition or development grants for a project in a target investment zone after the 10-year period described above, or outside a target investment zone, if MHAA determines that the project is essential for the success of the management plan for the certified heritage area.

Background: MHAA, along with the Maryland Historical Trust, implements the Maryland Heritage Areas Program. MHAA is an independent unit of government in the Executive Branch that operates within MDP. There are currently 13 designated heritage areas across the State, which, pursuant to statute, are intended to reflect the cultural themes of the State’s development and provide educational, inspirational, economic, and recreational benefits for present and future generations. The heritage areas are proposed by local jurisdictions and approved by MHAA according to specific criteria. Statute specifies a process in which a heritage area is designated as a recognized heritage area, pursuant to specific criteria. Then, upon development of a specified management plan, a recognized heritage area can be designated as a certified heritage area, which establishes eligibility for receipt of acquisition, development, and programming assistance from the State within the certified heritage area boundaries.

MDP indicates that the bill expands MHAA’s ability to make acquisition and development grants, allowing for grants to be made in all locations within a given certified heritage area. MHAA has awarded \$478,437 in acquisition and development grants in fiscal 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning; Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2019
mag/lgc Third Reader - March 19, 2019
Enrolled - April 30, 2019
Revised - Amendment(s) - April 30, 2019

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Heritage Areas Authority – Target Investment Zones – Repeal

BILL NUMBER: SB51

PREPARED BY: Adam Gruz

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

OR

WILL HAVE MEANINGFULL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have minimal impact on Maryland small businesses. This bill merely removes the requirement that MHAA make acquisition and development grants within target investment zones within certified heritage areas. This bill places no financial or regulatory burden on Maryland small businesses.