



*Maryland Department of Planning
Maryland Historical Trust*

*Martin O'Malley
Governor
Anthony G. Brown
Lt. Governor*

*Richard Eberhart Hall
Secretary
Matthew J. Power
Deputy Secretary*

ANNOTATED CODE OF MARYLAND

Financial Institutions Article

Title 13. State-Operated Financial Programs

Subtitle 11. Heritage Areas

§ 13-1101. Definitions

- (a) In this subtitle the following words have the meanings indicated.
- (b) "Authority" means the Maryland Heritage Areas Authority established under § 13-1103 of this subtitle.
- (c) "Bonds" means revenue bonds, including refunding bonds or revenue anticipation notes, issued by the Authority.
- (d) "Certified heritage area" means a heritage area designated in accordance with § 13-1111 of this subtitle.
- (e) "Fund" means the Maryland Heritage Areas Authority Financing Fund established under § 13-1114 of this subtitle.
- (f) "Heritage area" means a developed area of public and private uses that:
 - (1) Ranges in size from a portion of a county or municipal corporation to a regional area with a special coherence;
 - (2) Is distinguished by physical and cultural resources which have played a vital role in the historic life and development of the community and contribute to the public through interpretive, educational, and recreational use;
 - (3) Is composed of contiguous or noncontiguous geographic areas; and
 - (4) May include traditional parks and historic places or property on the national or State register of historic properties.
- (g) (1) "Local plan" means the policies, statements, goals, and interrelated plans for private and public land use, transportation, and community facilities documented in texts and maps which constitute the guide for the area's future development.

(2) "Local plan" includes a general plan, master plan, comprehensive plan, community plan, and the like as adopted in accordance with Article 66B, Titles 3 and 14 of the Code.

(h) "Management plan" means a document prepared in accordance with § 13-1111 of this subtitle that includes a comprehensive statement in words, maps, illustrations, or other media of communication of the objectives, policies, and standards to guide public and private action for the preservation, interpretation, development, and use of the cultural, historic, natural, and architectural resources of a certified heritage area.

(i) "Recognized heritage area" means a heritage area that:

(1) The local jurisdictions within the heritage area have nominated for designation as a recognized heritage area under § 13-1110 of this subtitle; and

(2) The Heritage Areas Authority has designated as eligible to apply for designation as a certified heritage area under § 13-1111 of this subtitle.

(j) "Target investment zone" means a specific area:

(1) Located within a certified heritage area;

(2) Identified in a management plan approved by the Authority or through a process specified by the Authority; and

(3) Intended to attract significant private investment to the area in order to encourage demonstrable results and return on public investment within the area in a relatively short period of time.

§ 13-1102. Construction of subtitle

This subtitle:

(1) Shall be liberally construed to effect its purposes; and

(2) Shall be construed consistently with any applicable federal law or with the authority of any federal agency under that law.

§ 13-1103. Heritage Areas Authority established

(a) There is a Maryland Heritage Areas Authority, established as:

(1) A body corporate and politic; and

(2) An instrumentality of the State.

(b) The Authority is an independent unit of government in the Executive Branch of government that operates in the Department of Planning.

(c) The exercise by the Authority of the powers conferred by this subtitle is the performance of an essential public function.

§ 13-1104. Members

(a) The Authority consists of:

(1) The Secretary of Housing and Community Development;

(2) The Secretary of Business and Economic Development;

(3) The Secretary of Higher Education;

(4) The Secretary of Transportation;

(5) The Secretary of Natural Resources;

(6) The Secretary of the Department of Planning;

(7) The State Historic Preservation Officer; and

(8) Ten members appointed by the Governor with the advice and consent of the Senate:

(i) Two of whom shall be elected officials or representatives of local jurisdictions;

(ii) Two of whom shall be appointed from names recommended by the President of the Maryland Senate;

(iii) Two of whom shall be appointed from names recommended by the Speaker of the House of Delegates;

(iv) One of whom is a public member of the Maryland Greenways Commission;

(v) One of whom is a public member of the Maryland Tourism Development Board;

(vi) One of whom is a member of the public who has significant education or experience in historic preservation; and

(vii) One of whom is a member of the public who has significant education or experience in heritage tourism.

(b) Of the elected officials or representatives from local jurisdictions, the Governor shall appoint:

- (1) One elected official or representative from a list submitted by the Maryland Association of Counties; and
 - (2) One elected official or representative from a list submitted by the Maryland Municipal League.
- (c) The members appointed to the Authority shall represent the gender, racial, and geographic makeup of the State.
- (d) A member of the Authority may not also be a member of the board of directors or any other type of governing or oversight body of an organization qualifying for State funds as a recognized or certified heritage area.
- (e) A cabinet member of the Authority may designate a representative to act in the absence of the cabinet member.
- (f)
- (1) Except for State officials, the term of a member of the Authority is 4 years.
 - (2) The terms of members appointed by the Governor are staggered as required by the terms provided for members on October 1, 1996.
 - (3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.
 - (4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.
 - (5) At the end of the term of a member or on the resignation or removal of a member, the Governor shall appoint a member to the Authority with the advice and consent of the Senate.
- (g) The Secretary of Planning shall serve as chair of the Authority.
- (h) The Governor may remove a member that a Governor appointed for incompetence, misconduct, or failure to perform the duties of the position.

§ 13-1105. Meetings

- (a) Nine voting members of the Authority are a quorum.
- (b) An action of the Authority must receive the affirmative vote of at least a majority of the voting members of the Authority.
- (c) The Authority shall determine the times and places of its meetings.
- (d) A member of the Authority:

- (1) May not receive compensation; but
- (2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§ 13-1106. Staff

- (a) In accordance with the State budget, the Maryland Historical Trust shall dedicate administrative staff for the Authority.
- (b)(1) As the Authority considers appropriate, the Authority may request other units of State government to detail staff or provide technical assistance to recognized and certified heritage areas.
- (2) On request of the Authority, other units of State government may detail staff or technical assistance to specific recognized or certified heritage areas.

§ 13-1107. Powers

In addition to the powers set forth elsewhere in this subtitle, the Authority may:

- (1) Recognize heritage areas in accordance with § 13-1110 of this subtitle and certify recognized heritage areas in accordance with § 13-1111 of this subtitle;
- (2) Approve or reject management plans for certified heritage areas in accordance with § 13-1111 of this subtitle;
- (3) Adopt and alter an official seal;
- (4) Sue and be sued, plead, and be impleaded;
- (5) Adopt bylaws to regulate its affairs and the conduct of its business;
- (6) In accordance with Title 10, Subtitle 1 of the State Government Article, adopt regulations to carry out the provisions of this subtitle;
- (7) Employ, either as regular employees or as independent contractors, and fix the compensation of, accountants, architects, attorneys, construction experts, personnel consultants, engineers, financial experts, managers, superintendents, and other professional personnel and agents;
- (8) Appoint advisory committees composed of local officials, representatives of the business and preservation communities, and representatives of other interests as the Authority deems appropriate;

- (9) Subject to annual appropriations, acquire in its own name, by gift or purchase, any personal property or interests in personal property necessary or convenient to support a certified heritage area and carry out the responsibilities of the Authority under this subtitle;
- (10) Subject to annual appropriation and to the prior approval of the Board of Public Works, acquire in its own name, by gift or purchase, any real property or interests in real property necessary or convenient to support a certified heritage area and carry out the responsibilities of the Authority under this subtitle;
- (11) Enter into contracts of any kind and execute all instruments necessary or convenient to carry out its powers under this subtitle;
- (12) Make and participate in making loans or grants, or otherwise provide financial assistance for any project that serves to preserve, develop, maintain, or protect a State designated heritage area;
- (13) (i) Borrow money from any source for any purpose of this subtitle, including capital for its operations, reserve funds, or interest;
- (ii) Mortgage, pledge, or otherwise encumber the property and funds of the Authority;
- and
- (iii) Contract with or engage the services of any person for any financing, including underwriters, placement agents, financial institutions, issuers of letters of credit, or insurers;
- (14) Subject to Part IV of this subtitle, issue bonds;
- (15) Receive and accept from any public or private source contributions, gifts, or grants of money or property;
- (16) Exercise all the corporate powers granted Maryland corporations under the Maryland General Corporation Law; and
- (17) Subject to the limitations under this subtitle, do all things necessary or convenient to carry out the powers granted by this subtitle.

§ 13-1108. Duties

The Authority shall:

- (1) Meet at least twice each year;

- (2) Develop and adopt standards, criteria, and guidance for its review and approval of recognized and certified heritage area designations, management plans, grants and loans, or other approvals required under this subtitle;
- (3) Assist in coordinating State actions with the objectives of the system of heritage areas and assist and make recommendations necessary to carry out the purposes of this subtitle;
- (4)
 - (i) Review complaints made by local governments or other entities established to administer heritage areas that relate to activities undertaken by State agencies which may adversely affect heritage area resources; and
 - (ii) Resolve any disputes that may arise in connection with the exercise of its authority under this subtitle; and
- (5) Not less than once a year, submit reports to the Governor and the General Assembly concerning progress toward implementing the heritage areas system, including recommendations for the future.

§ 13-1109. System of heritage areas

There is a Maryland system of recognized heritage areas and certified heritage areas that:

- (1) Reflects the cultural themes of the State's development; and
- (2) Provides educational, inspirational, economic, and recreational benefits for present and future generations.

§ 13-1110. Designating recognized heritage areas

- (a)
 - (1) The Authority may consider proposals submitted by local jurisdictions to designate a heritage area as a recognized heritage area.
 - (2) The Authority shall adopt regulations that specify criteria and procedures for designating recognized heritage areas.
- (b) A proposal for the designation of a heritage area as a recognized heritage area shall:
 - (1) Be previously approved and submitted by the governing bodies of all of the local jurisdictions located within the specific boundaries proposed for the recognized heritage area;

- (2) To the maximum extent practicable, be developed in consultation with affected State agencies;
 - (3) Specify the boundaries for the recognized heritage area;
 - (4) Identify the local entity responsible for coordinating development of the management plan required under § 13-1111 of this subtitle;
 - (5) Describe the cultural, historic, and natural resources which contribute to the special character of the heritage area;
 - (6) Specify the general goals and objectives for the preservation, development, and management of the heritage area;
 - (7) Identify the types of public and private uses to be accommodated in the heritage area;
 - (8) Describe strategies for encouraging and accommodating visitation to and compatible economic development of the heritage area;
 - (9) Provide an economic overview of the long and short term costs and benefits related to the development of the heritage area; and
 - (10) Describe the techniques and means to be instituted by the local jurisdictions to assure the long term preservation and protection of the cultural, historic, and natural resources within the heritage area, including zoning, subdivision controls, and other growth management techniques.
- (c) The Authority may not designate a heritage area as a recognized heritage area unless the Authority finds that:
- (1) The heritage area contains resources of statewide significance that have retained integrity of setting and a cohesive character;
 - (2) The heritage area contains at least one or more:
 - (i) Historic districts either listed in, or determined to be eligible for listing in, the Maryland Register of Historic Properties in accordance with § 5A-323 of the State Finance and Procurement Article; or
 - (ii) Natural or recreational resources determined by the Secretary of Natural Resources to be of statewide significance; and
 - (3) Public assistance for the heritage area is reasonably expected to produce additional private investments, job creation, and tourism revenues.

- (d) (1) The boundaries for each recognized heritage area are the boundaries depicted on the map accompanying each proposal as approved by the Authority.
- (2) After initial approval by the Authority of the boundaries of a recognized heritage area, the Authority may amend or revise the boundaries:
 - (i) With the approval of all of the local jurisdictions where the property to be added or removed is located; and
 - (ii) On publication of a revised drawing or boundary description in the Maryland Register.
- (3) Boundary maps for each recognized heritage area shall be kept on file at the Authority and at the office of the county clerk where the recognized heritage area is located.
- (e) Designation of a heritage area by the Authority as a recognized heritage area establishes eligibility for matching grant assistance for the development of management plans.

§ 13-1111. Designating certified heritage areas

- (a) (1) The Authority may consider proposals submitted by the local jurisdictions within a recognized heritage area to designate recognized heritage areas as certified heritage areas.
- (2) The sponsoring local jurisdictions shall prepare a proposal that includes a management plan for the recognized heritage area.
- (3) The local jurisdictions shall develop the management plan in cooperation and consultation with the Authority and relevant private interests.
- (4) On approval of the management plan by the Authority and all local jurisdictions within the recognized heritage area:
 - (i) The Authority shall designate the recognized heritage area as a certified heritage area; and
 - (ii) The management plan shall be the plan for purposes of implementing the certified heritage area for both the State and local jurisdictions.
- (b) The Authority shall adopt regulations that specify the criteria and procedures for the consideration and adoption of a proposed management plan.

- (c) The Authority may not designate more than two recognized heritage areas as certified heritage areas for each fiscal year.
- (d) The Authority shall hold at least one public hearing concerning the proposed management plan for a recognized heritage area in each recognized heritage area proposed for designation as a certified heritage area.
- (e) Before submission of a management plan to the Authority for approval, the management plan must be submitted for approval to the local governing body of each jurisdiction within the recognized heritage area in the form of an amendment to the local plan.
- (f) The management plan shall be submitted to the Authority within forty-five days after preliminary approval by all local jurisdictions within the recognized heritage area.
- (g) A management plan for a certified heritage area shall include:
- (1) An identification of:
 - (i) The boundaries of the recognized heritage area as set forth in the original designation or as proposed for revision by the management plan;
 - (ii) The land use recommendations of the local plans of all of the local jurisdictions within the recognized heritage area; and
 - (iii) The zones within the recognized heritage area for particular nature and intensity of use, including zones most appropriately devoted to public use and development by State or local government, and for private use;
 - (2) An inventory and evaluation of the significant natural and cultural resources within the recognized heritage area;
 - (3) An identification of the types of public and private uses to be encouraged within the recognized heritage area;
 - (4) An identification of properties, if any, to be acquired, in whole or in part;
 - (5) A description of the educational, interpretive, and recreational programs and projects to be undertaken in the recognized heritage area;
 - (6) A description of plans for encouraging and accommodating visitation to and compatible economic development of the recognized heritage area;

(7) An economic assessment of the long and short term costs and benefits related to the implementation of the management plan, including an identification of expected sources of funding;

(8) A description of the techniques or means for the preservation and protection of the natural and cultural resources within the recognized heritage area, including:

(i) Appropriate existing or proposed local legislation for the designation and protection of historic properties or natural areas to assure that future local actions and development will be consistent with the goals and objectives for the recognized heritage area; and

(ii) If the plan proposes the enactment of one or more ordinances to provide for one or more historic preservation commissions for specific sites, structures, or districts within the recognized heritage area, provisions that:

1. Are consistent with Article 66B, §§ 8.01 through 8.17 of the Code;
2. Provide for membership on the Historic Preservation Commission in accordance with the minimum professional requirements of the United States Department of the Interior for certifying local governments under 36 C.F.R. Part 61; and
3. Provide that the Historic Preservation Commission review and approve the design of all projects that the local jurisdiction conducts, assists, licenses, or permits that affect designated historic properties within the recognized heritage area;

(9) A description of the organizational structure to be utilized for planning, development, and management of the heritage area, including the responsibilities and interrelationships of local and State agencies; and

(10) A schedule for the planning, development, and management of the recognized heritage area.

(h) Each management plan must demonstrate that the capability exists to implement and manage the recognized heritage area, including the capability:

- (1) To accept and disburse funds;
- (2) To acquire, improve, and dispose of property;
- (3) To manage, operate, and maintain appropriate public facilities; and

- (4) To adopt and enforce land use and preservation standards as required to protect the resources within the heritage area.
- (i) If the Authority determines that information in a previously submitted management plan contains sufficient information to fulfill the purpose of the management plan, the Authority may waive in whole or in part selected individual requirements regarding the submission of the management plan.
- (j) The Authority shall approve or disapprove the management plan within 90 days after the Authority receives a management plan from the local jurisdictions.
- (k) The Authority may not approve a management plan unless the Authority determines that a management plan would adequately carry out the purposes of this subtitle.
- (l) If the Authority disapproves a management plan, the Authority shall advise the local jurisdictions in writing of the reason for the disapproval and provide recommendations for a revision of the plan.
- (m) The Authority shall approve or disapprove any revisions to an existing management plan in the same manner as specified in subsections (j) through (l) of this section.
- (n) Approval of a management plan by the Authority and final approval of the plan by all local jurisdictions within a recognized heritage area shall:
- (1) Establish the designation of a recognized heritage area as a certified heritage area;
 - (2) Establish eligibility for the receipt of acquisition, development, and programming assistance from the State within the certified heritage area boundaries;
 - (3) Establish eligibility for qualifying properties and persons for certain tax incentives for activities within the defined heritage area boundaries; and
 - (4) For continuance of the certified heritage area, require appropriate local action to protect and safeguard the significant resources in the certified heritage area.
- (o) The Canal Place Historic Preservation District established under Subtitle 10 of this title is the initial certified heritage area designated under this subtitle.
- (p) After holding a public hearing in the certified heritage area that is the subject of the Authority's review, the Authority may withdraw its approval of a management plan if the Authority finds that a local jurisdiction responsible for the certified heritage area:
- (1) Has taken actions which have had a significant adverse impact upon significant certified heritage area resources; or

(2) Has failed to implement its role under a management plan.

(q) If the Authority withdraws its approval of a management plan:

- (1) The heritage area shall no longer be designated as a certified heritage area; and
- (2) The Authority shall report its withdrawal of approval to the Governor and the General Assembly stating the reasons for the action of the Authority.

§ 13-1112. Program statement

- (a) (1) The State officials under items (i) through (vii) of this subsection who have program responsibilities that affect aspects of the interpretation, preservation, development, and use of heritage area resources shall prepare a program statement detailing actions in the areas of planning, development, use, assistance, and regulation that support and assist the establishment and management of certified heritage areas, as follows:
- (i) Secretary of Planning regarding local government adoption of heritage area management plans and regarding historic preservation and museum programs;
 - (ii) Secretary of Housing and Community Development regarding housing and neighborhood revitalization;
 - (iii) Secretary of Business and Economic Development regarding the State tourism program and economic development and job creation activities;
 - (iv) Secretary of Natural Resources regarding outdoor recreation and the management of natural resources, including State greenways;
 - (v) Secretary of Higher Education regarding educational resources and their interpretation;
 - (vi) Secretary of Transportation regarding access to and transportation within certified heritage areas, including the scenic byways program and programs for special signage; and
 - (vii) Secretary of General Services regarding the management and disposition of State property.
- (2) The State officials shall submit the program statements required under paragraph (1) of this subsection, and any revisions of the statements, to the Authority.

- (b) Units of State government that conduct or support activities affecting a certified heritage area shall:
- (1) Consult, cooperate, and to the maximum extent feasible, coordinate their activities with the unit or entity responsible for the management of each certified heritage area;
 - (2) To the maximum extent practicable, carry out the activities of the unit in a manner that is consistent with the approved management plan for the certified heritage area; and
 - (3) When conducting a review of activities under §§ 5A-325 and 5A-326 of the State Finance and Procurement Article, assure that the activities will not have an adverse effect on the historic and cultural resources of the certified heritage area, unless there is no prudent and feasible alternative.

§ 13-1113. Grants

- (a) As provided in the State budget, 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 of certified heritage areas; and
 - (2) Grants to local jurisdictions or other appropriate entities to develop management plans in recognized heritage areas.
- (b) A grant to develop a management plan may not exceed 50% of the cost of the management plan.
- (c) (1) Except as provided in paragraph (2) of this subsection, the Authority may make acquisition and development grants only for projects in a target investment zone within a certified heritage area for a period of up to 10 years after the day on which the Authority first approves funding for acquisition or development grants in:
- (i) The target investment zone; or
 - (ii) That portion of the target investment zone added through a boundary amendment approved by the Authority.
- (2) The Authority may make acquisition or development grants for a project in a target investment zone after the 10-year period described in paragraph (1) of this subsection, or outside a target investment zone, if the Authority determines that the project is essential for the success of the management plan for the certified heritage area.

- (3) An acquisition or development grant:
 - (i) May not be used for any purpose other than implementation of the certified heritage area in conformity with the approved management plan; and
 - (ii) May not exceed 50% of the total project cost for which the grant is awarded.
- (d) (1) Subject to paragraph (2) of this subsection, the Authority may make program grants to local jurisdictions and other appropriate entities:
 - (i) 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) 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) 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. Heritage Areas Authority Financing Fund

- (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 moneys 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 moneys 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% 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.

§ 13-1115. Bonds

- (a) (1) Subject to this part, the Authority may at any time and from time to time issue bonds for the purposes of this subtitle to obtain funds to provide financial assistance for or otherwise support a certified heritage area.
- (2) The Authority may issue the bonds only if it determines that the issuance is necessary to achieve the purposes of this subtitle.

(3) The Authority may not issue tax-exempt private activity bonds that are subject to the volume cap under § 146 of the Internal Revenue Code.

(4) The Board of Public Works may not approve the issuance of bonds by the Authority that will result in more than \$15,000,000 in an aggregate outstanding and unpaid principal balance of bonds for the Authority at any time.

(b) (1) The Authority shall submit each proposed issue of bonds to the Board of Public Works and shall obtain the approval of the Board of Public Works for the proposed issue prior to sale of the bonds.

(2) In submitting a proposal to issue bonds to the Board of Public Works, the Authority shall identify the source of revenue that supports the debt service on the bonds.

(c) The Authority:

(1) Shall by resolution authorize any bonds that it issues; and

(2) May secure the bonds by a trust agreement between the Authority and a corporate trustee or trustees, which may be any trust company or bank that has the powers of a trust company within or without the State.

(d) Except as otherwise expressly required by this subtitle, the Authority may issue the bonds or notes without:

(1) Obtaining the consent of any other unit of State government;

(2) Any proceedings; or

(3) The occurrence of any conditions.

§ 13-1116. Repayment of bonds

(a) The bonds of any issue shall be payable solely from the property or receipts of the Authority, including without limitation:

(1) Fees, charges, or other revenues payable to the Authority;

(2) Payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;

(3) Investment earnings from funds or accounts maintained under a bond resolution or trust agreement;

- (4) Proceeds of refunding bonds; and
- (5) Any other source authorized by law.

(b) The bonds do not constitute a debt, liability, or pledge of full faith and credit of the State and may not be deemed to constitute a debt, liability, or pledge of the full faith and credit of the State.

§ 13-1117. Issuance of bonds

The bonds that the Authority issues shall:

- (1) Be issued at, above, or below par value, for cash or other valuable consideration, and mature at a time or times, whether as serial bonds or as term bonds or both, not exceeding the maturity date established by the Authority;
- (2) Bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;
- (3) Be payable at a time or times, in the denominations and form, either coupon or registered or both, registrable as to principal and interest alone or as to both and carry the registration and privileges as to conversion and for the replacement of mutilated, lost, or destroyed bonds as the resolution or trust agreement may provide;
- (4) Notwithstanding any other law, be deemed a "security" within the meaning of § 8-102 of the Commercial Law Article, whether or not it is either one of a class or a series or by its terms is divisible into a class or series of instruments and negotiable for all purposes although payable from a limited source;
- (5) Be payable in lawful money of the United States at a designated place, including one or more banks or trust companies;
- (6) Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust agreement provides;
- (7) Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority, which signatures shall be valid for all purposes at delivery even for an officer who has ceased to hold office; and

(8) Be sold in the manner and on the terms determined by the Authority, including private (negotiated) sale and be exempt from §§ 8-206, 8-208, and 8-209 of the State Finance and Procurement Article.

§ 13-1118. Resolution or trust agreement

(a) Any resolution or trust agreement the Authority adopts or enters into under § 13-1115 of this subtitle may contain provisions that:

- (1) Pledge, assign, or direct the use, investment, or disposition of all or a portion of the receipts of the Authority or all or a portion of the proceeds or benefits of any contract and convey or otherwise secure any property or property rights;
- (2) Set aside loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, and sinking funds, and regulate, invest, and dispose of these deposits, reserves, accounts, and funds;
- (3) Limit the purpose to which or the investments in which the proceeds of sale of any issue of bonds may be applied and restrict the investment of revenues or bond proceeds as deemed necessary, which may include limiting investments to government obligations for which principal and interest are unconditionally guaranteed by the United States;
- (4) Limit the issuance of additional bonds and specify the terms on which additional bonds may be issued, secured, and rank on parity with, or be subordinate or superior to other bonds;
- (5) Refund or refinance outstanding bonds;
- (6) Establish any procedure concerning the manner in which the terms of any contract with bondholders may be altered or amended, the amount of bonds to which the holders must consent, and the manner in which the holders must consent;
- (7) Define the acts or omissions that constitute a default in the duties of the Authority to holders of bonds and provide the rights and remedies of the holders in the event of a default, which may include provisions that restrict individual right of action by bondholders;
- (8) Provide for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and
- (9) Provide for any other matter relating to the bonds that the Authority deems appropriate.

(b) Any provisions under subsection (a) of this section that the Authority includes in a resolution or trust agreement may be made part of the contract with the holders of the bonds.

§ 13-1119. Pledge of revenues

(a) A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding on and after the date when the documents evidencing the pledge are executed by the Authority.

(b) (1) The revenues that the Authority pledges may be made immediately subject to the lien of the pledge without any physical delivery or further act.

(2) The lien of any pledge of revenue is valid and binding against any person who has any claim in tort, contract, or otherwise against the Authority, whether or not the person has notice.

(c) In order to perfect the lien on the revenue pledged by the Authority against third persons, a resolution, trust agreement or financing statement, continuation statement, or other instrument that the Authority adopts or enters into need not be filed or recorded in any public record other than the records of the Authority.

§ 13-1120. Personal liability for bonds

No member of the Authority nor any person executing the bonds of the Authority shall be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

§ 13-1121. Refunding of bonds

(a) The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds.

(b) Refunding bonds may be issued in the discretion of the Authority and for any purpose authorized by this subtitle, including:

- (1) (i) For the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring;
- (ii) For alleviating impending or actual default; or

- (iii) For any other public purpose that the Authority determines is in the best interests of and consistent with the Authority's long-term financing plan;
- (2) In one or more series; and
- (3) In an amount in excess of that of the bonds to be refunded.

§ 13-1122. Marketing and sale of bonds

- (a) The Authority may enter into agreements with agents, banks, insurers, or others for the purpose of enhancing the marketability of, or as a security for, its bonds.
- (b) Any financial institution, investment company, insurance company or association, any personal representative, guardian, trustee, or other fiduciary, and any other public officer or unit of the State or a subdivision of the State may legally invest any moneys belonging to them or within their control in any bonds issued by the Authority.

§ 13-1123. Tax exemption

The bonds of the Authority, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, are exempt at all times from every kind of taxation by this State or by any of its political subdivisions, municipal corporations, or public agencies.

§ 13-1124. Dispute resolution

- (a) In this section, "aggrieved person" means:
 - (1) A person that:
 - (i) Is a party to a dispute that the Authority resolves under § 13- 1108(4)(ii) of this subtitle; and
 - (ii) Is aggrieved by the Authority's final action in resolving the dispute under § 13- 1108(4)(ii) of this subtitle; or
 - (2) The local jurisdictions within a certified heritage area from which the Authority has withdrawn approval of a management plan under § 13-1111(p) of this subtitle.
- (b) This section does not apply to:
 - (1) The failure of the Authority to designate:

- (i) A heritage area as a recognized heritage area; or
 - (ii) A recognized heritage area as a certified heritage area through the approval of a management plan;
- (2) Actions taken by the Authority under its powers to issue bonds under Part IV of this subtitle;
- or
- (3) The failure of the Authority to award or enforce the terms of grants, loans, or other financing.
- (c) An aggrieved person may appeal to the Office of Administrative Hearings for a hearing in accordance with Title 10, Subtitle 2 of the State Government Article.
- (d) The decision of the Office of Administrative Hearings is the final administrative decision.
- (e) The Office of Administrative Hearings may not modify the Authority's resolution of a dispute unless the aggrieved person shows by a preponderance of the evidence that:
- (1) The final action of the Authority was arbitrary or capricious; or
 - (2) The Authority failed to follow its own procedures or regulations for resolving a dispute under § 13-1108(4)(ii) of this subtitle.

Acts 1996, c. 601, § 1; Acts 1997, c. 14, § 1; Acts 1998, c. 740, § 1; Acts 1999, c. 33, § 1; Acts 2000, c. 61, § 6, c. 209, § 2; Acts 2001, c. 713, § 1; Acts 2003, c. 21, § 7; Acts 2005, c. 25, § 13, c. 44, § 1, c. 440, § 3; Acts 2006, c. 82, § 1; Acts 2007, c. 93, § 1.

<http://www.michie.com/maryland/lpExt.dll?f=templates&eMail=Y&fn=main-h.htm&cp=mdcode/1149e/125df/12714>