

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 175

(Chairman, Environmental Matters Committee)
(By Request – Departmental – Planning)

Environmental Matters

Finance

Maryland Heritage Areas Authority Financing Fund - Time Limitations

This departmental bill repeals the September 30, 2006 termination date of a provision that authorizes the Maryland Heritage Areas Authority to use Program Open Space (POS) funds transferred to the authority for operating and debt service expenses.

Fiscal Summary

State Effect: The bill would allow for the continued use of up to 10% of the \$3 million transferred from POS to the authority for operating expenses and up to 50% for debt service on any bonds issued by the authority.

Local Effect: None.

Small Business Effect: The Maryland Department of Planning (MDP) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: For the period beginning October 1, 1996 and ending on September 30, 2006: (1) up to 10% of POS funds transferred to the authority may be used to pay the operating expenses of the authority; and (2) up to 50% of POS funds transferred to the authority may be expended for debt service on bonds issued by the authority.

Background: The Maryland Heritage Areas Program was created in 1996 to help communities use heritage tourism to build their economies while protecting, developing, and promoting their cultural, historical, and natural resources. The program does this by targeting financial and technical assistance to a limited number of areas designated across the State as “certified heritage areas.” Currently, there are 10 State-certified heritage areas in Maryland.

Chapter 740 of 1998 extended the sunset date relating to the use of POS funds for operating expenses and debt service from September 30, 1998 to September 30, 2001. Chapter 713 of 2001 extended the sunset date from September 30, 2001 to September 30, 2006. MDP advises that POS funds are used to pay the salaries of the Maryland Historical Trust (MHT) employees who provide staff for the Maryland Heritage Areas Program, and that without such funds, MHT would be unable to administer the program.

The Maryland Heritage Areas Authority Financing Fund receives \$3 million annually from the real estate transfer tax through POS. The Governor’s proposed fiscal 2007 budget includes \$300,000 for operating expenses for the authority from POS funds. MDP advises that the authority has not issued any bonds, and thus there is no debt service to pay.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning, Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2006
ncs/ljm

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