

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

House Bill 1217

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

Environmental Matters

Finance

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**Maryland Heritage Areas Authority**

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This departmental bill requires the Maryland Heritage Areas Authority (MHAA) to provide acquisition and development grants only to projects in “target investment zones” (TIZs) within certified heritage areas, with certain exceptions. The bill also extends the time period, from 5 to 10 years, in which such projects are eligible for grants.

The bill takes effect July 1, 2007.

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**Fiscal Summary**

**State Effect:** None. The amount of grant funding made available to certified heritage areas statewide would not be affected.

**Local Effect:** The bill would not materially affect local operations or finances.

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

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**Analysis**

**Bill Summary:** “Target investment zone” means a specific area located within a certified heritage area that is identified as a priority area intended to attract significant private investment in order to encourage demonstrable results and return on investment within the area in a relatively short period of time.

**Current Law/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.”

Under current law, MHAA is authorized to provide acquisition and development grants to a local jurisdiction or other appropriate entity for a period of up to five years after the day on which MHAA approves the management plan for the certified heritage area within the local jurisdiction. MHAA is authorized to provide acquisition and development grants for a project after that five-year period if it determines that the project is essential for the success of the management plan.

TIZs were first defined in the regulations developed to implement the Maryland Heritage Areas Program. TIZs are specific priority areas into which the program wishes to attract significant private and local investment in heritage tourism. Regulations currently specify that a number of the incentives available through the program are only available within a TIZ, and that these incentives are generally only available for a period of five years following certification of the heritage area. TIZs and the five-year eligibility period are intended to encourage demonstrable results and return on investment within a relatively short period of time.

This bill would, for the first time, provide a definition of TIZs in statute and allow capital grants to be made outside of TIZs if MHAA determines that the funded project is essential for the success of the certified heritage area management plan. The statutory definition in the bill simply codifies and clarifies the meaning of the term; it does not modify the meaning of the term as used in the regulations.

MHAA has found that five years is an insufficient amount of time to accomplish all of a certified heritage area’s development objectives. Areas need more time to raise matching funds and identify partners necessary to leverage grants for capital projects and to allow areas with limited capacity to initiate large and complex capital activities so soon after completing the management planning process.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 14, 2007  
ncs/ljm

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Analysis by: Lesley G. Cook

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