

---

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

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

---

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 1996

---

CHAPTER \_\_\_\_

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:

2

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

2 5-601.

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

6 5-613.

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

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

12 (c) The Trust shall:

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

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

16 (d) The MHT Grant Fund may be used FOR THE PURPOSES SET FORTH IN §  
17 5-705 OF THIS ARTICLE AND for the following purposes:

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

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

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

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

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

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

3

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

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

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

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

12 (f) The Trust shall:

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

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

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

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

25 (i) Application procedures;

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

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

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

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

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

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

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

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

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

15 (ii) Any moneys received from the sale of State general obligation  
16 bonds;

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

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

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

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

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

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

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

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

5

1 5-702.

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

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

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

8 (1) Owns or utilizes tangible inanimate objects;

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

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

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

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

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

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

21 5-703.

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

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

26 5-704.

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

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

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

32 (i) The President of the Senate of Maryland or the President's  
33 designee;

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

6

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

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

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

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

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

13 5-705.

14 (a) The [Department] TRUST shall:

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

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

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

21 (i) Research related to collections, exhibits or other educational  
22 activities;

23 (ii) The care, conservation, interpretation, and documentation of  
24 collections;

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

26 (iv) Educational programs and projects;

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

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

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

35 (VIII) OPERATING SUPPORT FOR ANY MUSEUM-RELATED ACTIVITY  
36 INCLUDING ACTIVITIES DESCRIBED IN SUBPARAGRAPHS (I) THROUGH (VII) OF THIS  
37 PARAGRAPH.

7

1 (2) Grants may not be made:

2 (i) [For routine administrative overhead expenses;

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

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

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

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

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

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

16 (c) The [Department] TRUST shall:

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

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

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

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

26 (2) The regulations shall include:

27 (i) Application procedures and review processes;

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

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

32 1. The relative merits of the project or activities within  
33 identified statewide needs;

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

8

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

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

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

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

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