

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

House Bill 795 (Delegate Bohanan)  
Environmental Matters

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**Land Use - Historic Property - Notice of Transfer of Ownership and Visual Inspections**

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This bill requires the person who acquires ownership of a site or structure of historical, archaeological, or architectural significance located in a designated historic district to notify the local historic district commission or historic preservation commission (HPC) in writing about the change of ownership. It also directs each local historic district commission or historic preservation commission to create an inventory and visually inspect each site or structure of historical, archaeological, or architectural significance that is in a designated district or registered with the Maryland Historical Trust (the trust), a local historic or preservation commission, or the National Trust for Historic Preservation by December 1, 2009 and every ten years thereafter.

If no such commission exists in the county, the bill requires the inventory and inspection to be conducted by the trust or a local body it designates. The bill limits the visual inspection to the structure's exterior to verify whether obvious major structural deterioration has occurred. The inspection results must be compiled in a report and filed with the trust; a copy of the inspection of each site or structure within a county must also be filed with HPC.

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**Fiscal Summary**

**State Effect:** Potentially significant increase in general fund expenditures in the out-years to assist counties and municipalities with the inventory required by the bill. Under one possible scenario, expenditures would increase by approximately \$260,000 annually beginning in FY 2008. Revenues would not be affected.

**Local Effect:** Potentially significant increase in expenditures to conduct the inspection required by the bill. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Minimal. Any small business that is qualified to provide inspections for historic structures would benefit from the bill.

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## Analysis

**Current Law:** Each local jurisdiction may designate boundaries for sites, structures, or districts of historical, architectural, or archeological significance and must adopt guidelines for rehabilitation and new construction affecting those sites and structures. The local jurisdiction can also create an historic district commission or an historic preservation commission to review applications for changes to historic sites or structures. The commission may designate the trust to analyze and make recommendations for preserving and identifying historic sites and structures.

Before a person can construct, alter, reconstruct, move, or demolish a site or structure in a designated district, the person must apply for permission from the historic district or preservation commission. However, owners are not required to notify the local commission when they purchase such a site or structure from another owner. The commission can only consider the exterior features of a structure when considering an application and must make a decision within 45 days. The trust advises that if an owner uses private funds to alter a site or structure that is not listed by the local historic district or preservation commission, no review process is required.

State law defines a structure in relation to these requirements as a combination of material to form a stable construction that includes buildings, stadiums, platforms, piers, bulkheads, bridges, sheds, coal bins, and fences.

**Background:** Forty local HPCs operate in 26 towns and cities, 13 counties, and Baltimore City. The number of historic structures or archeological resources in Maryland that are listed with the National Register of Historic Places has grown from 64,781 in 2001 to 65,794 in 2003.

The trust, which operates under the Department of Housing and Community Development (DHCD), makes grants to local jurisdictions for surveying Maryland historic sites. The most significant sites are eligible for nomination to the National Register of Historic Places. Properties listed on the National Register receive some protection from federal and State licensed or funded projects that might adversely affect

them. In fiscal 2003, the trust administered \$700,000 to local jurisdictions for historic preservation projects, which could include surveying; the National Park Service or the U.S. Department of Interior match some of these funds.

**State Expenditures:** DHCD advises that most HPCs consist of volunteers and have limited funds available to administer the requirements of the bill. Therefore, it expects the trust to provide either grants to the commissions or conduct the inspections in-house. The bill does not state what source of funds would be available to the State or the local jurisdictions and it is not clear whether the inspection would apply to buildings in the Maryland Inventory or only those that are on the Maryland Register. If it applies to all buildings that are inventoried, expenditures will be significantly higher. The time required for each inspection will also vary.

If the trust had to inspect all sites in the Maryland Inventory, it estimates that it would require four full-time personnel to check over 141,000 sites and structures, which include 36,000 architectural sites and 105,000 contributing resources. The cost of three research preservationists and one supervisor would be approximately \$235,000 annually. Annual operating costs (mostly travel) would be approximately \$30,000. The bill does not require the inspections to begin until December 2009; however, expenditures may be incurred in the preceding fiscal year to prepare for the inventory.

The Department of Legislative Services advises that personnel expenditures could be considerably lower if the bill only applied to sites on the register. Also, some local commissions or the trust will likely be able to enlist volunteer support to help conduct the inspections.

**Local Expenditures:** If the local historic or preservation commission assumes the responsibility for the survey required by the bill, local government expenditures would increase – the magnitude depends on the number and complexity of sites and structures that require review and could be significant for some jurisdictions.

The City of Annapolis advises that it would need to hire a consultant to survey 1,372 buildings in the historic district, which would cost \$12,430 based on an hourly rate of \$50, excluding travel. However, that estimate is based on a very dense urban environment of mostly small properties. Surveys of buildings and sites in large rural counties or larger municipalities such as Baltimore City would be more expensive. The Prince George's County Historical Commission estimates that it would take 10 or 15 minutes per site for those located in close proximity, but 30 minutes or more for others. The commission would have to inventory 3,100 sites that are either locally designated or nationally registered and advises that it lacks the necessary funds and staff to implement the bill without a grant.

Washington County advises that the fiscal impact is unknown due to the time needed for report writing and the uncertainty surrounding the number of structures affected. The county only has 90 sites that are registered but thousands that are inventoried. The county also observed that if any regulations are promulgated to specify the reporting requirements, that could further increase the costs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Planning, Department of Housing and Community Development, City of Annapolis, Washington County, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

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Analysis by: Ann Marie Maloney

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510