

SENATE BILL 638

M1
SB 980/25 – B&T

6lr0843
CF HB 654

By: Senators Corderman, Bailey, Gallion, Salling, Folden, and Simonaire

Introduced and read first time: February 5, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

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

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

18 BY repealing and reenacting, with amendments,
19 Article – Natural Resources
20 Section 5–903(a)(1) and (2)(i) and (iv)
21 Annotated Code of Maryland
22 (2023 Replacement Volume and 2025 Supplement)

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

Article – Financial Institutions

26 13-1113.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) Grants to local jurisdictions or other appropriate entities to develop management plans in recognized heritage areas.

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

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

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

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

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

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

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

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

27 13-1114.

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

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

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

4 (1) Proceeds from the sale of bonds;

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

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

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

14 (ii) All reasonable charges and expenses related to borrowing by the
15 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.

18 (f) The State Treasurer shall:

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

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

21 (g) (1) In this subsection, "Program Open Space funds transferred to the
22 Authority" means the money appropriated to the Fund from Program Open Space funds
23 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.

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

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

Article – Natural Resources

10 5-903.

20 (2) (i) 1. Of the remaining funds not appropriated under paragraph
21 [(1)(i)] (1) of this subsection:

1 Fund established under Title 13, Subtitle 11 of the Financial Institutions Article to be used
2 for the purposes provided in that subtitle.

3 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect July
4 1, 2026.