

Chapter 277

(Senate Bill 638)

AN ACT concerning

Natural Resources – Maryland Heritage Areas Authority – Funding and Grants

FOR the purpose of authorizing the Maryland Heritage Areas Authority to award *certain* grants and loans ~~to certain entities for the management of certified heritage areas under certain circumstances; repealing limits on the percentage of project costs that may be covered by certain grants made by the Authority for certain purposes in a certain manner; repealing certain requirements for certain grants and loans;~~ decreasing the percentage of Program Open Space funds transferred to the Maryland Heritage Areas Authority Financing Fund that may be used for certain operating expenses; ~~repealing a provision of law authorizing the distribution of certain money to the Maryland Historical Trust;~~ increasing the maximum amount of certain funding available to the State that may be transferred to the Maryland Heritage Areas Authority Financing Fund; and generally relating to the Maryland Heritage Areas Authority.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 13–1113 and 13–1114

Annotated Code of Maryland

(2020 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,Article – Natural ResourcesSection 5–903(a)(1) and (2)(i)Annotated Code of Maryland(2023 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources

~~Section 5–903(a)(1) and (2)(i) and (iv)~~ Section 5–903(a)(2)(iv)

Annotated Code of Maryland

(2023 Replacement Volume and 2025 Supplement)

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

Article – Financial Institutions

13–1113.

(a) As provided in the State budget ~~AND SUBJECT TO SUBSECTION (D) OF THIS SECTION~~ IN ACCORDANCE WITH TERMS AND CONDITIONS THE AUTHORITY ESTABLISHES, the Authority may award:

(1) Grants and loans to local jurisdictions or other appropriate entities for planning, design, acquisition, development, preservation, restoration, interpretation, marketing, ~~and~~ programming, ~~AND MANAGEMENT~~ of certified heritage areas; and

(2) Grants to local jurisdictions or other appropriate entities to ~~develop:~~

(I) DEVELOP management plans in recognized heritage areas; AND

(II) ENCOURAGE REVITALIZATION OF AND REINVESTMENT IN CERTIFIED HERITAGE AREA RESOURCES.

(B) IN AWARDING A GRANT OR LOAN UNDER SUBSECTION (A) OF THIS SECTION, THE AUTHORITY MAY REQUIRE MATCHING FUNDS IN WHATEVER PROPORTION THE AUTHORITY CONSIDERS APPROPRIATE.

~~(b) [A grant to develop a management plan may not exceed 50% of the cost of the management plan.]~~

~~(c) [An acquisition or development grant:]~~

~~(1) [May] MAY not be used for any purpose other than implementation of the certified heritage area in conformity with the approved management plan; and~~

~~(2) [May not exceed 50% of the total project cost for which the grant is awarded].~~

~~[(d)] (C) [(1) Subject to paragraph (2) of this subsection, the] THE Authority may make program grants to local jurisdictions and other appropriate entities:~~

~~[(i)] (1) To develop and present interpretive exhibits, materials or other appropriate products to further the educational and recreational objectives of the certified heritage areas program; and~~

~~[(ii)] (2) To encourage revitalization of, and reinvestment in, certified heritage area resources.~~

~~[(2) A program grant made by the Authority under paragraph (1) of this subsection may not exceed 50% of the estimated project cost.]~~

[(e)] ~~(D)~~ (C) Through the resources of the members of the Authority and in cooperation with other State agencies, the Authority shall provide technical assistance to management entities implementing a management plan.

13-1114.

(a) There is a Maryland Heritage Areas Authority Financing Fund.

(b) (1) The Authority shall use the Fund as a continuing, nonlapsing, revolving fund for carrying out the purposes of this subtitle.

(2) No part of the Fund may revert or be credited to the General Fund or to any other special fund of the State.

(c) The Authority shall place all of the following receipts in the Fund:

(1) Proceeds from the sale of bonds;

(2) Revenues that the Authority collects or receives from any source under this subtitle; and

(3) Any additional revenue, gift, donation, or money received or paid to it from any other source authorized by law.

(d) The Authority shall pay all expenses and make all expenditures from the Fund.

(e) (1) The Authority may pledge and charge all or a portion of the receipts of the Fund for the payment of:

(i) Debt service on bonds of the Authority; and

(ii) All reasonable charges and expenses related to borrowing by the Authority and management of the obligations of the Authority.

(2) A pledge made under paragraph (1) of this subsection is effective as provided in § 13-1119 of this subtitle and any applicable resolution of the Authority.

(f) The State Treasurer shall:

(1) Invest and reinvest the Fund in the same manner as State funds; and

(2) Transfer any investment earnings to the credit of the Fund.

(g) (1) In this subsection, “Program Open Space funds transferred to the Authority” means the money appropriated to the Fund from Program Open Space funds under § 5–903(a) of the Natural Resources Article.

(2) Except as provided in paragraph (3) of this subsection, Program Open Space funds transferred to the Authority may not be used to pay the operating expenses of the Authority, debt service of bonds issued by the Authority, or administrative expenses related to bonds issued by the Authority.

(3) (i) Up to ~~[10%]~~ **7% OR \$600,000, WHICHEVER AMOUNT IS GREATER**, of Program Open Space funds transferred to the Authority may be used to pay the operating expenses of the Authority.

(ii) Up to 50% of Program Open Space funds transferred to the Authority may be expended for debt service on bonds issued by the Authority.

(iii) For fiscal year 2012 only, an additional \$500,000 of Program Open Space funds transferred to the Authority may be used to pay operating expenses in the Department of Planning.

(iv) For fiscal year 2026 only, an additional \$340,000 of Program Open Space funds transferred to the Authority may be used to pay operating expenses in the Department of Planning.

Article – Natural Resources

5–903.

(a) (1) ~~¶(i)~~ Of the funds distributed to Program Open Space under § 13–209 of the Tax – Property Article, up to \$3,000,000 may be transferred by an appropriation in the State budget, or by an amendment to the State budget under Title 7, Subtitle 2 of the State Finance and Procurement Article, to the Maryland Heritage Areas Authority Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions Article to be used for the purposes provided in that subtitle.

~~¶(ii)~~ Of the amount transferred under subparagraph (i) of this paragraph, up to \$300,000 may be distributed to the Maryland Historical Trust within the Department of Planning to be awarded as noncapital historic preservation grants.~~¶~~

(2) (i) 1. Of the remaining funds not appropriated under paragraph ~~¶(1)(i)~~ ~~(1)~~ of this subsection:

A. One half of the funds shall be used for recreation and open space purposes by the Department and the Historic St. Mary’s City Commission; and

B. 20% of the funds or \$21,000,000, whichever is greater, shall be appropriated to the Forest and Park Service in the Department to operate State forests and parks.

2. Except as otherwise provided in this section, any funds the General Assembly appropriates to the State under this subsection shall be used only for land acquisition projects.

(iv) In addition to the \$3,000,000 under paragraph ~~[(1)(i)]~~ ~~(1)~~ of this subsection that may be transferred to the Maryland Heritage Areas Authority Financing Fund, up to ~~[\$3,000,000]~~ **\$9,000,000** of the State's share of funds available under subparagraph (i)1A of this paragraph may be transferred by an appropriation in the State budget or by an amendment to the State budget under Title 7, Subtitle 2 of the State Finance and Procurement Article to the Maryland Heritage Areas Authority Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions Article to be used for the purposes provided in that subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, April 28, 2026.