
By: **Senators Currie, DeGrange, Hogan, Kasemeyer, Kittleman, Lawlah,
Miller, Munson, and Stoltzfus**

Introduced and read first time: January 29, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Heritage Structure Rehabilitation Program**

3 FOR the purpose of establishing the Maryland Heritage Structure Rehabilitation
4 Program to provide funding for rehabilitation of historic properties and other
5 properties contributing to a historic district or a certified heritage area;
6 requiring the Director of the Maryland Historical Trust in the Department of
7 Housing and Community Development to adopt certain regulations and to
8 establish an application process for the award of grants under the Program;
9 providing limits on the amount of certain grants for certain purposes; defining
10 certain terms; and generally relating to the Maryland Heritage Structure
11 Rehabilitation Program.

12 BY adding to
13 Article 83B - Department of Housing and Community Development
14 Section 5-613.1
15 Annotated Code of Maryland
16 (2003 Replacement Volume)

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

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

20 5-613.1.

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

23 (2) "BUSINESS ENTITY" MEANS A PERSON CONDUCTING OR OPERATING
24 A TRADE OR BUSINESS IN THE STATE.

25 (3) "CERTIFIED HERITAGE AREA" HAS THE MEANING STATED IN §
26 13-1101 OF THE FINANCIAL INSTITUTIONS ARTICLE.

1 (4) (I) "CERTIFIED HERITAGE STRUCTURE" MEANS A STRUCTURE
2 THAT IS LOCATED IN THE STATE AND IS:

3 1. LISTED IN THE NATIONAL REGISTER OF HISTORIC
4 PLACES;

5 2. DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL
6 LAW AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE
7 NATIONAL REGISTER OF HISTORIC PLACES;

8 3. A. LOCATED IN A HISTORIC DISTRICT LISTED ON THE
9 NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT THAT
10 THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER
11 OF HISTORIC PLACES; AND

12 B. CERTIFIED BY THE DIRECTOR AS CONTRIBUTING TO THE
13 SIGNIFICANCE OF THE DISTRICT; OR

14 4. LOCATED IN A CERTIFIED HERITAGE AREA AND
15 CERTIFIED BY THE MARYLAND HERITAGE AREAS AUTHORITY AS CONTRIBUTING TO
16 THE SIGNIFICANCE OF THE CERTIFIED HERITAGE AREA.

17 (II) "CERTIFIED HERITAGE STRUCTURE" DOES NOT INCLUDE A
18 STRUCTURE THAT IS OWNED BY THE STATE, A POLITICAL SUBDIVISION OF THE
19 STATE, OR THE FEDERAL GOVERNMENT.

20 (5) "CERTIFIED REHABILITATION" MEANS A COMPLETED
21 REHABILITATION OF A CERTIFIED HERITAGE STRUCTURE THAT THE DIRECTOR
22 CERTIFIES IS A SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE
23 REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE
24 INTERIOR.

25 (6) "COMMERCIAL REHABILITATION" MEANS A REHABILITATION OF A
26 STRUCTURE OTHER THAN A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE.

27 (7) "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND HISTORICAL
28 TRUST.

29 (8) "LOCAL HISTORIC DISTRICT" MEANS A DISTRICT THAT THE
30 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION, OR THE MAYOR AND
31 CITY COUNCIL OF BALTIMORE, HAS DESIGNATED UNDER LOCAL LAW AS HISTORIC.

32 (9) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT
33 THAT:

34 (I) IS PROPERLY CHARGEABLE TO A CAPITAL ACCOUNT;

35 (II) IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT
36 BY THE END OF THE CALENDAR YEAR IN WHICH THE CERTIFIED REHABILITATION IS
37 COMPLETED IS A CERTIFIED HERITAGE STRUCTURE;

1 (III) IS EXPENDED IN COMPLIANCE WITH A PLAN OF PROPOSED
2 REHABILITATION THAT HAS BEEN APPROVED BY THE DIRECTOR AND DOES NOT
3 EXCEED THE ESTIMATED AMOUNT OF PROPOSED REHABILITATION EXPENDITURES
4 STATED IN THE APPLICATION FOR APPROVAL OF THE PLAN OF PROPOSED
5 REHABILITATION; AND

6 (IV) IS NOT FUNDED, FINANCED, OR OTHERWISE REIMBURSED BY
7 ANY:

8 1. STATE OR LOCAL GRANT;

9 2. GRANT MADE FROM THE PROCEEDS OF TAX-EXEMPT
10 BONDS ISSUED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR AN
11 INSTRUMENTALITY OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE STATE;

12 3. STATE TAX CREDIT; OR

13 4. OTHER FINANCIAL ASSISTANCE FROM THE STATE OR A
14 POLITICAL SUBDIVISION OF THE STATE, OTHER THAN A LOAN THAT MUST BE REPAYED
15 AT AN INTEREST RATE THAT IS GREATER THAN THE INTEREST RATE ON GENERAL
16 OBLIGATION BONDS ISSUED BY THE STATE AT THE MOST RECENT BOND SALE PRIOR
17 TO THE TIME THE LOAN IS MADE.

18 (10) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION OF A
19 STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES, DURING
20 THE 24-MONTH PERIOD SELECTED BY THE INDIVIDUAL OR BUSINESS ENTITY
21 ENDING WITH OR WITHIN THE CALENDAR YEAR, EXCEED:

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

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

24 1. THE ADJUSTED BASIS OF THE STRUCTURE; OR

25 2. \$5,000.

26 (B) (1) THE DIRECTOR SHALL ADOPT REGULATIONS TO:

27 (I) ESTABLISH PROCEDURES AND STANDARDS FOR CERTIFYING
28 HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

29 (II) ESTABLISH AN APPLICATION PROCESS FOR MARYLAND
30 HERITAGE STRUCTURE REHABILITATION GRANTS CONSISTENT WITH THE
31 REQUIREMENTS OF THIS SUBSECTION; AND

32 (III) ESTABLISH A COMPETITIVE AWARD PROCESS FOR MARYLAND
33 HERITAGE STRUCTURE REHABILITATION GRANTS THAT:

34 1. ENSURES GRANTS ARE AWARDED IN A MANNER THAT
35 REFLECTS THE GEOGRAPHIC DIVERSITY OF THE STATE; AND

1 (D) (1) THE AMOUNT OF FUNDS FOR COMMERCIAL REHABILITATION
2 GRANTS SHALL BE AS PROVIDED IN THE STATE BUDGET.

3 (2) THE AMOUNT OF FUNDS FOR OWNER-OCCUPIED REHABILITATION
4 GRANTS SHALL BE AS PROVIDED IN THE STATE BUDGET.

5 (E) (1) IN THIS SUBSECTION, "DISQUALIFYING WORK" MEANS WORK THAT:

6 (I) IS PERFORMED ON A CERTIFIED HERITAGE STRUCTURE FOR
7 WHICH A REHABILITATION HAS BEEN CERTIFIED UNDER THIS SECTION; AND

8 (II) IF PERFORMED AS PART OF THE REHABILITATION CERTIFIED
9 UNDER THIS SECTION, WOULD HAVE MADE THE REHABILITATION INELIGIBLE FOR
10 CERTIFICATION.

11 (2) THE GRANT ALLOWED UNDER THIS SECTION SHALL BE
12 RECAPTURED AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION IF, DURING THE
13 CALENDAR YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED OR ANY
14 OF THE 4 CALENDAR YEARS SUCCEEDING THE CALENDAR YEAR IN WHICH THE
15 CERTIFIED REHABILITATION IS COMPLETED, ANY DISQUALIFYING WORK IS
16 PERFORMED ON THE CERTIFIED HERITAGE STRUCTURE FOR WHICH THE CERTIFIED
17 REHABILITATION HAS BEEN COMPLETED.

18 (3) (I) 1. IF THE DISQUALIFYING WORK IS PERFORMED DURING
19 THE CALENDAR YEAR IN WHICH THE CERTIFIED REHABILITATION WAS COMPLETED,
20 100% OF THE GRANT SHALL BE RECAPTURED.

21 2. IF THE DISQUALIFYING WORK IS PERFORMED DURING
22 THE FIRST FULL YEAR SUCCEEDING THE CALENDAR YEAR IN WHICH THE CERTIFIED
23 REHABILITATION WAS COMPLETED, 80% OF THE GRANT SHALL BE RECAPTURED.

24 3. IF THE DISQUALIFYING WORK IS PERFORMED DURING
25 THE SECOND FULL YEAR SUCCEEDING THE CALENDAR YEAR IN WHICH THE
26 CERTIFIED REHABILITATION WAS COMPLETED, 60% OF THE GRANT SHALL BE
27 RECAPTURED.

28 4. IF THE DISQUALIFYING WORK IS PERFORMED DURING
29 THE THIRD FULL YEAR SUCCEEDING THE CALENDAR YEAR IN WHICH THE
30 CERTIFIED REHABILITATION WAS COMPLETED, 40% OF THE GRANT SHALL BE
31 RECAPTURED.

32 5. IF THE DISQUALIFYING WORK IS PERFORMED DURING
33 THE FOURTH FULL YEAR SUCCEEDING THE CALENDAR YEAR IN WHICH THE
34 CERTIFIED REHABILITATION WAS COMPLETED, 20% OF THE GRANT SHALL BE
35 RECAPTURED.

36 (II) THE INDIVIDUAL OR BUSINESS ENTITY THAT RECEIVED THE
37 GRANT SHALL PAY THE AMOUNT TO BE RECAPTURED AS DETERMINED UNDER
38 SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE STATE FOR THE CALENDAR YEAR IN
39 WHICH THE DISQUALIFYING WORK IS PERFORMED.

1 (F) (1) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DIRECTOR SHALL
2 REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT
3 ARTICLE, TO THE GENERAL ASSEMBLY, ON THE GRANTS AWARDED UNDER THIS
4 SECTION FOR THAT CALENDAR YEAR.

5 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
6 SUBSECTION SHALL INCLUDE FOR EACH COMMERCIAL REHABILITATION GRANT
7 AWARDED DURING THE CALENDAR YEAR:

8 (I) THE NAME OF THE OWNER OR DEVELOPER OF THE
9 COMMERCIAL REHABILITATION;

10 (II) THE NAME AND ADDRESS OF THE PROPOSED OR CERTIFIED
11 REHABILITATION AND THE COUNTY WHERE THE PROJECT IS LOCATED;

12 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
13 ALL APPLICATIONS REGARDING THE PROJECT, INCLUDING APPLICATIONS:

14 1. FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY
15 WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE;

16 2. FOR APPROVAL OF THE PROPOSED REHABILITATION; AND

17 3. FOR CERTIFICATION OF THE COMPLETED
18 REHABILITATION; AND

19 (IV) THE ESTIMATED REHABILITATION EXPENDITURES STATED IN
20 THE APPLICATION FOR APPROVAL OF THE PLAN OF PROPOSED REHABILITATION.

21 (3) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
22 SUBSECTION SHALL INCLUDE FOR EACH CATEGORY OF CERTIFIED
23 REHABILITATIONS:

24 (I) THE TOTAL NUMBER OF APPLICANTS FOR:

25 1. CERTIFICATION THAT A STRUCTURE OR PROPERTY WILL
26 QUALIFY AS A CERTIFIED HERITAGE STRUCTURE;

27 2. APPROVAL OF PROPOSED REHABILITATIONS; OR

28 3. CERTIFICATION OF THE COMPLETED REHABILITATIONS;

29 (II) THE NUMBER OF PROPOSED REHABILITATION GRANTS
30 APPROVED; AND

31 (III) THE TOTAL ESTIMATED REHABILITATION EXPENDITURES
32 STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED
33 REHABILITATION AND THE TOTAL QUALIFIED REHABILITATION EXPENDITURES FOR
34 COMPLETED REHABILITATIONS CERTIFIED.

1 (4) THE INFORMATION REQUIRED UNDER PARAGRAPH (3) OF THIS
2 SUBSECTION SHALL BE PROVIDED IN THE AGGREGATE AND SEPARATELY FOR EACH
3 OF THE FOLLOWING CATEGORIES OF CERTIFIED REHABILITATIONS:

4 (I) OWNER-OCCUPIED SINGLE FAMILY RESIDENTIAL
5 STRUCTURES; AND

6 (II) COMMERCIAL REHABILITATIONS.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
8 effect October 1, 2004.