
By: Delegates Taylor, Busch, Cummings, Hurson, Guns, Hixson, Rawlings, and Vallario

Requested: November 15, 1995

Introduced and read first time: January 10, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Heritage Preservation and Tourism Areas**

3 FOR the purpose of establishing a Maryland Heritage Areas Authority as an independent
4 unit of the Executive Branch that functions in the Department of Housing and
5 Community Development; specifying the composition of the Authority; specifying
6 the powers and duties of the Authority; establishing a Maryland System of Heritage
7 Areas; providing for the designation of heritage areas; requiring the preparation of
8 certain management plans; authorizing the award of certain grants and loans;
9 establishing a Maryland Heritage Areas Authority Financing Fund; providing for
10 the sources and uses of the Fund; authorizing the Authority to issue certain bonds;
11 providing for the issuance, sale, and repayment of the bonds; authorizing certain tax
12 credits against the State income tax; providing for certain property tax credits;
13 providing for the application of this Act; and generally relating to the preservation
14 of heritage areas in the State.

15 BY adding to

16 Article - Financial Institutions
17 Section 13-1101 through 13-1125, inclusive, to be under the new subtitle "Subtitle
18 11. Heritage Areas"
19 Annotated Code of Maryland
20 (1992 Replacement Volume and 1995 Supplement)

21 BY adding to

22 Article 48A - Insurance Code
23 Section 634A
24 Annotated Code of Maryland
25 (1994 Replacement Volume and 1995 Supplement)

26 BY adding to

27 Article - Insurance
28 Section 6-105.1
29 Annotated Code of Maryland
30 (1995 Volume)
31 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

2

1 BY adding to
2 Article - Tax - General
3 Section 8-208.1, 8-406.1, 10-702.1, and 10-704.4
4 Annotated Code of Maryland
5 (1988 Volume and 1995 Supplement)

6 BY repealing
7 Article - Tax - General
8 Section 10-208(h)
9 Annotated Code of Maryland
10 (1988 Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 10-208(i), (i-1), (i-2), (j), and (k)
14 Annotated Code of Maryland
15 (1988 Volume and 1995 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article - Tax - Property
18 Section 9-204.1
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1995 Supplement)

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

23 **Article - Financial Institutions**

24 **SUBTITLE 11. HERITAGE AREAS.**

25 **PART I. DEFINITIONS; GENERAL PROVISIONS.**

26 13-1101.

27 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

29 (B) "AUTHORITY" MEANS THE MARYLAND HERITAGE AREAS AUTHORITY
30 ESTABLISHED UNDER § 13-1105 OF THIS SUBTITLE.

31 (C) "BONDS" MEANS TAXABLE OR TAX-EXEMPT BONDS, INCLUDING
32 REFUNDING BONDS, BOND ANTICIPATION NOTES IN THE NATURE OF COMMERCIAL
33 PAPER, CERTIFICATES, OR ANY OTHER EVIDENCE OF OBLIGATION ISSUED BY THE
34 AUTHORITY.

35 (D) "FUND" MEANS THE MARYLAND HERITAGE AREAS AUTHORITY
36 FINANCING FUND ESTABLISHED UNDER § 13-1116 OF THIS SUBTITLE.

3

1 (E) (1) "HERITAGE AREA" MEANS A DEFINABLE SETTLED AREA OF PUBLIC
2 AND PRIVATE USES THAT:

3 (I) RANGES IN SIZE FROM A PORTION OF A MUNICIPALITY TO A
4 REGIONAL AREA WITH A SPECIAL COHERENCE; AND

5 (II) IS DISTINGUISHED BY PHYSICAL AND CULTURAL RESOURCES
6 WHICH PLAY A VITAL ROLE IN THE LIFE OF THE COMMUNITY AND CONTRIBUTE
7 THROUGH INTERPRETIVE, EDUCATIONAL, AND RECREATIONAL USE TO THE
8 PUBLIC.

9 (2) "HERITAGE AREA" INCLUDES TRADITIONAL PARKS AND HISTORIC
10 PLACES OR PROPERTY ON THE NATIONAL OR STATE REGISTER OF HISTORIC
11 PROPERTIES.

12 (3) "HERITAGE AREA" DOES NOT INCLUDE A PARK OR HISTORIC PLACE
13 AS THOSE TERMS ARE USED IN OTHER LAWS, INCLUDING LAWS RELATING TO
14 ALIENATION OF PARKLAND AND REGULATION OF PUBLIC OR PRIVATE ACTIVITIES.

15 (F) "MANAGEMENT PLAN" MEANS A DOCUMENT PREPARED IN ACCORDANCE
16 WITH § 13-1113 OF THIS SUBTITLE THAT INCLUDES A COMPREHENSIVE STATEMENT
17 IN WORDS, MAPS, ILLUSTRATIONS, OR OTHER MEDIA OF COMMUNICATION OF THE
18 OBJECTIVES, POLICIES, AND STANDARDS TO GUIDE PUBLIC AND PRIVATE ACTION
19 FOR THE PRESERVATION, INTERPRETATION, DEVELOPMENT, AND USE OF
20 CULTURAL, HISTORIC, NATURAL, AND ARCHITECTURAL RESOURCES OF A STATE
21 DESIGNATED HERITAGE AREA.

22 (G) "STATE DESIGNATED HERITAGE AREA" MEANS A HERITAGE AREA
23 DESIGNATED IN ACCORDANCE WITH PART II OF THIS SUBTITLE.

24 13-1102.

25 THE GENERAL ASSEMBLY MAKES THE FOLLOWING FINDINGS:

26 (1) THE URBAN AND RURAL AREAS OF THE STATE ARE RICH IN
27 CULTURAL AND NATURAL RESOURCES OF STATEWIDE SIGNIFICANCE ASSOCIATED
28 WITH STATE GROWTH AND ATTAINMENTS OVER TIME;

29 (2) THESE RESOURCES OFFER EDUCATIONAL, INSPIRATIONAL,
30 RECREATIONAL, AND ECONOMIC BENEFITS FOR PRESENT AND FUTURE
31 GENERATIONS;

32 (3) IT IS IN THE INTEREST OF THE STATE TO PRESERVE THESE
33 RESOURCES THROUGH THEIR IDENTIFICATION, INTERPRETATION, DEVELOPMENT,
34 AND USE IN A SYSTEM MADE UP OF STATE DESIGNATED HERITAGE AREAS; AND

35 (4) IN COOPERATION WITH THE FEDERAL GOVERNMENT, REGIONS,
36 LOCAL JURISDICTIONS, AND OTHER PUBLIC AND PRIVATE ORGANIZATIONS AND
37 CONCERNED INDIVIDUALS, THE STATE SHOULD IMPROVE AND COORDINATE THE
38 PLANS, FUNCTIONS, POWERS, AND PROGRAMS OF THE STATE AS THEY AFFECT THE
39 STATE'S URBAN AND RURAL CULTURAL AND NATURAL RESOURCES.

4

1 13-1103.

2 OTHER LAWS OF THE STATE THAT APPLY TO SPECIFIC PARKS OR HISTORIC
3 PLACES, INCLUDING LAWS RELATING TO THE ALIENATION OF PARKLAND AND THE
4 REGULATION OF PUBLIC OR PRIVATE ACTIVITIES, APPLY WITHIN A STATE
5 DESIGNATED HERITAGE AREA.

6 13-1104.

7 THIS SUBTITLE:

8 (1) SHALL BE LIBERALLY CONSTRUED TO EFFECT ITS PURPOSES; BUT

9 (2) MAY NOT BE CONSTRUED TO BE INCONSISTENT WITH ANY
10 APPLICABLE FEDERAL LAW OR WITH THE AUTHORITY OF ANY FEDERAL AGENCY
11 UNDER THAT LAW.

12 PART II. MARYLAND STATE HERITAGE AREAS AUTHORITY.

13 13-1105.

14 (A) THERE IS A BODY CORPORATE AND POLITIC KNOWN AS THE MARYLAND
15 HERITAGE AREAS AUTHORITY.

16 (B) THE AUTHORITY IS AN INSTRUMENTALITY OF THE STATE AND A PUBLIC
17 CORPORATION BY THAT NAME, STYLE, AND TITLE.

18 (C) THE AUTHORITY IS AN INDEPENDENT UNIT IN THE EXECUTIVE BRANCH
19 OF THE STATE GOVERNMENT THAT FUNCTIONS IN THE DEPARTMENT OF HOUSING
20 AND COMMUNITY DEVELOPMENT.

21 (D) THE EXERCISE BY THE AUTHORITY OF THE POWERS CONFERRED BY THIS
22 SUBTITLE IS THE PERFORMANCE OF AN ESSENTIAL PUBLIC FUNCTION.

23 13-1106.

24 (A) THE AUTHORITY CONSISTS OF:

25 (1) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT,
26 WHO SHALL SERVE AS CHAIRMAN OF THE AUTHORITY.

27 (2) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT;

28 (3) THE SECRETARY OF HIGHER EDUCATION;

29 (4) THE SECRETARY OF TRANSPORTATION;

30 (5) THE SECRETARY OF NATURAL RESOURCES;

31 (6) THE DIRECTOR OF THE OFFICE OF PLANNING;

32 (7) THE STATE HISTORIC PRESERVATION OFFICER; AND

33 (8) EIGHT MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE
34 AND CONSENT OF THE SENATE:

5

1 (I) TWO OF WHOM SHALL BE ELECTED OFFICIALS OR
2 REPRESENTATIVES OF LOCAL JURISDICTIONS;

3 (II) TWO OF WHOM SHALL BE APPOINTED FROM NAMES
4 RECOMMENDED BY THE PRESIDENT OF THE MARYLAND SENATE; AND

5 (III) TWO OF WHOM SHALL BE APPOINTED FROM NAMES
6 RECOMMENDED BY THE SPEAKER OF THE HOUSE OF DELEGATES.

7 (B) A CABINET MEMBER OF THE AUTHORITY MAY DESIGNATE A
8 REPRESENTATIVE TO ACT IN THE ABSENCE OF THE CABINET MEMBER, IF THE
9 REPRESENTATIVE IS NOT BELOW THE LEVEL OF ASSISTANT SECRETARY OR
10 EQUIVALENT RANK.

11 (C) (1) EXCEPT FOR STATE OFFICIALS, THE TERM OF A MEMBER OF THE
12 AUTHORITY IS 4 YEARS.

13 (2) THE TERMS OF MEMBERS APPOINTED BY THE GOVERNOR ARE
14 STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER
15 1, 1996.

16 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
17 SUCCESSOR IS APPOINTED AND QUALIFIES.

18 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
19 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
20 QUALIFIES.

21 (5) AT THE END OF THE TERM OF A MEMBER OR ON THE RESIGNATION
22 OR REMOVAL OF A MEMBER, THE GOVERNOR SHALL APPOINT A MEMBER TO THE
23 AUTHORITY WITH THE ADVICE AND CONSENT OF THE SENATE.

24 (D) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE,
25 MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE POSITION.

26 13-1107.

27 (A) EIGHT MEMBERS OF THE AUTHORITY ARE A QUORUM.

28 (B) AN ACTION OF THE AUTHORITY MUST RECEIVE THE AFFIRMATIVE VOTE
29 OF AT LEAST SIX MEMBERS.

30 (C) THE AUTHORITY SHALL DETERMINE THE TIMES AND PLACES OF ITS
31 MEETINGS.

32 (D) A MEMBER OF THE AUTHORITY:

33 (1) MAY NOT RECEIVE COMPENSATION; BUT

34 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
35 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

6

1 13-1108.

2 (A) THE DIVISION OF HISTORICAL AND CULTURAL PROGRAMS WITHIN THE
3 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL PROVIDE
4 STAFF FOR THE AUTHORITY.

5 (B) THE STAFF PROVIDED BY THE DIVISION OF HISTORICAL AND CULTURAL
6 PROGRAMS UNDER SUBSECTION (A) OF THIS SECTION SHALL CONSIST OF THREE
7 PROFESSIONAL AND ONE SUPPORT STAFF.

8 (C) ON THE REQUEST OF THE AUTHORITY, OTHER UNITS OF STATE
9 GOVERNMENT SHALL DETAIL STAFF TO THE AUTHORITY.

10 13-1109.

11 IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE, THE
12 AUTHORITY MAY:

13 (1) ADOPT AND ALTER AN OFFICIAL SEAL;

14 (2) SUE AND BE SUED, PLEAD, AND BE IMPEADED;

15 (3) ADOPT BYLAWS TO REGULATE ITS AFFAIRS AND THE CONDUCT OF
16 ITS BUSINESS;

17 (4) IN ACCORDANCE WITH TITLE 10, SUBTITLE 1 OF THE STATE
18 GOVERNMENT ARTICLE, ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF
19 THIS SUBTITLE;

20 (5) EMPLOY, EITHER AS REGULAR EMPLOYEES OR AS INDEPENDENT
21 CONTRACTORS, AND FIX THE COMPENSATION OF, ACCOUNTANTS, ARCHITECTS,
22 ATTORNEYS, CONSTRUCTION EXPERTS, PERSONNEL CONSULTANTS, ENGINEERS,
23 FINANCIAL EXPERTS, MANAGERS, SUPERINTENDENTS, AND OTHER PROFESSIONAL
24 PERSONNEL AND AGENTS;

25 (6) APPOINT ADVISORY COMMITTEES COMPOSED OF LOCAL OFFICIALS,
26 REPRESENTATIVES OF THE BUSINESS COMMUNITY, AND REPRESENTATIVES OF
27 OTHER INTERESTS AS THE AUTHORITY DEEMS APPROPRIATE;

28 (7) DESIGNATE HERITAGE AREAS IN ACCORDANCE WITH § 13-1112 OF
29 THIS SUBTITLE;

30 (8) APPROVE OR REJECT MANAGEMENT PLANS FOR HERITAGE AREAS
31 IN ACCORDANCE WITH § 13-1113 OF THIS SUBTITLE;

32 (9) SUBJECT TO ANNUAL APPROPRIATIONS AND THE PRIOR APPROVAL
33 OF THE BOARD OF PUBLIC WORKS, ACQUIRE IN ITS OWN NAME, BY GIFT OR
34 PURCHASE, ANY REAL OR PERSONAL PROPERTY, OR INTERESTS IN PROPERTY,
35 NECESSARY OR CONVENIENT TO CARRY OUT THE RESPONSIBILITIES OF THE
36 AUTHORITY UNDER THIS SUBTITLE;

37 (10) ENTER INTO CONTRACTS OF ANY KIND AND EXECUTE ALL
38 INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT ITS POWERS UNDER
39 THIS SUBTITLE;

7

1 (11) MAKE AND PARTICIPATE IN MAKING LOANS OR GRANTS, OR
2 OTHERWISE PROVIDE FINANCIAL ASSISTANCE FOR ANY PROJECT THAT SERVES TO
3 PRESERVE, DEVELOP, MAINTAIN, OR PROTECT A STATE DESIGNATED HERITAGE
4 AREA;

5 (12) (I) BORROW MONEY FROM ANY SOURCE FOR ANY CORPORATE
6 PURPOSE, INCLUDING CAPITAL FOR ITS OPERATIONS, RESERVE FUNDS, OR
7 INTEREST;

8 (II) MORTGAGE, PLEDGE, OR OTHERWISE ENCUMBER THE
9 PROPERTY AND FUNDS OF THE AUTHORITY; AND

10 (III) CONTRACT WITH OR ENGAGE THE SERVICES OF ANY PERSON
11 FOR ANY FINANCING, INCLUDING UNDERWRITERS, PLACEMENT AGENTS,
12 FINANCIAL INSTITUTIONS, ISSUERS OF LETTERS OF CREDIT, OR INSURERS;

13 (13) SUBJECT TO PART IV OF THIS SUBTITLE, ISSUE BONDS;

14 (14) RECEIVE AND ACCEPT FROM ANY PUBLIC OR PRIVATE SOURCE
15 CONTRIBUTIONS, GIFTS, OR GRANTS OF MONEY OR PROPERTY;

16 (15) EXERCISE ALL THE CORPORATE POWERS GRANTED MARYLAND
17 CORPORATIONS UNDER THE MARYLAND GENERAL CORPORATION LAW; AND

18 (16) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE
19 POWERS GRANTED BY THIS SUBTITLE.

20 13-1110.

21 THE AUTHORITY SHALL:

22 (1) MEET AT LEAST TWICE EACH YEAR;

23 (2) DEVELOP AND PROMULGATE STANDARDS, CRITERIA, AND
24 GUIDANCE FOR ITS REVIEW AND APPROVAL OF HERITAGE AREA DESIGNATIONS,
25 MANAGEMENT PLANS, GRANTS AND LOANS, OR OTHER APPROVALS AS PROVIDED IN
26 THIS SUBTITLE;

27 (3) ASSIST IN COORDINATING STATE ACTIONS WITH THE OBJECTIVES
28 OF THE SYSTEM OF HERITAGE AREAS AND ASSIST AND MAKE RECOMMENDATIONS
29 NECESSARY TO CARRY OUT THE PURPOSES OF THIS SUBTITLE;

30 (4) (I) REVIEW COMPLAINTS MADE BY LOCAL GOVERNMENTS OR
31 OTHER ENTITIES ESTABLISHED TO ADMINISTER HERITAGE AREAS THAT RELATE TO
32 ACTIVITIES UNDERTAKEN BY STATE AGENCIES WHICH MAY ADVERSELY AFFECT
33 HERITAGE AREA RESOURCES; AND

34 (II) RESOLVE ANY DISPUTES THAT MAY ARISE IN CONNECTION
35 WITH THE EXERCISE OF ITS AUTHORITY UNDER THIS SUBTITLE; AND

36 (5) NOT LESS THAN ONCE A YEAR, SUBMIT REPORTS TO THE
37 GOVERNOR AND THE GENERAL ASSEMBLY CONCERNING PROGRESS TOWARD
38 IMPLEMENTING THE HERITAGE AREAS SYSTEM, INCLUDING RECOMMENDATIONS
39 FOR THE FUTURE.

8

1 PART III. MARYLAND SYSTEM OF HERITAGE AREAS.

2 13-1111.

3 THERE IS A MARYLAND SYSTEM OF HERITAGE AREAS THAT CONSISTS OF
4 STATE DESIGNATED HERITAGE AREAS, REFLECTS THE CULTURAL THEMES OF THE
5 STATE'S DEVELOPMENT, AND PROVIDES EDUCATIONAL, INSPIRATIONAL,
6 ECONOMIC, AND RECREATIONAL BENEFITS FOR PRESENT AND FUTURE
7 GENERATIONS.

8 13-1112.

9 (A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE AUTHORITY
10 MAY CONSIDER PROPOSALS FOR STATE DESIGNATED HERITAGE AREAS SUBMITTED
11 BY LOCAL JURISDICTIONS AND DESIGNATE UP TO ONE HERITAGE AREA AS A STATE
12 DESIGNATED HERITAGE AREA IN EACH OF THE FOLLOWING REGIONS:

13 (I) WESTERN MARYLAND INCLUDING ALLEGANY, GARRETT, AND
14 WASHINGTON COUNTIES;

15 (II) CAPITAL CORRIDOR INCLUDING FREDERICK, MONTGOMERY,
16 AND PRINCE GEORGE'S COUNTIES;

17 (III) CENTRAL MARYLAND INCLUDING ANNE ARUNDEL,
18 BALTIMORE, CARROLL, HARFORD, AND HOWARD COUNTIES;

19 (IV) BALTIMORE CITY;

20 (V) SOUTHERN MARYLAND INCLUDING CALVERT, CHARLES, AND
21 ST. MARY'S COUNTIES; AND

22 (VI) EASTERN SHORE INCLUDING CECIL, KENT, CAROLINE, QUEEN
23 ANNE'S, DORCHESTER, TALBOT, SOMERSET, WICOMICO, AND WORCESTER
24 COUNTIES.

25 (2) THE CANAL PLACE HISTORIC PRESERVATION DISTRICT
26 ESTABLISHED UNDER SUBTITLE 10 OF THIS TITLE IS THE INITIAL HERITAGE AREA
27 FOR THE WESTERN MARYLAND REGION.

28 (B) A PROPOSAL FOR THE DESIGNATION OF A HERITAGE AREA AS A STATE
29 DESIGNATED HERITAGE AREA SHALL:

30 (1) BE PREVIOUSLY APPROVED AND SUBMITTED BY ALL OF THE LOCAL
31 JURISDICTIONS LOCATED WITHIN THE SPECIFIC BOUNDARIES PROPOSED FOR
32 DESIGNATION;

33 (2) SPECIFY THE BOUNDARIES FOR THE HERITAGE AREA;

34 (3) IDENTIFY THE LOCAL ENTITY RESPONSIBLE FOR COORDINATING
35 DEVELOPMENT OF THE MANAGEMENT PLAN REQUIRED UNDER § 13-1113 OF THIS
36 SUBTITLE;

37 (4) DESCRIBE THE CULTURAL, HISTORIC, AND NATURAL RESOURCES
38 WHICH CONTRIBUTE TO THE SPECIAL CHARACTER OF THE HERITAGE AREA;

1 (5) SPECIFY THE GENERAL GOALS AND OBJECTIVES FOR THE
2 PRESERVATION, DEVELOPMENT, AND MANAGEMENT OF THE HERITAGE AREA;

3 (6) IDENTIFY THE TYPES OF PUBLIC AND PRIVATE USES TO BE
4 ACCOMMODATED IN THE HERITAGE AREA;

5 (7) DESCRIBE STRATEGIES FOR ENCOURAGING AND ACCOMMODATING
6 VISITATION TO AND COMPATIBLE ECONOMIC DEVELOPMENT OF THE HERITAGE
7 AREA;

8 (8) PROVIDE AN ECONOMIC OVERVIEW OF THE LONG AND SHORT
9 TERM COSTS AND BENEFITS RELATED TO THE DEVELOPMENT OF THE HERITAGE
10 AREA; AND

11 (9) DESCRIBE THE GENERAL TECHNIQUES AND MEANS TO BE
12 INSTITUTED BY THE LOCAL JURISDICTIONS TO ASSURE THE LONG TERM
13 PRESERVATION AND PROTECTION OF THE CULTURAL, HISTORIC, AND NATURAL
14 RESOURCES WITHIN THE HERITAGE AREA.

15 (C) THE AUTHORITY MAY NOT DESIGNATE A HERITAGE AREA AS A STATE
16 DESIGNATED HERITAGE AREA UNLESS THE AUTHORITY FINDS THAT:

17 (1) THE HERITAGE AREA CONTAINS RESOURCES OF STATEWIDE
18 SIGNIFICANCE THAT HAVE RETAINED INTEGRITY OF SETTING AND A COHESIVE
19 CHARACTER;

20 (2) THE HERITAGE AREA CONTAINS AT LEAST ONE OR MORE HISTORIC
21 DISTRICTS EITHER LISTED IN, OR DETERMINED TO BE ELIGIBLE FOR LISTING IN,
22 THE MARYLAND REGISTER OF HISTORIC PROPERTIES IN ACCORDANCE WITH
23 ARTICLE 83B, § 5-615 OF THE CODE; AND

24 (3) PUBLIC ASSISTANCE FOR THE HERITAGE AREA IS REASONABLY
25 EXPECTED TO PRODUCE ADDITIONAL PRIVATE INVESTMENTS AND TOURISM
26 REVENUES.

27 (D) (1) THE BOUNDARIES FOR EACH STATE DESIGNATED HERITAGE AREA
28 ARE THE BOUNDARIES DEPICTED ON THE MAP ACCOMPANYING EACH PROPOSAL AS
29 APPROVED BY THE AUTHORITY.

30 (2) AFTER INITIAL APPROVAL BY THE AUTHORITY OF THE
31 BOUNDARIES OF A STATE DESIGNATED HERITAGE AREA, THE AUTHORITY MAY
32 AMEND OR REVISE THE BOUNDARIES:

33 (I) WITH THE APPROVAL OF THE LOCAL JURISDICTIONS WHERE
34 THE PROPERTY TO BE ADDED OR REMOVED IS LOCATED; AND

35 (II) ON PUBLICATION OF A REVISED DRAWING OR BOUNDARY
36 DESCRIPTION IN THE MARYLAND REGISTER.

37 (3) BOUNDARY MAPS FOR EACH STATE DESIGNATED HERITAGE AREA
38 SHALL BE KEPT ON FILE AT THE DEPARTMENT OF HOUSING AND COMMUNITY
39 DEVELOPMENT AND AT THE OFFICE OF THE COUNTY CLERK WHERE THE STATE
40 DESIGNATED HERITAGE AREA IS LOCATED.

10

1 (E) (1) A HERITAGE AREA DESIGNATED TO BE A STATE DESIGNATED
2 HERITAGE AREA THAT HAS NOT HAD A MANAGEMENT PLAN APPROVED BY THE
3 AUTHORITY WITHIN THREE YEARS OF THE EFFECTIVE DATE OF DESIGNATION
4 LOSES THAT DESIGNATION.

5 (2) IN EACH CASE WHERE THE THREE YEAR PERIOD SPECIFIED IN
6 PARAGRAPH (1) OF THIS SUBSECTION EXPIRES, THE AUTHORITY SHALL NOTIFY THE
7 GOVERNOR AND GENERAL ASSEMBLY IN WRITING OF THE REASONS WHY THE
8 AUTHORITY DID NOT APPROVE THE MANAGEMENT PLAN.

9 (F) DESIGNATION OF A HERITAGE AREA BY THE AUTHORITY AS A STATE
10 DESIGNATED HERITAGE AREA ESTABLISHES ELIGIBILITY FOR MATCHING GRANT
11 ASSISTANCE FOR THE DEVELOPMENT OF MANAGEMENT PLANS.

12 (G) THE AUTHORITY MAY RECOMMEND LEGISLATION TO THE GOVERNOR
13 AND THE GENERAL ASSEMBLY TO PERMIT THE DESIGNATION OF ADDITIONAL
14 STATE DESIGNATED HERITAGE AREAS BEYOND THOSE AUTHORIZED BY THIS
15 SUBTITLE.

16 13-1113.

17 (A) FOR EACH HERITAGE AREA DESIGNATED AS A STATE DESIGNATED
18 HERITAGE AREA, THE SPONSORING LOCAL JURISDICTION SHALL PREPARE A
19 MANAGEMENT PLAN THAT SHALL:

20 (1) BE DEVELOPED IN COOPERATION AND CONSULTATION WITH THE
21 AUTHORITY AND RELEVANT PRIVATE INTERESTS;

22 (2) ON APPROVAL OF THE AUTHORITY, BE DEEMED TO BE THE PLAN
23 FOR BOTH THE STATE AND THE LOCAL JURISDICTION; AND

24 (3) BE COMPLETED AND SUBMITTED TO THE AUTHORITY FOR
25 APPROVAL WITHIN THREE YEARS OF THE HERITAGE AREA'S DESIGNATION AS A
26 STATE DESIGNATED HERITAGE AREA.

27 (B) THE AUTHORITY SHALL HOLD AT LEAST ONE PUBLIC HEARING
28 CONCERNING THE DRAFT MANAGEMENT PLAN FOR A HERITAGE AREA IN EACH
29 HERITAGE AREA PROPOSED FOR DESIGNATION AS A STATE DESIGNATED HERITAGE
30 AREA.

31 (C) BEFORE SUBMISSION OF A MANAGEMENT PLAN TO THE AUTHORITY FOR
32 APPROVAL, THE MANAGEMENT PLAN MUST BE SUBMITTED FOR APPROVAL TO THE
33 LOCAL GOVERNING BODY OF EACH JURISDICTION WITHIN THE STATE DESIGNATED
34 HERITAGE AREA.

35 (D) THE MANAGEMENT PLAN SHALL BE SUBMITTED TO THE AUTHORITY
36 WITHIN FORTY-FIVE DAYS AFTER LOCAL APPROVAL.

37 (E) A MANAGEMENT PLAN FOR A STATE DESIGNATED HERITAGE AREA
38 SHALL INCLUDE:

39 (1) AN IDENTIFICATION OF:

11

1 (I) THE BOUNDARIES OF THE HERITAGE AREA AS SET FORTH IN
2 THE ORIGINAL DESIGNATION OR AS PROPOSED FOR REVISION BY THE
3 MANAGEMENT PLAN; AND

4 (II) THE ZONES WITHIN THE HERITAGE AREA FOR PARTICULAR
5 NATURE AND INTENSITY OF USE, INCLUDING ZONES MOST APPROPRIATELY
6 DEVOTED TO PUBLIC USE AND DEVELOPMENT BY STATE OR LOCAL GOVERNMENT,
7 AND FOR PRIVATE USE;

8 (2) AN INVENTORY AND EVALUATION OF THE SIGNIFICANT NATURAL
9 AND CULTURAL RESOURCES WITHIN THE HERITAGE AREA;

10 (3) AN IDENTIFICATION OF THE TYPES OF PUBLIC AND PRIVATE USES
11 TO BE ACCOMMODATED WITHIN THE HERITAGE AREA;

12 (4) AN IDENTIFICATION OF PROPERTIES, IF ANY, TO BE ACQUIRED;

13 (5) A DESCRIPTION OF THE EDUCATIONAL, INTERPRETIVE, AND
14 RECREATIONAL PROGRAMS AND PROJECTS TO BE UNDERTAKEN IN THE HERITAGE
15 AREA;

16 (6) A DESCRIPTION OF PLANS FOR ENCOURAGING AND
17 ACCOMMODATING VISITATION TO AND COMPATIBLE ECONOMIC DEVELOPMENT OF
18 THE HERITAGE AREA;

19 (7) AN ECONOMIC ASSESSMENT OF THE LONG AND SHORT TERM COSTS
20 AND BENEFITS RELATED TO THE IMPLEMENTATION OF THE MANAGEMENT PLAN,
21 INCLUDING AN IDENTIFICATION OF EXPECTED SOURCES OF FUNDING;

22 (8) A DESCRIPTION OF THE TECHNIQUES OR MEANS FOR THE
23 PRESERVATION AND PROTECTION OF THE NATURAL AND CULTURAL RESOURCES
24 WITHIN THE HERITAGE AREA, INCLUDING:

25 (I) APPROPRIATE LOCAL LEGISLATION FOR THE DESIGNATION
26 AND PROTECTION OF HISTORIC PROPERTIES OR NATURAL AREAS TO ASSURE THAT
27 FUTURE LOCAL ACTIONS AND DEVELOPMENT WILL BE CONSISTENT WITH THE
28 GOALS AND OBJECTIVES FOR THE HERITAGE AREA; AND

29 (II) AT A MINIMUM, ENACTMENT OF AN ORDINANCE THAT:

30 1. CONSISTENT WITH ARTICLE 66B, §§ 8.01 THROUGH 8.17 OF
31 THE CODE, CREATES A HISTORIC PRESERVATION COMMISSION FOR THE HERITAGE
32 AREA;

33 2. PROVIDES FOR MEMBERSHIP ON THE HISTORIC
34 PRESERVATION COMMISSION IN ACCORDANCE WITH THE MINIMUM PROFESSIONAL
35 REQUIREMENTS OF THE UNITED STATES DEPARTMENT OF THE INTERIOR FOR
36 CERTIFYING LOCAL GOVERNMENTS UNDER 36 C.F.R. PART 61; AND

37 3. PROVIDES THAT THE HISTORIC PRESERVATION
38 COMMISSION REVIEW AND APPROVE THE DESIGN OF ALL PROJECTS THAT THE
39 LOCAL JURISDICTION CONDUCTS, ASSISTS, LICENSES, OR PERMITS THAT AFFECT
40 PROPERTIES WITHIN THE HERITAGE AREA;

12

1 (9) A DESCRIPTION OF THE ORGANIZATIONAL STRUCTURE TO BE
2 UTILIZED FOR PLANNING, DEVELOPMENT, AND MANAGEMENT OF THE HERITAGE
3 AREA, INCLUDING THE RESPONSIBILITIES AND INTERRELATIONSHIPS OF LOCAL
4 AND STATE AGENCIES; AND

5 (10) A SCHEDULE FOR THE PLANNING, DEVELOPMENT, AND
6 MANAGEMENT OF THE HERITAGE AREA.

7 (F) EACH MANAGEMENT PLAN MUST DEMONSTRATE THAT THE CAPABILITY
8 EXISTS AT THE LOCAL LEVEL TO IMPLEMENT AND MANAGE THE HERITAGE AREA,
9 INCLUDING THE CAPABILITY:

10 (1) TO ACCEPT AND DISBURSE FUNDS;

11 (2) TO ACQUIRE, IMPROVE, AND DISPOSE OF PROPERTY;

12 (3) TO MANAGE, OPERATE, AND MAINTAIN APPROPRIATE PUBLIC
13 FACILITIES; AND

14 (4) TO PROMULGATE AND ENFORCE LAND USE AND PRESERVATION
15 STANDARDS AS REQUIRED TO PROTECT THE RESOURCES WITHIN THE HERITAGE
16 AREA.

17 (G) IF THE AUTHORITY DETERMINES THAT A PREVIOUSLY SUBMITTED
18 MANAGEMENT PLAN PROVIDES SUFFICIENT DATA TO FULFILL THE PURPOSE OF
19 THE MANAGEMENT PLAN, THE AUTHORITY MAY WAIVE IN WHOLE OR IN PART
20 SELECTED INDIVIDUAL REQUIREMENTS REGARDING THE SUBMISSION OF THE
21 MANAGEMENT PLAN.

22 (H) THE AUTHORITY SHALL APPROVE OR DISAPPROVE THE MANAGEMENT
23 PLAN WITHIN 90 DAYS AFTER THE AUTHORITY RECEIVES A MANAGEMENT PLAN
24 FROM A LOCAL JURISDICTION.

25 (I) THE AUTHORITY MAY NOT APPROVE A MANAGEMENT PLAN UNLESS THE
26 AUTHORITY DETERMINES THAT A MANAGEMENT PLAN WOULD ADEQUATELY
27 CARRY OUT THE PURPOSES OF THIS SUBTITLE.

28 (J) IF THE AUTHORITY DISAPPROVES A MANAGEMENT PLAN, THE
29 AUTHORITY SHALL ADVISE THE LOCAL JURISDICTION OF THE REASON FOR THE
30 DISAPPROVAL AND PROVIDE RECOMMENDATIONS FOR A REVISION OF THE PLAN.

31 (K) THE AUTHORITY SHALL APPROVE OR DISAPPROVE ANY REVISIONS TO
32 AN EXISTING MANAGEMENT PLAN IN THE SAME MANNER AS SPECIFIED IN
33 SUBSECTIONS (H) THROUGH (J) OF THIS SECTION.

34 (L) APPROVAL OF A MANAGEMENT PLAN BY THE AUTHORITY SHALL:

35 (1) ESTABLISH ELIGIBILITY FOR THE RECEIPT OF ACQUISITION,
36 DEVELOPMENT, AND PROGRAMMING ASSISTANCE FROM THE STATE WITHIN THE
37 DEFINED HERITAGE AREA BOUNDARIES;

13

1 (2) ESTABLISH ELIGIBILITY FOR QUALIFYING PROPERTIES AND
2 PERSONS FOR CERTAIN TAX INCENTIVES FOR ACTIVITIES WITHIN THE DEFINED
3 HERITAGE AREA BOUNDARIES; AND

4 (3) FOR CONTINUANCE IN THE PROGRAM, REQUIRE APPROPRIATE
5 LOCAL ACTION TO PROTECT AND SAFEGUARD THE DEFINED SIGNIFICANT
6 RESOURCES IN THE HERITAGE AREA.

7 (M) AFTER HOLDING A PUBLIC HEARING IN THE STATE DESIGNATED
8 HERITAGE AREA THAT IS THE SUBJECT OF THE AUTHORITY'S REVIEW, THE
9 AUTHORITY MAY WITHDRAW ITS APPROVAL OF A MANAGEMENT PLAN IF THE
10 AUTHORITY FINDS THAT THE LOCAL JURISDICTION RESPONSIBLE FOR THE
11 HERITAGE AREA:

12 (1) HAS TAKEN ACTIONS WHICH HAVE HAD A SIGNIFICANT ADVERSE
13 IMPACT UPON SIGNIFICANT HERITAGE AREA RESOURCES; OR

14 (2) HAS FAILED TO IMPLEMENT ITS ROLE UNDER A MANAGEMENT
15 PLAN.

16 (N) IF THE AUTHORITY WITHDRAWS ITS APPROVAL OF A MANAGEMENT
17 PLAN:

18 (1) THE HERITAGE AREA SHALL NO LONGER BE DEEMED TO BE A
19 STATE DESIGNATED HERITAGE AREA; AND

20 (2) THE AUTHORITY SHALL REPORT ITS WITHDRAWAL OF APPROVAL
21 TO THE GOVERNOR AND THE GENERAL ASSEMBLY STATING THE REASONS FOR THE
22 ACTION OF THE AUTHORITY.

23 13-1114.

24 (A) (1) THE STATE OFFICIALS SPECIFIED IN ITEMS (I) THROUGH (VI) OF
25 THIS SUBSECTION WITH PROGRAM RESPONSIBILITIES AFFECTING ASPECTS OF THE
26 INTERPRETATION, PRESERVATION, DEVELOPMENT, AND USE OF HERITAGE AREA
27 RESOURCES SHALL PREPARE A PROGRAM STATEMENT DETAILING ACTIONS IN THE
28 AREAS OF PLANNING, DEVELOPMENT, USE, ASSISTANCE, AND REGULATION THAT
29 SUPPORT AND ASSIST THE ESTABLISHMENT AND MANAGEMENT OF STATE
30 DESIGNATED HERITAGE AREAS, AS FOLLOWS:

31 (I) SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT
32 REGARDING HOUSING, NEIGHBORHOOD REVITALIZATION, HISTORIC
33 PRESERVATION AND MUSEUM PROGRAMS;

34 (II) SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT
35 REGARDING THE STATE TOURISM PROGRAM AND ECONOMIC DEVELOPMENT
36 ACTIVITIES;

37 (III) SECRETARY OF NATURAL RESOURCES REGARDING OUTDOOR
38 RECREATION AND THE MANAGEMENT OF NATURAL RESOURCES;

39 (IV) SECRETARY OF HIGHER EDUCATION REGARDING
40 EDUCATIONAL RESOURCES AND THEIR INTERPRETATION;

14

1 (V) SECRETARY OF TRANSPORTATION REGARDING ACCESS TO
2 AND TRANSPORTATION WITHIN STATE DESIGNATED HERITAGE AREAS; AND

3 (VI) SECRETARY OF GENERAL SERVICES REGARDING THE
4 MANAGEMENT AND DISPOSITION OF STATE PROPERTY.

5 (2) THE STATE OFFICIALS SHALL SUBMIT THE PROGRAM STATEMENTS
6 REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, AND ANY REVISIONS OF
7 THE STATEMENTS, TO THE AUTHORITY.

8 (B) ANY UNIT OF THE STATE GOVERNMENT THAT CONDUCTS OR SUPPORTS
9 ACTIVITIES AFFECTING A STATE DESIGNATED HERITAGE AREA SHALL:

10 (1) CONSULT, COOPERATE AND, TO THE MAXIMUM EXTENT FEASIBLE,
11 COORDINATE ITS ACTIVITIES WITH THE AGENCY OR ENTITY RESPONSIBLE FOR THE
12 MANAGEMENT OF THE STATE DESIGNATED HERITAGE AREA; AND

13 (2) CONDUCT OR SUPPORT THE ACTIVITIES OF THE UNIT IN A MANNER
14 THAT:

15 (I) TO THE MAXIMUM EXTENT PRACTICABLE, IS CONSISTENT
16 WITH THE APPROVED MANAGEMENT PLAN FOR THE STATE DESIGNATED HERITAGE
17 AREA; AND

18 (II) AS DETERMINED UNDER §§ 5-617 AND 5-618 OF ARTICLE 83B OF
19 THE CODE, DOES NOT HAVE AN ADVERSE EFFECT ON THE HISTORIC AND CULTURAL
20 RESOURCES OF THE STATE DESIGNATED HERITAGE AREA.

21 (C) A UNIT OF THE STATE GOVERNMENT MAY NOT ISSUE A LICENSE OR
22 PERMIT TO ANY PERSON TO CONDUCT ANY ACTIVITY WITHIN THE STATE
23 DESIGNATED HERITAGE AREA UNLESS THE UNIT DETERMINES THAT THE
24 PROPOSED ACTIVITY:

25 (1) WILL BE CONDUCTED IN A MANNER THAT IS CONSISTENT WITH THE
26 APPROVED MANAGEMENT PLAN FOR THE STATE DESIGNATED HERITAGE AREA;
27 AND

28 (2) AS DETERMINED UNDER §§ 5-617 AND 5-618 OF ARTICLE 83B OF THE
29 CODE, DOES NOT HAVE AN ADVERSE EFFECT ON THE HISTORIC OR CULTURAL
30 RESOURCES OF THE STATE DESIGNATED HERITAGE AREA.

31 13-1115.

32 (A) AS PROVIDED IN THE STATE BUDGET, THE AUTHORITY MAY AWARD
33 GRANTS OR LOANS TO LOCAL JURISDICTIONS OR OTHER APPROPRIATE ENTITIES
34 FOR PLANNING, DESIGN, ACQUISITION, DEVELOPMENT, AND PROGRAMMING OF
35 STATE DESIGNATED HERITAGE AREAS.

36 (B) (1) THE AUTHORITY MAY MAKE A PLANNING GRANT TO LOCAL
37 JURISDICTIONS OR OTHER APPROPRIATE ENTITIES WITHIN STATE DESIGNATED
38 HERITAGE AREAS.

39 (2) A PLANNING GRANT:

15

1 (I) MUST BE FOR THE PURPOSE OF ASSISTING LOCALITIES TO
2 PREPARE MANAGEMENT PLANS; AND

3 (II) MAY COVER UP TO 50 PERCENT OF THE MANAGEMENT PLAN
4 COST.

5 (C) (1) THE AUTHORITY MAY MAKE ACQUISITION AND DEVELOPMENT
6 GRANTS TO LOCAL JURISDICTIONS OR OTHER APPROPRIATE ENTITIES AFTER THE
7 AUTHORITY APPROVES A MANAGEMENT PLAN FOR THE STATE DESIGNATED
8 HERITAGE AREA FOR WHICH THE GRANT WILL BE USED.

9 (2) AN ACQUISITION AND DEVELOPMENT GRANT:

10 (I) SHALL BE FOR THE PURPOSE OF IMPLEMENTING THE STATE
11 DESIGNATED HERITAGE AREA PROGRAM IN CONFORMANCE WITH THE APPROVED
12 MANAGEMENT PLAN; AND

13 (II) MAY NOT EXCEED 50% OF THE TOTAL PROJECT COST FOR
14 WHICH THE GRANT IS AWARDED.

15 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE AUTHORITY
16 MAY MAKE PROGRAM GRANTS TO LOCAL JURISDICTIONS AND OTHER
17 APPROPRIATE ENTITIES:

18 (I) TO DEVELOP AND PRESENT INTERPRETIVE EXHIBITS,
19 MATERIALS OR OTHER APPROPRIATE PRODUCTS TO FURTHER THE EDUCATIONAL
20 AND RECREATIONAL OBJECTIVES OF THE STATE DESIGNATED HERITAGE AREAS
21 PROGRAM; AND

22 (II) TO ENCOURAGE REVITALIZATION OF, AND REINVESTMENT IN,
23 STATE DESIGNATED HERITAGE AREA RESOURCES.

24 (2) A PROGRAM GRANT MADE BY THE AUTHORITY UNDER
25 PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 50% OF THE ESTIMATED
26 PROJECT COST.

27 (E) THROUGH THE RESOURCES OF THE MEMBERS OF THE AUTHORITY AND
28 IN COOPERATION WITH OTHER STATE AGENCIES, THE AUTHORITY SHALL PROVIDE
29 TECHNICAL ASSISTANCE TO MANAGEMENT ENTITIES IMPLEMENTING A
30 MANAGEMENT PLAN.

31 13-1116.

32 (A) THERE IS A MARYLAND HERITAGE AREAS AUTHORITY FINANCING FUND.

33 (B) (1) THE AUTHORITY SHALL USE THE FUND AS A CONTINUING,
34 NONLAPSING, REVOLVING FUND FOR CARRYING OUT THE PURPOSES OF THIS
35 SUBTITLE.

36 (2) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO THE
37 GENERAL FUND OR TO ANY OTHER SPECIAL FUND OF THE STATE.

38 (C) THE AUTHORITY SHALL PLACE ALL OF THE FOLLOWING RECEIPTS IN THE
39 FUND:

HOUSE BILL 1

16

1 (1) PROCEEDS FROM THE SALE OF BONDS;

2 (2) REVENUES THAT THE AUTHORITY COLLECTS OR RECEIVES FROM
3 ANY SOURCE UNDER THIS SUBTITLE; AND

4 (3) ANY ADDITIONAL REVENUE, GIFT, DONATION, OR MONEYS
5 RECEIVED OR PAID TO IT FROM ANY OTHER SOURCE AUTHORIZED BY LAW.

6 (D) THE AUTHORITY SHALL PAY ALL EXPENSES AND MAKE ALL
7 EXPENDITURES FROM THE FUND.

8 (E) (1) THE AUTHORITY MAY PLEDGE AND CHARGE ALL OR A PORTION OF
9 THE RECEIPTS OF THE FUND FOR THE PAYMENT OF:

10 (I) DEBT SERVICE ON BONDS OF THE AUTHORITY; AND

11 (II) ALL REASONABLE CHARGES AND EXPENSES RELATED TO
12 BORROWING BY THE AUTHORITY AND MANAGEMENT OF THE OBLIGATIONS OF THE
13 AUTHORITY.

14 (2) A PLEDGE MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS
15 EFFECTIVE AS PROVIDED IN § 13-1121 OF THIS SUBTITLE AND ANY APPLICABLE
16 RESOLUTION OF THE AUTHORITY.

17 (F) THE STATE TREASURER SHALL:

18 (1) INVEST AND REINVEST THE FUND IN THE SAME MANNER AS STATE
19 FUNDS; AND

20 (2) TRANSFER ANY INVESTMENT EARNINGS TO THE CREDIT OF THE
21 FUND.

22 PART IV. BONDS.

23 13-1117.

24 (A) SUBJECT TO THIS PART, THE AUTHORITY MAY AT ANY TIME AND FROM
25 TIME TO TIME ISSUE BONDS FOR ANY CORPORATE PURPOSE, INCLUDING THE
26 ESTABLISHMENT OF RESERVES AND THE PAYMENT OF INTEREST.

27 (B) THE AUTHORITY:

28 (1) SHALL BY RESOLUTION AUTHORIZE ANY BONDS THAT IT ISSUES;
29 AND

30 (2) MAY SECURE THE BONDS BY A TRUST AGREEMENT BETWEEN THE
31 AUTHORITY AND A CORPORATE TRUSTEE OR TRUSTEES, WHICH MAY BE ANY
32 TRUST COMPANY OR BANK THAT HAS THE POWERS OF A TRUST COMPANY WITHIN
33 OR WITHOUT THE STATE.

34 (C) THE AUTHORITY SHALL NOTIFY THE BOARD OF PUBLIC WORKS OF ITS
35 INTENTION TO ISSUE BONDS UP TO A STATED AMOUNT.

17

1 13-1118.

2 THE BONDS OF ANY ISSUE SHALL BE PAYABLE SOLELY FROM THE PROPERTY
3 OR RECEIPTS OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION:

4 (1) FEES, CHARGES, OR OTHER REVENUES PAYABLE TO THE
5 AUTHORITY;

6 (2) PAYMENTS BY FINANCIAL INSTITUTIONS, INSURANCE COMPANIES,
7 OR OTHERS PURSUANT TO LETTERS OR LINES OF CREDIT, POLICIES OF INSURANCE,
8 OR PURCHASE AGREEMENTS;

9 (3) INVESTMENT EARNINGS FROM FUNDS OR ACCOUNTS MAINTAINED
10 PURSUANT TO A BOND RESOLUTION OR TRUST AGREEMENT;

11 (4) PROCEEDS OF REFUNDING BONDS; AND

12 (5) ANY OTHER SOURCE AUTHORIZED BY LAW.

13 13-1119.

14 THE BONDS THAT THE AUTHORITY ISSUES SHALL:

15 (1) BE ISSUED AT, ABOVE, OR BELOW PAR VALUE, FOR CASH OR OTHER
16 VALUABLE CONSIDERATION, AND MATURE AT A TIME OR TIMES, WHETHER AS
17 SERIAL BONDS OR AS TERM BONDS OR BOTH, NOT EXCEEDING THE MATURITY
18 DATE ESTABLISHED BY THE AUTHORITY;

19 (2) BEAR INTEREST AT THE FIXED OR VARIABLE RATE OR RATES
20 DETERMINED BY THE METHOD PROVIDED IN THE RESOLUTION OR TRUST
21 AGREEMENT;

22 (3) BE PAYABLE AT A TIME OR TIMES, IN THE DENOMINATIONS AND
23 FORM, EITHER COUPON OR REGISTERED OR BOTH, AND CARRY THE REGISTRATION
24 AND PRIVILEGES AS TO CONVERSION AND FOR THE REPLACEMENT OF MUTILATED,
25 LOST, OR DESTROYED BONDS AS THE RESOLUTION OR TRUST AGREEMENT MAY
26 PROVIDE;

27 (4) NOTWITHSTANDING ANY OTHER LAW, BE DEEMED A "SECURITY"
28 WITHIN THE MEANING OF § 8-102 OF THE COMMERCIAL LAW ARTICLE, WHETHER OR
29 NOT IT IS EITHER ONE OF A CLASS OR A SERIES OR BY ITS TERMS IS DIVISIBLE INTO
30 A CLASS OR SERIES OF INSTRUMENTS AND NEGOTIABLE FOR ALL PURPOSES
31 ALTHOUGH PAYABLE FROM A LIMITED SOURCE;

32 (5) BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES AT A
33 DESIGNATED PLACE;

34 (6) BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT, REDEMPTION,
35 REFUNDING, OR REFINANCING THAT THE RESOLUTION OR TRUST AGREEMENT
36 PROVIDES;

37 (7) BE EXECUTED BY THE MANUAL OR FACSIMILE SIGNATURES OF THE
38 OFFICERS OF THE AUTHORITY DESIGNATED BY THE AUTHORITY, WHICH

HOUSE BILL 1

18

1 SIGNATURES SHALL BE VALID AT DELIVERY EVEN FOR AN OFFICER WHO HAS
2 CEASED TO HOLD OFFICE; AND

3 (8) BE SOLD IN THE MANNER AND ON THE TERMS DETERMINED BY THE
4 AUTHORITY, INCLUDING PRIVATE (NEGOTIATED) SALE AND BE EXEMPT FROM §§
5 8-206, 8-208, AND 8-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6 13-1120.

7 (A) ANY RESOLUTION OR TRUST AGREEMENT THE AUTHORITY ADOPTS OR
8 ENTERS INTO UNDER § 13-1117 OF THIS SUBTITLE MAY CONTAIN PROVISIONS THAT:

9 (1) PLEDGE, ASSIGN, OR DIRECT THE USE, INVESTMENT, OR
10 DISPOSITION OF ALL OR A PORTION OF THE RECEIPTS OF THE AUTHORITY OR ALL
11 OR A PORTION OF THE PROCEEDS OR BENEFITS OF ANY CONTRACT AND CONVEY
12 OR OTHERWISE SECURE ANY PROPERTY OR PROPERTY RIGHTS;

13 (2) SET ASIDE LOAN FUNDING DEPOSITS, DEBT SERVICE RESERVES,
14 CAPITALIZED INTEREST ACCOUNTS, COST OF ISSUANCE ACCOUNTS, AND SINKING
15 FUNDS, AND REGULATE, INVEST, AND DISPOSE OF THESE DEPOSITS, RESERVES,
16 ACCOUNTS, AND FUNDS;

17 (3) LIMIT THE PURPOSE TO WHICH OR THE INVESTMENTS IN WHICH
18 THE PROCEEDS OF SALE OF ANY ISSUE OF BONDS MAY BE APPLIED AND RESTRICT
19 THE INVESTMENT OF REVENUES OR BOND PROCEEDS AS DEEMED NECESSARY,
20 WHICH MAY INCLUDE LIMITING INVESTMENTS TO GOVERNMENT OBLIGATIONS FOR
21 WHICH PRINCIPAL AND INTEREST ARE UNCONDITIONALLY GUARANTEED BY THE
22 UNITED STATES;

23 (4) LIMIT THE ISSUANCE OF ADDITIONAL BONDS AND SPECIFY THE
24 TERMS ON WHICH ADDITIONAL BONDS MAY BE ISSUED, SECURED, AND RANK ON
25 PARITY WITH, OR BE SUBORDINATE OR SUPERIOR TO OTHER BONDS;

26 (5) REFUND OR REFINANCE OUTSTANDING BONDS;

27 (6) ESTABLISH ANY PROCEDURE CONCERNING THE MANNER IN WHICH
28 THE TERMS OF ANY CONTRACT WITH BONDHOLDERS MAY BE ALTERED OR
29 AMENDED, THE AMOUNT OF BONDS TO WHICH THE HOLDERS MUST CONSENT, AND
30 THE MANNER IN WHICH THE HOLDERS MUST CONSENT;

31 (7) DEFINE THE ACTS OR OMISSIONS THAT CONSTITUTE A DEFAULT IN
32 THE DUTIES OF THE AUTHORITY TO HOLDERS OF BONDS AND PROVIDE THE RIGHTS
33 AND REMEDIES OF THE HOLDERS IN THE EVENT OF A DEFAULT, WHICH MAY
34 INCLUDE PROVISIONS THAT RESTRICT INDIVIDUAL RIGHT OF ACTION BY
35 BONDHOLDERS;

36 (8) PROVIDE FOR GUARANTEES, PLEDGES OF PROPERTY, LETTERS OF
37 CREDIT, OR OTHER SECURITY, OR INSURANCE FOR THE BENEFIT OF
38 BONDHOLDERS; AND

39 (9) PROVIDE FOR ANY OTHER MATTER RELATING TO THE BONDS THAT
40 THE AUTHORITY DEEMS APPROPRIATE.

19

1 (B) ANY PROVISIONS UNDER SUBSECTION (A) OF THIS SECTION THAT THE
2 AUTHORITY INCLUDES IN A RESOLUTION OR TRUST AGREEMENT SHALL BE PART
3 OF THE CONTRACT WITH THE HOLDERS OF THE BONDS.

4 13-1121.

5 (A) A PLEDGE BY THE AUTHORITY OF REVENUES AS SECURITY FOR AN ISSUE
6 OF BONDS SHALL BE VALID AND BINDING ON AND AFTER THE DATE WHEN THE
7 DOCUMENTS EVIDENCING THE PLEDGE ARE EXECUTED BY THE AUTHORITY.

8 (B) (1) THE REVENUES THAT THE AUTHORITY PLEDGES ARE
9 IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL
10 DELIVERY OR FURTHER ACT.

11 (2) THE LIEN OF ANY PLEDGE OF REVENUE IS VALID AND BINDING
12 AGAINST ANY PERSON WHO HAS ANY CLAIM IN TORT, CONTRACT, OR OTHERWISE
13 AGAINST THE AUTHORITY, WHETHER OR NOT THE PERSON HAS NOTICE.

14 (C) IN ORDER TO PERFECT THE LIEN ON THE REVENUE PLEDGED BY THE
15 AUTHORITY AGAINST THIRD PERSONS, A RESOLUTION, TRUST AGREEMENT OR
16 FINANCING STATEMENT, CONTINUATION STATEMENT, OR OTHER INSTRUMENT
17 THAT THE AUTHORITY ADOPTS OR ENTERS INTO NEED NOT BE FILED OR
18 RECORDED IN ANY PUBLIC RECORD OTHER THAN THE RECORDS OF THE
19 AUTHORITY.

20 13-1122.

21 (A) NO MEMBER OF THE AUTHORITY NOR ANY PERSON EXECUTING THE
22 BONDS OF THE AUTHORITY SHALL BE LIABLE PERSONALLY ON THE BONDS OR
23 SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF THE
24 BONDS.

25 (B) EXCEPT AS OTHERWISE PROVIDED BY AN APPLICABLE RESOLUTION OR
26 TRUST AGREEMENT, A HOLDER OF BONDS ISSUED UNDER THIS SUBTITLE, OR A
27 TRUSTEE ACTING UNDER A TRUST AGREEMENT ENTERED INTO UNDER THIS
28 SUBTITLE, MAY, BY ANY SUITABLE FORM OF LEGAL PROCEEDINGS, PROTECT AND
29 ENFORCE ANY RIGHTS GRANTED UNDER THE LAWS OF THIS STATE OR BY ANY
30 APPLICABLE RESOLUTION OR TRUST AGREEMENT.

31 13-1123.

32 (A) THE AUTHORITY MAY ISSUE BONDS TO REFUND ANY OF ITS BONDS THEN
33 OUTSTANDING, INCLUDING THE PAYMENT OF ANY REDEMPTION PREMIUM AND
34 ANY INTEREST ACCRUED OR TO ACCRUE TO THE EARLIEST OR ANY SUBSEQUENT
35 DATE OF REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS.

36 (B) REFUNDING BONDS MAY BE ISSUED:

37 (1) (I) FOR THE PUBLIC PURPOSES OF REALIZING SAVINGS IN THE
38 EFFECTIVE COSTS OF DEBT SERVICE, DIRECTLY OR THROUGH A DEBT
39 RESTRUCTURING; OR

40 (II) FOR ALLEVIATING IMPENDING OR ACTUAL DEFAULT; AND

20

1 (2) IN ONE OR MORE SERIES IN AN AMOUNT IN EXCESS OF THAT OF THE
2 BONDS TO BE REFUNDED.

3 13-1124.

4 (A) THE AUTHORITY MAY ENTER INTO AGREEMENTS WITH AGENTS, BANKS,
5 INSURERS, OR OTHERS FOR THE PURPOSE OF ENHANCING THE MARKETABILITY OF,
6 OR AS A SECURITY FOR, ITS BONDS.

7 (B) ANY FINANCIAL INSTITUTION, INVESTMENT COMPANY, INSURANCE
8 COMPANY OR ASSOCIATION, AND ANY PERSONAL REPRESENTATIVE, GUARDIAN,
9 TRUSTEE, OR OTHER FIDUCIARY, MAY LEGALLY INVEST ANY MONEYS BELONGING
10 TO THEM OR WITHIN THEIR CONTROL IN ANY BONDS ISSUED BY THE AUTHORITY.

11 13-1125.

12 THE BONDS OF THE AUTHORITY, THEIR TRANSFER, THE INTEREST PAYABLE
13 ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT
14 REALIZED IN THEIR SALE OR EXCHANGE, ARE EXEMPT AT ALL TIMES FROM EVERY
15 KIND OF TAXATION BY THIS STATE OR BY ANY OF ITS POLITICAL SUBDIVISIONS,
16 MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES.

17 **Article 48A - Insurance Code**

18 634A.

19 A PERSON SUBJECT TO THE TAX IMPOSED UNDER THIS SUBTITLE MAY CLAIM A
20 CREDIT AGAINST THE TAX FOR A CERTIFIED REHABILITATION AS PROVIDED
21 UNDER § 10-704.4 OF THE TAX - GENERAL ARTICLE.

22 **Article - Tax - General**

23 8-208.1.

24 A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL
25 INSTITUTION FRANCHISE TAX FOR A CERTIFIED REHABILITATION AS PROVIDED
26 UNDER § 10-704.4 OF THIS ARTICLE.

27 8-406.1.

28 A PUBLIC SERVICE COMPANY MAY CLAIM A CREDIT AGAINST THE PUBLIC
29 SERVICE COMPANY FRANCHISE TAX FOR A CERTIFIED REHABILITATION AS
30 PROVIDED UNDER § 10-704.4 OF THIS ARTICLE.

31 10-208.

32 [(h) (1) (i) In this subsection the following words have the meanings
33 indicated.

34 (ii) "Amortizable basis" means the part of the basis attributable to
35 amounts spent for the rehabilitation of a certified nondepreciable historic structure that
36 is consistent with the historic character of the property or district under the regulations of
37 the Comptroller.

21

1 (iii) "Certified local government" means a political subdivision in the
2 State that:

3 1. participates in the United States Department of Interior
4 National Park Service Certified Local Government Program as stipulated in 36 Code of
5 Federal Regulations 61;

6 2. conducts a historic preservation program that the National
7 Park Service certifies as meeting all of the requirements and criteria of the program as
8 stipulated in 36 Code of Federal Regulations 61; and

9 3. for the designation of individual historic properties and
10 historic districts, employs criteria that the Maryland Historical Trust approves as being
11 consistent with criteria used by the Trust.

12 (iv) "Certified nondepreciable historic structure" means a structure
13 that is not subject to the depreciation allowance under § 167 or § 168 of the Internal
14 Revenue Code and is:

15 1. listed in the National Register of Historic Places;

16 2. designated as an individual historic site by a certified local
17 government;

18 3. located in a registered historic district and certified as being
19 of historic significance by the United States Secretary of the Interior or the Maryland
20 Historical Trust; or

21 4. located in a district designated as historic by a certified local
22 government and certified as being of historic significance by the certified local
23 government.

24 (2) The subtraction under subsection (a) of this section includes the amount
25 allowed under paragraph (3) of this subsection for the amortization of the amortizable
26 basis of a certified nondepreciable historic structure based on a period of 60 months.

27 (3) (i) The allowable amortization deduction is the sum of the
28 amortization expenses for the several months of the taxable year.

29 (ii) The amortization expense for a month is the amortizable basis at
30 the end of the month divided by the number of months, including the month for which the
31 deduction is computed, remaining in the 60-month period.

32 (iii) The amortizable basis at the end of a month is computed without
33 regard to the amortization expense for that month.

34 (4) To take the amortization for a certified nondepreciable historic
35 structure, an individual shall file with the Comptroller or the Comptroller's designee, in
36 the manner and at the time that the Comptroller or designee may require, by the
37 regulation of the Comptroller, a statement of election to:

38 (i) take the amortization deduction; and

39 (ii) begin the 60-month period with:

22

- 1 1. the month after the month in which the basis is acquired; or
- 2 2. the taxable year after the year in which the basis
- 3 acquired.]

4 [(i)] (H) (1) The subtraction under subsection (a) of this section includes twice
5 the amount of expenses for reforestation or timber stand improvement activity on 10 to
6 100 acres of commercial forest land, exclusive of federal funds.

7 (2) Of the amount under paragraph (1) of this subsection:

8 (i) 50% may be claimed in the taxable year in which the Department
9 of Natural Resources issues an initial certificate of reforestation or timber stand
10 improvement; and

11 (ii) 50% may be claimed in the taxable year in which the Department
12 of Natural Resources issues a final certificate of reforestation or timber stand
13 improvement.

14 [(i-1)] (I) (1) The subtraction under subsection (a) of this section includes an
15 amount equal to \$3,000 if an individual is a qualifying volunteer fire, rescue, or emergency
16 medical services member for the taxable year, as determined under paragraph (2) of this
17 subsection.

18 (2) An individual is a qualifying volunteer fire, rescue, or emergency
19 medical services member for the taxable year eligible for the subtraction modification
20 under this subsection if the individual:

21 (i) is an active member of a bona fide Maryland fire, rescue, or
22 emergency medical services organization;

23 (ii) serves the organization in a volunteer capacity without
24 compensation, except nominal expenses or meals;

25 (iii) 1. qualifies for active status during the taxable year under:

26 A. a volunteer fire, rescue, or emergency medical services
27 personnel length of service award program operated by a county or municipal corporation
28 of the State, if the length of service award program requires for active status qualification
29 a minimum of 50 points per year and that points be earned in at least two different
30 categories; or

31 B. a point system established by a county or municipal
32 corporation that does not operate a volunteer fire, rescue, or emergency medical services
33 personnel length of service award program, to identify active volunteer fire, rescue, or
34 emergency medical services members, if the point system requires for active status
35 qualification a minimum of 50 points per year and that points be earned in at least two
36 different categories; or

37 2. has maintained active status for at least 25 years under a
38 volunteer fire, rescue, or emergency medical services personnel length of service award
39 program or a point system established in lieu of a length of service award program; and

23

1 (iv) will have been an active member of a bona fide Maryland fire,
2 rescue, or emergency medical services organization for at least 72 months during the last
3 10 calendar years by December 31 of the taxable year.

4 (3) Each fire, rescue, or emergency medical services organization shall:

5 (i) maintain a record of the points earned by each individual during
6 each calendar year;

7 (ii) provide each member a report identifying the number of points
8 earned in each category by February 15 of the following year; and

9 (iii) provide a report that includes the names, Social Security numbers,
10 and points earned by those members qualifying for the subtraction modification under
11 this section to the Maryland State Firemen's Association by May 1 of the following year.

12 (4) To qualify for the subtraction modification under this subsection, an
13 individual shall attach to the individual's income tax return a copy of the report provided
14 by the organization under paragraph (3) of this subsection.

15 (5) On or before October 1 of each year, the Maryland State Firemen's
16 Association shall submit to the Department of Public Safety and Correctional Services
17 and the Office of the Comptroller a report stating the participation in the point system by
18 the various local subdivisions with the names and Social Security numbers of individuals
19 who qualified for the subtraction modification under this subsection for the preceding
20 taxable year.

21 (6) (i) A person may not knowingly make or cause any false statement or
22 report to be made in any application or in any document required under this subsection.

23 (ii) Any person who violates or attempts to violate any provision of
24 subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

25 [(i-2)] (J) (1) Except as provided in paragraph (2) of this subsection, the
26 subtraction under subsection (a) of this section includes the gross income of a child
27 included in a parent's gross income under § 1(g)(7) of the Internal Revenue Code.

28 (2) The subtraction under paragraph (1) of this subsection does not apply
29 for any child who, under § 10-805(b) of this title:

30 (i) is required to file an income tax return for the taxable year; or

31 (ii) would have been required to file an income tax return for the
32 taxable year if the parent had not elected the application of § 1(g)(7) of the Internal
33 Revenue Code.

34 [(j)] (K) (1) The subtraction under subsection (a) of this section includes
35 unreimbursed automobile travel expenses for volunteer service:

36 (i) to a nonprofit volunteer fire company;

37 (ii) to an organization whose principal purpose is to provide medical,
38 health, or nutritional care and to which a contribution is deductible under § 170 of the
39 Internal Revenue Code; or

24

1 (iii) to provide assistance, other than transportation, to a handicapped
2 individual, as defined under § 190 of the Internal Revenue Code, who is enrolled as a
3 student in a community college of the State.

4 (2) The amount of the travel expenses under paragraph (1) of this
5 subsection shall be:

6 (i) computed using the standard mileage rate allowed for
7 unreimbursed automobile travel expenses under § 162 of the Internal Revenue Code; and

8 (ii) reduced by the amount of unreimbursed automobile travel
9 expenses claimed as an itemized deduction for the same organization on the federal tax
10 return under § 170 of the Internal Revenue Code.

11 [(k)] (L) The subtraction under subsection (a) of this section includes the amount
12 of salary or wages paid for which a deduction is not allowed under § 280C(a) of the
13 Internal Revenue Code, not exceeding the credit allowed for targeted jobs under § 51 of
14 the Internal Revenue Code.

15 10-702.1.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (2) "AUTHORITY" MEANS THE MARYLAND HERITAGE AREAS
19 AUTHORITY ESTABLISHED UNDER § 13-1105 OF THE FINANCIAL INSTITUTIONS
20 ARTICLE.

21 (3) "BUSINESS ENTITY" MEANS A CORPORATION, ASSOCIATION,
22 PARTNERSHIP, JOINT VENTURE, OR OTHER LEGALLY ORGANIZED ENTITY.

23 (4) "STATE DESIGNATED HERITAGE AREA" HAS THE MEANING STATED
24 IN § 13-1101(G) OF THE FINANCIAL INSTITUTIONS ARTICLE.

25 (5) "HERITAGE TOURISM ENTERPRISE" MEANS A BUSINESS ENTITY OR
26 A NEW BUSINESS ENTITY THAT:

27 (I) IS LOCATED IN A STATE DESIGNATED HERITAGE AREA THAT
28 THE AUTHORITY DETERMINES TO EXIST; AND

29 (II) OPERATES PRINCIPALLY TO PROVIDE GOODS AND SERVICES
30 TO VISITORS WHO RESIDE OUTSIDE THE STATE DESIGNATED HERITAGE AREA IN
31 WHICH THE BUSINESS ENTITY OR NEW BUSINESS ENTITY IS LOCATED.

32 (6) "NEW BUSINESS ENTITY" MEANS A BUSINESS ENTITY THAT HAS
33 NEWLY RELOCATED TO THE STATE FROM OUTSIDE THE STATE OR THAT HAS BEEN
34 NEWLY ESTABLISHED IN THE STATE.

35 (7) "QUALIFIED EMPLOYEE" MEANS AN INDIVIDUAL WHO IS A NEW
36 EMPLOYEE OF A BUSINESS ENTITY OR NEW BUSINESS ENTITY LOCATED WITHIN A
37 STATE DESIGNATED HERITAGE AREA.

38 (B) A HERITAGE TOURISM ENTERPRISE MAY CLAIM A CREDIT AGAINST THE
39 STATE INCOME TAX ONLY FOR THE WAGES SPECIFIED IN SUBSECTIONS (C) AND (D)

25

1 OF THIS SECTION THAT ARE PAID TO QUALIFIED EMPLOYEES IN THE TAXABLE
2 YEAR FOR WHICH THE HERITAGE TOURISM ENTERPRISE CLAIMS THE CREDIT.

3 (C) A CREDIT IS ALLOWED TO A HERITAGE TOURISM ENTERPRISE THAT
4 EQUALS 100% OF THE STATE INCOME TAX PAID BY EACH QUALIFIED EMPLOYEE OF
5 THE HERITAGE TOURISM ENTERPRISE WHO:

6 (1) IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE HERITAGE
7 TOURISM ENTERPRISE EMPLOYED IN THAT OR IN ANY OF THE 3 PRECEDING
8 TAXABLE YEARS; AND

9 (2) WAS NOT REHIRED AFTER BEING LAID OFF FOR MORE THAN 6
10 MONTHS BY THE HERITAGE TOURISM ENTERPRISE.

11 (D) FOR EACH TAXABLE YEAR AFTER THE TAXABLE YEAR SPECIFIED IN
12 SUBSECTION (C) OF THIS SECTION, WHILE AN AREA IS DESIGNATED AS A STATE
13 DESIGNATED HERITAGE AREA, A CREDIT IS ALLOWED THAT EQUALS 50% OF THE
14 STATE INCOME TAX PAID BY EACH QUALIFIED EMPLOYEE.

15 (E) IF THE CREDIT AUTHORIZED BY THIS SECTION IN ANY TAXABLE YEAR
16 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, A HERITAGE
17 TOURISM ENTERPRISE MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE
18 INCOME TAX FOR THE SUCCEEDING TAXABLE YEARS.

19 10-704.4.

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (2) "BUSINESS ENTITY" MEANS A CORPORATION, ASSOCIATION,
23 PARTNERSHIP, JOINT VENTURE, OR OTHER LEGAL ENTITY.

24 (3) "CERTIFIED HERITAGE STRUCTURE" MEANS A STRUCTURE THAT IS:

25 (I) LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES;

26 (II) DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL LAW;

27 (III) 1. LOCATED IN A HISTORIC DISTRICT LISTED ON THE
28 NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT; AND

29 2. CERTIFIED BY THE DIRECTOR OF THE MARYLAND
30 HISTORICAL TRUST AS CONTRIBUTING TO THE SIGNIFICANCE OF THE DISTRICT; OR

31 (IV) LOCATED IN A STATE DESIGNATED HERITAGE AREA AND
32 WHICH HAS BEEN CERTIFIED BY THE MARYLAND HERITAGE AREAS AUTHORITY AS
33 CONTRIBUTING TO THE SIGNIFICANCE OF THE STATE DESIGNATED HERITAGE
34 AREA.

35 (4) "CERTIFIED REHABILITATION" MEANS REHABILITATION OF A
36 CERTIFIED HERITAGE STRUCTURE WHICH THE DIRECTOR CERTIFIES IS
37 SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE REHABILITATION
38 STANDARDS OF THE UNITED STATES SECRETARY OF THE INTERIOR.

1 (5) "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND
2 HISTORICAL TRUST.

3 (6) "LOCAL HISTORIC DISTRICT" MEANS A DISTRICT THAT THE
4 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION, OR THE MAYOR
5 AND CITY COUNCIL OF BALTIMORE, HAS DESIGNATED UNDER LOCAL LAW AS
6 HISTORIC.

7 (7) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT
8 EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT IS PROPERLY
9 CHARGEABLE TO CAPITAL ACCOUNT.

10 (8) "STATE DESIGNATED HERITAGE AREA" HAS THE MEANING STATED
11 IN § 13-1101(G) OF THE FINANCIAL INSTITUTIONS ARTICLE.

12 (9) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION OF A
13 STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES,
14 DURING THE 24-MONTH PERIOD SELECTED BY THE TAXPAYER ENDING WITH OR
15 WITHIN THE TAXABLE YEAR, EXCEED:

16 (I) FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY, \$5,000; OR

17 (II) FOR ALL OTHER PROPERTY, THE GREATER OF:

18 1. THE ADJUSTED BASIS OF THE STRUCTURE; OR

19 2. \$5,000.

20 (B) SUBJECT TO SUBSECTIONS (C) THROUGH (E) OF THIS SECTION, AN
21 INDIVIDUAL OR BUSINESS ENTITY THAT COMPLETES A CERTIFIED REHABILITATION
22 MAY CLAIM A CREDIT AGAINST STATE INCOME TAX IN AN AMOUNT UP TO 25% OF
23 QUALIFIED REHABILITATION EXPENDITURES MADE BY THE TAXPAYER FOR THE
24 REHABILITATION.

25 (C) FOR THE TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION HAS
26 BEEN COMPLETED, THE CREDIT ALLOWED UNDER SUBSECTION (B) OF THIS SECTION
27 IS ALLOWED UP TO AN AMOUNT THAT EQUALS THE TAXPAYER'S STATE INCOME
28 TAX FOR THAT TAXABLE YEAR.

29 (D) IF THE CREDIT ALLOWED UNDER SUBSECTION (B) OF THIS SECTION
30 EXCEEDS THE CREDIT ALLOWED UNDER SUBSECTION (C) OF THIS SECTION, THE
31 EXCESS MAY BE APPLIED AS A CREDIT AGAINST THE TAXPAYER'S STATE INCOME
32 TAX IN EACH SUCCEEDING TAXABLE YEAR UP TO 15 SUCCEEDING TAXABLE YEARS.

33 (E) IF A CERTIFIED HERITAGE STRUCTURE FOR WHICH A CERTIFIED
34 REHABILITATION HAS BEEN COMPLETED IS SOLD OR TRANSFERRED, THE AMOUNT
35 OF ANY CREDIT UNUSED AT THE TIME OF SALE OR TRANSFER MAY BE
36 TRANSFERRED TO THE INDIVIDUAL OR BUSINESS ENTITY TO WHICH THE BUILDING
37 IS SOLD OR TRANSFERRED.

38 (F) THE DIRECTOR AND THE MARYLAND HERITAGE AREAS AUTHORITY MAY
39 CHARGE A REASONABLE FEE TO CERTIFY A HERITAGE STRUCTURE OR A
40 REHABILITATION UNDER THIS SECTION.

27

1 (G) THE DIRECTOR AND THE MARYLAND HERITAGE AREAS AUTHORITY MAY
2 ADOPT REGULATIONS TO ESTABLISH PROCEDURES AND STANDARDS FOR
3 CERTIFYING HERITAGE STRUCTURES AND REHABILITATION UNDER THIS SECTION.

4 **Article - Tax - Property**

5 9-204.1.

6 (a) In this section, "eligible improvements" means significant improvements to, or
7 restoration or rehabilitation of, [historic] HERITAGE properties.

8 (b) The General Assembly declares that it is in the general public interest to
9 foster and encourage historic preservation AND HERITAGE TOURISM activities through
10 improvement, restoration, and rehabilitation of, [historic] HERITAGE property so as to:

11 (1) preserve and protect the [architectural] heritage of the State as
12 represented by its remaining historic buildings and structures;

13 (2) stimulate the positive aspects of [historic] HERITAGE preservation,
14 such as economic development and employment opportunities; and

15 (3) implement and effect local government planning activities aimed at
16 preserving historic structures, sites, [and] districts, AND HERITAGE AREAS.

17 (c) It is the intent of the General Assembly that:

18 (1) the taxation of significant improvements to, and restoration or
19 rehabilitation of, [historic] HERITAGE properties be maintained, for a period of up to 10
20 years, at taxation levels not greater than those in place before the eligible improvements
21 if approved as part of a local government plan for [historic] HERITAGE preservation;

22 (2) the methods and procedures to implement a program for the purposes of
23 this section be determined by the applicable local government; and

24 (3) State financial assistance to a local government not be conditioned upon
25 the local government implementing a program under this section.

26 (d) The Mayor and City Council of Baltimore, the governing body of each county,
27 and the governing body of each municipal corporation may:

28 (1) implement, by law, a program that provides for a property tax credit not
29 to exceed the difference between:

30 (i) the property tax that, but for the tax credit, would be payable after
31 the completion of eligible improvements; and

32 (ii) the property tax that would be payable if the eligible improvements
33 were not made; and

34 (2) adopt any requirements and procedures that are necessary or
35 appropriate to carry out the purposes of this section.

36 (e) A property tax credit provided for under this section shall:

28

1 (1) be subject to eligibility requirements no less stringent than those
2 applicable to credits authorized under § 9-204 of this subtitle;

3 (2) be for a period that does not exceed 10 years for each property;

4 (3) apply to eligible improvements which are:

5 (i) located within the boundaries of:

6 1. a property listed individually on the National Register of
7 Historic Places, or a national register historic or landmark district; or

8 2. a property or district designated as a historic property or
9 district under local law; [and] OR

10 3. A PROPERTY INCLUDED WITHIN THE BOUNDARIES OF A
11 STATE DESIGNATED HERITAGE AREA UNDER § 13-1112 OF THE FINANCIAL
12 INSTITUTIONS ARTICLE; AND

13 (ii) determined by the local historic district commission to be
14 compatible with local historic preservation standards.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 **Article - Insurance**

18 6-105.1.

19 A PERSON SUBJECT TO THE TAX IMPOSED UNDER THIS SUBTITLE MAY CLAIM A
20 CREDIT AGAINST THE TAX FOR A CERTIFIED REHABILITATION AS PROVIDED
21 UNDER § 10-704.4 OF THE TAX - GENERAL ARTICLE.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is applicable to all
23 taxable years beginning after December 31, 1996.

24 SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding Sections
25 1 and 2 of this Act, an individual or business entity that elects to take the amortization
26 deduction specified in § 10-208(h) of the Tax - General Article and to begin the
27 60-month amortization period in a taxable year before January 1, 1997, shall take any
28 balance of the deduction in the taxable years after December 31, 1996, as specified under
29 § 10-208(h) of the Tax - General Article.

30 SECTION 5. AND BE IT FURTHER ENACTED, That the initial terms of the
31 eight members of the Maryland Heritage Areas Authority appointed by the Governor
32 under § 13-1106(a)(8) of the Financial Institutions Article, as added by Section 1 of this
33 Act, are as follows:

34 (1) of the two elected officials or representatives of local jurisdictions, one shall
35 serve a term of 2 years and one shall serve a term of 4 years;

36 (2) of the two persons appointed from names recommended by the President of
37 the Maryland Senate, one shall serve a term of 2 years and one shall serve a term of 4
38 years;

HOUSE BILL 1

29

1 (3) of the two persons appointed from names recommended by the Speaker of the
2 House of Delegates, one shall serve a term of 2 years and one shall serve a term of 4
3 years; and

4 (4) of the two additional members appointed by the Governor, one shall serve a
5 term of 2 years and one shall serve a term of 4 years.

6 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act is
7 effective October 1, 1998.

8 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in
9 Section 6 of this Act, this Act shall take effect October 1, 1996.