

HOUSE BILL 654

M1
HB 1327/25 – ENT

6lr1993
CF SB 638

By: ~~Delegates Behler and Hinebaugh~~, **Hinebaugh, Allen, Guyton, Holmes, Jacobs,
Lewis, T. Morgan, Odom, and Stein**

Introduced and read first time: January 30, 2026

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 2026

CHAPTER _____

1 AN ACT concerning

2 **Natural Resources – Maryland Heritage Areas Authority – Funding and Grants**

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

15 BY repealing and reenacting, with amendments,
16 Article – Financial Institutions
17 Section 13–1113 and 13–1114
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2025 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Natural Resources
22 Section 5–903(a)(1) and (2)(i)

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 Annotated Code of Maryland
 2 (2023 Replacement Volume and 2025 Supplement)

3 BY repealing and reenacting, with amendments,
 4 Article – Natural Resources
 5 ~~Section 5–903(a)(1) and (2)(i) and (iv)~~ Section 5–903(a)(2)(iv)
 6 Annotated Code of Maryland
 7 (2023 Replacement Volume and 2025 Supplement)

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

10 **Article – Financial Institutions**

11 13–1113.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 13-1114.

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

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

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

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

20 (1) Proceeds from the sale of bonds;

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

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

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

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

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

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

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

5 (f) The State Treasurer shall:

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

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

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

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

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

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

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

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

26 Article – Natural Resources

27 5–903.

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

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

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

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

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

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

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.