

# SENATE BILL 783

C9, Q3

3lr1846

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By: **Senator Hester**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 10, 2023

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

1 AN ACT concerning

2 ~~Historic Properties Disposition and Preservation Team~~ **Preservation and Reuse**  
3 **of Historic Complexes Study and Extension of the Income Tax Credit for**  
4 **Catalytic Revitalization Projects**

5 FOR the purpose of ~~establishing the Historic Properties Disposition and Preservation Team~~  
6 ~~within the Department of Housing and Community Development; providing for the~~  
7 ~~membership, duties, and staffing of the Team;~~ extending the sunset for the income  
8 tax credit for catalytic revitalization projects; allowing multiple final tax certificates  
9 to be issued for a catalytic revitalization project in certain circumstances; requiring  
10 the Smart Growth Subcabinet to study Maryland's historic complexes and make  
11 recommendations about an implementation plan to address the preservation and  
12 reuse of historic complexes in the State; and generally relating to the disposition and  
13 preservation of historic properties by the State.

14 BY repealing and reenacting, without amendments,  
15 Article – Housing and Community Development  
16 Section ~~1-101(a) and (d), 6-901, and 6-902(a)~~  
17 Annotated Code of Maryland  
18 (2019 Replacement Volume and 2022 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Housing and Community Development  
21 Section ~~2-201~~ 6-902(a), 6-903(a)(1), and 6-905  
22 Annotated Code of Maryland  
23 (2019 Replacement Volume and 2022 Supplement)

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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 BY adding to  
 2 Article – Housing and Community Development  
 3 Section ~~5-101 through 5-105 to be under the new title “Title 5. Historic Properties~~  
 4 ~~Disposition and Preservation Team” 6-902(c)~~  
 5 Annotated Code of Maryland  
 6 (2019 Replacement Volume and 2022 Supplement)

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

9 **Article – Housing and Community Development**

10 ~~1-101.~~

11 ~~(a) In this Division I of this article the following words have the meanings~~  
 12 ~~indicated.~~

13 ~~(d) “Department” means the Department of Housing and Community~~  
 14 ~~Development.~~

15 ~~2-201.~~

16 ~~The Department consists of:~~

17 ~~(1) the Division of Credit Assurance;~~

18 ~~(2) the Division of Development Finance;~~

19 ~~(3) **THE HISTORIC PROPERTIES DISPOSITION AND PRESERVATION**~~  
 20 ~~**TEAM;**~~

21 ~~(4) the Division of Neighborhood Revitalization;~~

22 ~~[(4)] (5) the Community Development Administration;~~

23 ~~[(5)] (6) the Community Legacy Program;~~

24 ~~[(6)] (7) the Housing Finance Review Committee;~~

25 ~~[(7)] (8) the Lead Hazard Advisory Committee;~~

26 ~~[(8)] (9) the Maryland Housing Fund;~~

27 ~~[(9)] (10) the Neighborhood Business Development Program; and~~

1 ~~[(10)](11) any other governmental unit that under law is a part of the~~  
2 ~~Department.~~

3 ~~**TITLE 5. HISTORIC PROPERTIES DISPOSITION AND PRESERVATION TEAM.**~~

4 ~~**5-101.**~~

5 ~~(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~  
6 ~~INDICATED.~~

7 ~~(B) "HISTORIC PROPERTY" HAS THE MEANING STATED IN § 5A-301 OF THE~~  
8 ~~STATE FINANCE AND PROCUREMENT ARTICLE.~~

9 ~~(C) "PRESERVATION" HAS THE MEANING STATED IN § 5A-301 OF THE~~  
10 ~~STATE FINANCE AND PROCUREMENT ARTICLE.~~

11 ~~(D) "TEAM" MEANS THE HISTORIC PROPERTIES DISPOSITION AND~~  
12 ~~PRESERVATION TEAM OF THE DEPARTMENT.~~

13 ~~(E) "UNIT" MEANS A UNIT OF STATE GOVERNMENT.~~

14 ~~**5-102.**~~

15 ~~(A) THERE IS A HISTORIC PROPERTIES DISPOSITION AND PRESERVATION~~  
16 ~~TEAM WITHIN THE DEPARTMENT.~~

17 ~~(B) (1) THE TEAM CONSISTS OF THE FOLLOWING EX OFFICIO MEMBERS:~~

18 ~~(I) THE SECRETARY OF HOUSING AND COMMUNITY~~  
19 ~~DEVELOPMENT;~~

20 ~~(II) THE SECRETARY OF GENERAL SERVICES;~~

21 ~~(III) THE SECRETARY OF COMMERCE;~~

22 ~~(IV) THE SECRETARY OF THE ENVIRONMENT;~~

23 ~~(V) THE SECRETARY OF HEALTH;~~

24 ~~(VI) THE SECRETARY OF LABOR;~~

25 ~~(VII) THE SECRETARY OF NATURAL RESOURCES; AND~~

26 ~~(VIII) THE SECRETARY OF PLANNING.~~

~~(2) THE COCHAIRS MAY APPOINT THE HEAD OF A UNIT THAT IS NOT LISTED IN PARAGRAPH (1) OF THIS SUBSECTION AS AN EX OFFICIO MEMBER OF THE TEAM AFTER A REVIEW OF THE UNIT'S OWNERSHIP OF STATE HISTORIC PROPERTIES.~~

~~(3) AN EX OFFICIO MEMBER MAY DESIGNATE A DEPUTY SECRETARY FROM THE MEMBER'S UNIT TO ACT IN THE MEMBER'S ABSENCE.~~

~~(C) A MEMBER OF THE TEAM:~~

~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE TEAM; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(D) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE SECRETARY'S DESIGNEE, AND THE SECRETARY OF GENERAL SERVICES, OR THE SECRETARY'S DESIGNEE, SHALL COCHAIR THE TEAM.~~

~~(E) (1) A MAJORITY OF THE AUTHORIZED MEMBERSHIP OF THE TEAM IS A QUORUM.~~

~~(2) THE TEAM SHALL SET THE TIMES AND PLACES OF ITS MEETINGS.~~

~~(F) THE DEPARTMENT SHALL PROVIDE STAFF TO THE TEAM, INCLUDING A DIRECTOR TO OVERSEE THE ACTIVITIES OF THE TEAM.~~

~~5-103.~~

~~(A) (1) THE PURPOSE OF THE TEAM IS TO ENSURE THAT HISTORIC PROPERTIES OWNED BY THE STATE THAT ARE HELD FOR DISPOSITION AND REDEVELOPMENT ARE PROPERLY MAINTAINED AND MANAGED AND SUCCESSFULLY TRANSFERRED ON DISPOSITION.~~

~~(2) AMONG ITS OTHER DUTIES AND POWERS ESTABLISHED UNDER THIS SECTION, THE TEAM IS RESPONSIBLE FOR IMPLEMENTING RECOMMENDATIONS 2, 4, AND 5 OF THE REPORT "ADVANCING THE PRESERVATION AND REUSE OF MARYLAND'S HISTORIC COMPLEXES: CHALLENGES AND OPPORTUNITIES", PREPARED FOR THE DEPARTMENT OF PLANNING AND ISSUED JANUARY 28, 2020.~~

~~(B) THE TEAM SHALL:~~

1           ~~(1) IDENTIFY AND MAINTAIN INFORMATION ON STATE OWNED~~  
2 ~~HISTORIC PROPERTIES;~~

3           ~~(2) SUPPORT THE MAINTENANCE OF HISTORIC PROPERTIES BY THE~~  
4 ~~UNIT IN POSSESSION OF THE PROPERTY BEFORE DISPOSITION OF THE HISTORIC~~  
5 ~~PROPERTY BY THE STATE;~~

6           ~~(3) EVALUATE, BEFORE DISPOSITION OF A HISTORIC PROPERTY~~  
7 ~~OWNED BY THE STATE:~~

8           ~~(I) ENVIRONMENTAL AND HISTORIC REMEDIATION~~  
9 ~~REQUIREMENTS FOR THE HISTORIC PROPERTY; AND~~

10           ~~(II) ZONING OPTIONS FOR SUBSEQUENT USES ON DIVESTMENT;~~

11           ~~(4) FACILITATE, BEFORE DISPOSITION OF A HISTORIC PROPERTY~~  
12 ~~OWNED BY THE STATE:~~

13           ~~(I) SITE AND BUILDING ASSESSMENTS; AND~~

14           ~~(II) PROJECTS NECESSARY FOR THE STABILIZATION OR~~  
15 ~~PRESERVATION OF THE HISTORIC PROPERTY;~~

16           ~~(5) CONSULT WITH THE UNIT IN POSSESSION OF THE STATE OWNED~~  
17 ~~HISTORIC PROPERTY TO DEVELOP A PLAN FOR PRESERVATION OR DISPOSITION OF~~  
18 ~~THE HISTORIC PROPERTY THAT INCLUDES:~~

19           ~~(I) A MULTIDISCIPLINARY REVIEW OF THE POTENTIAL USES~~  
20 ~~FOR THE PROPERTY AND THE FACTORS AFFECTING THESE USES, INCLUDING~~  
21 ~~ENVIRONMENTAL REVIEWS AND ASSESSMENTS OF THE COMMERCIAL VALUE OF THE~~  
22 ~~PROPERTY; AND~~

23           ~~(II) A DETERMINATION OF WHETHER THE PROPERTY IS~~  
24 ~~SUITABLE FOR USE OR REDEVELOPMENT AS AFFORDABLE HOUSING, AS REQUIRED~~  
25 ~~UNDER § 2-203(B) OF THIS DIVISION I;~~

26           ~~(6) IDENTIFY AND MAKE AVAILABLE FINANCIAL ASSISTANCE AND~~  
27 ~~NONMONETARY RESOURCES FROM THE FEDERAL GOVERNMENT, THE STATE,~~  
28 ~~POLITICAL SUBDIVISIONS, AND PRIVATE ENTITIES TO FACILITATE THE SUCCESSFUL~~  
29 ~~DISPOSITION OF STATE OWNED HISTORIC PROPERTIES; AND~~

30           ~~(7) MEET REGULARLY TO ADDRESS ISSUES RELATED TO ITS PURPOSE~~  
31 ~~AS IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.~~

1 ~~(C) THE TEAM, THROUGH THE DEPARTMENT, MAY EXECUTE CONTRACTS~~  
2 ~~FOR THE PRESERVATION WORK IDENTIFIED IN SUBSECTION (B) OF THIS SECTION.~~

3 ~~(D) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AUTHORIZE A~~  
4 ~~DISPOSITION PLAN FOR STATE OWNED HISTORIC PROPERTY IF THE DISPOSITION~~  
5 ~~WOULD:~~

6 ~~(1) VIOLATE ANY COVENANT OR APPLICABLE FEDERAL LAW;~~

7 ~~(2) IN THE OPINION OF THE STATE TREASURER, ADVERSELY AFFECT~~  
8 ~~THE TAX EXEMPT STATUS OF AN OUTSTANDING STATE BOND, THE PROCEEDS OF~~  
9 ~~WHICH WERE ALLOCATED TO PURCHASE OR IMPROVE THE PROPERTY; OR~~

10 ~~(3) SUPERSEDE THE RIGHT OF A PERSON FROM WHOM REAL~~  
11 ~~PROPERTY WAS ACQUIRED OR THE PERSON'S SUCCESSOR IN INTEREST TO~~  
12 ~~REACQUIRE THE PROPERTY UNDER § 8-309 OF THE TRANSPORTATION ARTICLE.~~

13 ~~(E) ON OR BEFORE DECEMBER 1, 2024, THE TEAM SHALL REPORT TO THE~~  
14 ~~GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT~~  
15 ~~ARTICLE, THE GENERAL ASSEMBLY ON:~~

16 ~~(1) THE ACTIVITIES OF THE TEAM IN THE PRIOR FISCAL YEAR; AND~~

17 ~~(2) RECOMMENDATIONS, INCLUDING LEGISLATION, TO ASSIST THE~~  
18 ~~TEAM IN CARRYING OUT THE PURPOSE AND PERFORMING THE DUTIES UNDER THIS~~  
19 ~~SECTION.~~

20 ~~5-104.~~

21 ~~(A) ON OR BEFORE DECEMBER 1, 2024, THE TEAM SHALL COMPILE A~~  
22 ~~SUMMARY OF HISTORIC PROPERTIES OWNED BY THE STATE.~~

23 ~~(B) THE SUMMARY OF STATE OWNED HISTORIC PROPERTIES REQUIRED~~  
24 ~~UNDER SUBSECTION (A) OF THIS SECTION SHALL:~~

25 ~~(1) IDENTIFY PROPERTIES THAT ARE ELIGIBLE FOR DISPOSITION;~~

26 ~~(2) BE UPDATED REGULARLY BY THE TEAM; AND~~

27 ~~(3) BE MADE AVAILABLE TO THE PUBLIC.~~

28 ~~(C) THE SUMMARY OF STATE OWNED HISTORIC PROPERTIES MAY BE~~  
29 ~~INTEGRATED WITH LISTS OR RECORDS OF STATE PROPERTY, INCLUDING THE LIST~~  
30 ~~REQUIRED UNDER § 2-203(B)(2) OF THIS ARTICLE.~~

1 ~~5-105.~~

2 ~~AT THE DIRECTION OF THE TEAM, THE DEPARTMENT MAY ADOPT~~  
3 ~~REGULATIONS TO CARRY OUT THIS TITLE.~~

4 6-901.

5 In this subtitle, “catalytic revitalization project” means the substantial rehabilitation  
6 of a property in the State:

7 (1) that was formerly owned by the State or the federal government;

8 (2) the rehabilitation of which will foster economic, housing, and  
9 community development within the community in which the property is located; and

10 (3) that is out of service and was formerly used as a college or university,  
11 K-12 school, hospital, mental health facility, or military facility or installation.

12 6-902.

13 (a) An individual, a nonprofit organization, or a business entity may claim a tax  
14 credit in an amount equal to 20% of the amount stated in the final tax credit certificate  
15 issued by the Secretary under § 6-903 of this subtitle for 5 consecutive taxable years  
16 beginning with the taxable year in which ~~the catalytic revitalization project is completed.~~  
17 A FINAL TAX CREDIT CERTIFICATE IS ISSUED.

18 (C) THE SECRETARY MAY ISSUE MULTIPLE FINAL TAX CREDIT  
19 CERTIFICATES FOR A PROJECT THAT IS ISSUED AN INITIAL TAX CREDIT UNDER  
20 THIS SECTION IF:

21 (1) THE PROJECT HAS BEEN DETERMINED BY THE SECRETARY TO BE  
22 IN PHASES;

23 (2) A PHASE OF THE PROJECT HAS BEEN COMPLETED;

24 (3) A FINAL TAX CREDIT CERTIFICATE IS NOT ISSUED FOR MORE THAN  
25 20% OF THE PROJECT’S ELIGIBLE EXPENSES TO DATE; AND

26 (4) A FINAL TAX CREDIT CERTIFICATE IS NOT ISSUED THAT WOULD  
27 EXCEED THE AGGREGATED LIMIT OF A PROJECT’S CREDIT.

28 6-903.

1           (a)   (1)   Subject to the limitations of paragraphs (2) and (3) of this subsection  
2 and subsection (b) of this section, on application by an individual, a nonprofit organization,  
3 or a business entity, the Secretary shall issue:

4                       (i)   an initial tax credit certificate in an amount equal to 20% of the  
5 individual's, nonprofit organization's, or business entity's estimated new construction costs  
6 and rehabilitation costs for the project; and

7                       (ii)   on completion of the catalytic revitalization project **OR A PHASE**  
8 **OF THE CATALYTIC REVITALIZATION PROJECT**, a final tax credit certificate in an  
9 amount equal to 20% of the individual's, nonprofit organization's, or business entity's actual  
10 new construction costs and rehabilitation costs for the project.

11 6–905.

12           (a)   Subject to subsection (b) of this section, this subtitle and the credit authorized  
13 under it shall terminate January 1, [2031] **2035**.

14           (b)   After the termination of this subtitle:

15                       (1)   the Secretary may not issue any additional tax credit certificates under  
16 § 6–903 of this subtitle; and

17                       (2)   tax credit certificates issued may be claimed, refunded, carried forward,  
18 or transferred in accordance with §§ 6–902 and 6–903 of this subtitle.

19           SECTION 2. AND BE IT FURTHER ENACTED, That:

20           (a)   The Smart Growth Subcabinet established under § 9–1406 of the State  
21 Government Article shall study and make recommendations about an implementation plan  
22 to address the preservation and reuse of historic complexes in the State.

23           (b)   In conducting the study and making the recommendations, the Smart Growth  
24 Subcabinet shall:

25                       (1)   evaluate relevant studies and publications;

26                       (2)   analyze the economic impact of the implementation plan;

27                       (3)   identify regulatory and policy issues for the implementation plan; and

28                       (4)   solicit input from interested parties including:

29                               (i)   government agencies; and

30                               (ii)   relevant public and private organizations.



1           (c) On or before December 31, 2023, the Smart Growth Subcabinet shall report  
2 its findings and recommendations to the Governor and, in accordance with § 2-1257 of the  
3 State Government Article, the General Assembly.

4           SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2023.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.