

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

25
26 13–1113.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (a) As provided in the State budget **AND SUBJECT TO SUBSECTION (D) OF THIS**
2 **SECTION**, the Authority may award:

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

6 (2) Grants to local jurisdictions or other appropriate entities to develop
7 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:

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

20 **[(ii) (2) To encourage revitalization of, and reinvestment in,**
21 **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.

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

1 (2) No part of the Fund may revert or be credited to the General Fund or
2 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

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

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

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

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.

16 (2) A pledge made under paragraph (1) of this subsection is effective as
17 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.

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

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

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

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.

9 Article – Natural Resources

10 5–903.

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

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

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

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

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

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

30 (iv) In addition to the \$3,000,000 under paragraph [(1)(i)] (1) of this
31 subsection that may be transferred to the Maryland Heritage Areas Authority Financing
32 Fund, up to [\$3,000,000] **\$9,000,000** of the State’s share of funds available under
33 subparagraph (i)1A of this paragraph may be transferred by an appropriation in the State
34 budget or by an amendment to the State budget under Title 7, Subtitle 2 of the State
35 Finance and Procurement Article to the Maryland Heritage Areas Authority Financing

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.