

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

House Bill 1401 (Delegate Taylor)

Economic Matters

Budget and Taxation

Canal Place Preservation and Development Authority

This bill renames the Canal Place Historic Preservation District to the Canal Place Heritage Area, and allows the geographic area that it covers to be expanded. The bill takes effect July 1, 2001.

Fiscal Summary

State Effect: Potential increase in general or special fund expenditures to support tourism and marketing activities for Allegany County and its municipal corporations, to the extent that the expenditures are matched.

Local Effect: Potential increase in revenues from increased tourism. Potential increase in expenditures to the extent that Allegany County or its municipal corporations match funds for tourism promotion.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill renames the Canal Place Historic Preservation District to the Canal Place Heritage Area and expands the heritage area beyond the City of Cumberland. It alters the decision making authority necessary to revise the boundaries of the heritage area so that consent is required from: (1) the governing body of each local jurisdiction that is added or deleted from the area (in whole or in part); and (2) the Maryland Heritage Areas Authority (rather than the Historical Trust). The scope of the management plan for

the area is expanded to include any necessary acquisitions, construction, recreation, and other activities.

The bill also authorizes the Canal Place Preservation and Development Authority to provide or contract tourism marketing and promotional services for the Canal Place Heritage Area and financially support tourism marketing and promotion in Allegany County and its municipal jurisdictions if the expenditures are equally matched with non-State funds.

The development authority's power to acquire private property by quick take condemnation in the City of Cumberland is repealed. The bill grants local jurisdictions covered by the heritage area the power to lease, lend, grant, or otherwise convey property to the development authority.

The legislation clarifies that the terms of the appointed members are staggered according to the terms of members serving on July 1, 2001.

Current Law: The Canal Place Historic Preservation District now only covers the City of Cumberland. Most references in the statute with respect to the Canal Place Historic Preservation District apply only to the City of Cumberland. The development authority, subject to approval from the Board of Public Works and review by the Legislative Policy Committee, may acquire private property in the City of Cumberland through quick take condemnation, as well as through ordinary condemnation. Under quick take condemnation, as defined in the Maryland Constitution, the property owner does not receive the full fair value of the property being condemned until some time after the taking.

Background: The Maryland Heritage Areas Authority was created in 1996 to foster heritage tourism by creating additional historic and cultural destinations within the State. Certified heritage areas are eligible for acquisition, development, and programming assistance through State loans and grants, as well as tax incentives. It may also issue specified tax-exempt bonds to assist a certified heritage area. The Heritage Areas Fund receives \$1 million annually from the real estate transfer tax through Program Open Space. That transfer is set to expire September 30, 2001.

Canal Place is the only certified heritage area in the State; however, the Lower Susquehanna Heritage Greenway in Harford County is expected to be fully certified this year. The Annapolis, Londontowne, and Southern Anne Arundel County Heritage Area is also expected to receive contingent approval. For each recognized heritage area, the sponsoring local jurisdiction must prepare a management plan; localities are eligible for

matching grants to develop the plan. Upon certification as a heritage area, additional grant and loan funds may be available for specific project development.

The Canal Place Preservation and Development Authority, which is responsible for the preservation and development of the lands adjacent to the C & O Canal in Cumberland, is updating the heritage area management plan for approval this spring. Its fiscal 2002 allowance is \$361,442.

State Expenditures: To the extent that the development authority provides financial assistance for tourism marketing to Allegany County or its municipal jurisdictions, special and/or general fund expenditures could increase. The level of increase cannot be reliably estimated at this time.

Local Effect: Revenues would increase for the City of Cumberland and Allegany County to the extent that State funds are available for tourism promotion. Allegany County may also experience a minimal revenue increase from the authority provided by the bill to issue parking citations. Expenditures would increase to the extent that the jurisdictions choose to seek State funds for which an equal match is required.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany, Prince George's, and Wicomico counties; Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader –March 6, 2001
ncs/jr Revised – Enrolled Bill – April 25, 2001

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