

# SENATE BILL 1069

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CF HB 1513

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By: **Senators Ferguson, Currie, Madaleno, Young, and Zucker**

Introduced and read first time: February 15, 2017

Assigned to: Rules

Re-referred to: Budget and Taxation, March 1, 2017

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 28, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Historic Trust Grant Fund Improvement Act**

3 FOR the purpose of authorizing the Maryland Historic Trust Grant Fund to be used to pay  
4 for certain reasonable and necessary administrative costs, not to exceed a certain  
5 amount; requiring the Governor, beginning in a certain fiscal year, to include a  
6 certain appropriation to the Fund in the annual State budget bill, subject to certain  
7 limitations; limiting the amount of grants from the Fund that may be awarded to  
8 historic properties owned by the Maryland Historic Trust; requiring the Trust to  
9 include certain information in a certain annual report; and generally relating to the  
10 Maryland Historic Grant Fund.

11 BY repealing and reenacting, with amendments,  
12 Article – State Finance and Procurement  
13 Section 5A–328  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume and 2016 Supplement)

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

18 **Article – State Finance and Procurement**

19 5A–328.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) In this section the following words have the meanings indicated.

2 (2) "MHT Grant Fund" means the Historic Preservation and Historical and  
3 Cultural Museum Assistance Grant Fund of the Trust.

4 (3) "MHT Grant Program" means the Historic Preservation Grant Program  
5 of the Trust.

6 (b) (1) There is an MHT Grant Program in the Trust.

7 (2) The purposes of the MHT Grant Program are to:

8 (i) implement and encourage the preservation of historic properties;  
9 and

10 (ii) promote interest in and study of historic properties and their  
11 preservation.

12 (c) (1) The Trust shall administer the MHT Grant Program and coordinate the  
13 MHT Grant Program with federal and State programs that complement or facilitate the  
14 MHT Grant Program.

15 (2) The Trust shall ensure that a grant awarded under the MHT Grant  
16 Program to acquire, restore, or rehabilitate a historic property is used only if the historic  
17 property is listed in or is eligible to be listed in the Historic Register.

18 (3) (i) The Trust shall require a grantee under the MHT Grant Program  
19 to enter into an agreement to preserve and maintain the property.

20 (ii) If the property is real property, the agreement shall be a  
21 recordable historic preservation easement.

22 (iii) The Secretary may waive the agreement requirement if the  
23 Secretary determines that an agreement is impracticable.

24 (d) (1) The Department shall adopt regulations to carry out the purposes of  
25 the MHT Grant Program.

26 (2) The regulations shall include:

27 (i) application procedures;

28 (ii) procedures to give adequate notice to the public of assistance  
29 available under the MHT Grant Program;

30 (iii) provisions for the review of plans and specifications;

1 (iv) provisions for the inspection of projects during construction; and

2 (v) selection criteria the Trust must consider when evaluating  
3 applications for grants, including:

4 1. the relative historical or cultural significance of, and the  
5 urgency of need for, the project to be financed by the grant;

6 2. any proposed contribution by the appropriate political  
7 subdivision to the project;

8 3. the geographic distribution of grant assistance from the  
9 MHT Grant Fund under subsection (e) of this section; and

10 4. other relevant factors.

11 (e) (1) There is an MHT Grant Fund in the Trust.

12 (2) The MHT Grant Fund may be used:

13 (i) for the purposes set forth in § 5A–353 of this subtitle;

14 (ii) to make grants to nonprofit organizations, political subdivisions,  
15 business entities, and individuals to acquire, rehabilitate, or restore historic properties;

16 (iii) to make grants to nonprofit organizations and political  
17 subdivisions to pay costs, including preparation costs, that are directly related to a  
18 rehabilitation or restoration project;

19 (iv) to make grants to nonprofit organizations and political  
20 subdivisions for historic preservation education and promotion, including the research,  
21 survey, and evaluation of historic properties and the preparation of historic preservation  
22 planning documents and educational materials;

23 (v) to purchase or acquire historic properties or interests in historic  
24 properties for the Trust's authorized purposes or for resale or lease with appropriate  
25 preservation covenants;

26 (vi) to pay costs, including preparation costs, that are directly related  
27 to restoring or rehabilitating historic properties that the Trust owns for use in accordance  
28 with the Trust's authorized purposes or for resale or lease subject to appropriate  
29 preservation covenants; [and]

30 (vii) to pay for historic preservation education and promotion  
31 conducted by the Trust, and for the research, survey, and evaluation of historic properties  
32 and the preparation of historic preservation planning documents and educational  
33 materials; **AND**

1                   (VIII) TO PAY FOR REASONABLE AND NECESSARY  
2 ADMINISTRATIVE COSTS DIRECTLY RELATED TO THE ADMINISTRATION OF THE  
3 MHT GRANT FUND, NOT TO EXCEED 5% OF THE ANNUAL GENERAL FUND  
4 APPROPRIATION TO THE MHT GRANT FUND.

5           (f)     The Trust shall administer the MHT Grant Fund.

6           (g)     (1)    The MHT Grant Fund is a continuing, nonlapsing special fund that is  
7 not subject to § 7–302 of this article.

8                   (2)    The Treasurer shall hold and the Comptroller shall account for the  
9 MHT Grant Fund.

10          (h)     The MHT Grant Fund consists of:

11                   (1)    money appropriated in the State budget to the MHT Grant Program or  
12 the Historical and Cultural Museum Assistance Program under § 5A–352 of this subtitle;

13                   (2)    the proceeds from the resale or lease of any properties originally  
14 acquired by the Trust from the MHT Grant Fund or the Capital Grant Fund for Historic  
15 Preservation;

16                   (3)    money received from other public or private sources for the benefit of  
17 the MHT Grant Fund; and

18                   (4)    money received from the sale of State general obligation bonds.

19          (i)     ~~FOR SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR~~  
20 **FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL**  
21 **INCLUDE IN THE ANNUAL STATE BUDGET BILL AN APPROPRIATION OF \$1,500,000**  
22 **TO THE MHT GRANT FUND.**

23          **(J)**    Money in the MHT Grant Fund shall be invested in the same manner as other  
24 State money.

25          **[(j)] (K)**   (1)    The trustees shall review and make recommendations to the  
26 Secretary about grant applications and expenditure requests from the MHT Grant Fund.

27                   (2)    The trustees shall base their grant recommendations on a competitive  
28 selection process.

29                   (3)    In any fiscal year, the Secretary may hold up to 20% of the money in  
30 the MHT Grant Fund in reserve for emergency use in accordance with subsection (e) of this  
31 section.

1           (4) Grants to business entities may not exceed 10% of all grants awarded  
2 from the MHT Grant Fund under this section.

3           **(5) GRANTS TO HISTORIC PROPERTIES OWNED BY THE TRUST MAY**  
4 **NOT EXCEED 10% OF ALL GRANTS AWARDED FROM THE MHT GRANT FUND UNDER**  
5 **THIS SECTION.**

6           **[(k)] (L)** (1) To the extent required by regulations adopted by the Secretary  
7 and approved by the Board of Public Works, the Secretary shall submit to the Board of  
8 Public Works for approval grants or expenditures from the MHT Grant Fund to be financed  
9 through the sale of State general obligation bonds.

10           (2) Except for an expenditure under subsection (e)(2)(v) and (vi) of this  
11 section, grants and expenditures from the MHT Grant Fund are not subject to Titles 4 and  
12 5 of this article.

13           **[(l)] (M)** (1) On or before December 31 of each year, the Trust shall report to  
14 the Governor and, subject to § 2-1246 of the State Government Article, to the General  
15 Assembly on the financial status and the activities of the MHT Grant Program and the  
16 MHT Grant Fund for the preceding fiscal year.

17           **(2) IN THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**  
18 **SUBSECTION, THE TRUST SHALL INCLUDE INFORMATION ON:**

19           **(I) THE AMOUNT OF THE MHT GRANT FUND THAT IS USED FOR**  
20 **ADMINISTRATIVE PURPOSES; AND**

21           **(II) THE AMOUNT OF GRANTS MADE TO HISTORIC PROPERTIES**  
22 **OWNED BY THE TRUST.**

23           **[(m)] (N)** (1) A person may not knowingly make or cause to be made a material  
24 false statement of fact, including an understatement or overstatement of financial  
25 condition, in a statement or report in or regarding an application for a grant or affecting an  
26 existing grant.

27           (2) A person who violates this section is guilty of a misdemeanor and on  
28 conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding \$5,000  
29 or both.

30           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 2017.