

# SENATE BILL 638

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SB 980/25 – B&T

6lr0843  
CF HB 654

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By: **Senators Corderman, Bailey, Gallion, Salling, Folden, ~~and Simonaire~~  
Simonaire, Augustine, Guzzone, Hettleman, Jennings, King, Lewis Young, McCray,  
Rosapepe, and Zucker**

Introduced and read first time: February 5, 2026

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 20, 2026

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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* 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~~ for certain purposes in a certain  
manner; repealing certain requirements for certain grants and loans; decreasing the  
7 percentage of  
8 Program Open Space funds transferred to the Maryland Heritage Areas Authority  
9 Financing Fund that may be used for certain operating expenses; repealing a  
10 provision of law authorizing the distribution of certain money to the Maryland  
11 Historical Trust; increasing the maximum amount of certain funding available to the  
12 State that may be transferred to the Maryland Heritage Areas Authority Financing  
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

2 REPRINT OF SENATE BILL 638 as amended by SB0638/243029/1 03/31/26 at 10:35 AM

1 (2023 Replacement Volume and 2025 Supplement)

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

4 **Article – Financial Institutions**

5 13–1113.

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

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

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

12 (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.

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

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

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

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

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

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

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

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

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

3 REPRINT OF SENATE BILL 638 as amended by SB0638/243029/1 03/31/26 at 10:35 AM

1 13-1114.

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

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

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

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

8 (1) Proceeds from the sale of bonds;

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

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

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

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

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

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

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

22 (f) The State Treasurer shall:

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

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

25 (g) (1) In this subsection, "Program Open Space funds transferred to the  
26 Authority" means the money appropriated to the Fund from Program Open Space funds  
27 under § 5-903(a) of the Natural Resources Article.

28 (2) Except as provided in paragraph (3) of this subsection, Program Open  
29 Space funds transferred to the Authority may not be used to pay the operating expenses of

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1 the Authority, debt service of bonds issued by the Authority, or administrative expenses  
2 related to bonds issued by the Authority.

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

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

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

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

14 **Article – Natural Resources**

15 5–903.

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

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

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

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

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

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

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2026.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.