

- DEPARTMENTAL BILLS
 - **SB613/ HB598 Maryland Heritage Structure Rehabilitation Tax Credit Program**
 - Modifies and extends the Maryland Heritage Structure Rehabilitation Tax Credit Program, as outlined below:
 - Extends termination date through fiscal 2010 for commercial and owner-occupied residential property rehabilitations.
 - Increases, from 50% to 75%, the maximum amount of total initial credit certificates issued in a fiscal year that can be allocated for projects located in one county or Baltimore City.
 - Awards credits that favor projects located in jurisdictions historically underrepresented in the awarding of tax credits.
 - Eliminates requirement that at least 10% of all commercial credits be awarded to nonprofit organizations
 - Extends commercial rehabilitation project deadline by providing that an initial credit certificate issued for a commercial rehabilitation would not expire until 30 months after the issuance of the certificate
 - Extends the fee charged to certify the rehabilitation of commercial projects to residential rehabilitations.
 - Requires MHT to establish criteria that are consistent with the rehabilitation standards of the United States Secretary of the Interior; and
 - Eliminates the requirement that MHT can only accept commercial rehabilitation applications between January 1 and March 31 of each fiscal year.
 - **HB1217 Maryland Heritage Areas Authority**
 - KEY PROVISIONS OF HB 1217
 - Bill makes needed technical corrections to the Maryland Heritage Areas Program's capital grant program, which will not require increase in funding, but allow existing funds to be better targeted to needs.
 - Defines "Target Investment Zones" (TIZs) in the statute, rather than only in regulations. TIZs are smaller areas within a larger Certified Heritage Area where capital projects receive preferential funding eligibility.
 - Extends from 5 to 10 years the current statutory limit on the award of capital grants.
 - Allows the Authority to provide capital grants to extremely important tourism development projects located within a Certified Heritage Area, but outside of a Target Investment Zone; or that can not be initiated within the ten year eligibility period; and, if the

Authority finds a project is "essential" for the successful implementation of the heritage area management plan.

- (*the current statute allows this exception for the award of capital grants after the existing 5-year eligibility period has expired; HB 1217 would expand the same exception to allow awards on a limited basis outside of Target Investment Zones)

- PLANNING LEGISLATION

- **HB773 Task Force on the Future for Growth and Development**

- Modifies 14-member "Task Force on the Future for Growth and Development in Maryland" established under HB 1141- staffed by MDP.
- New legislation requires Governor to designate chair of the task force and for it to serve as an advisory board to the Governor's Smart Growth Sub-Cabinet, providing guidance and advice at least twice annually through December 31, 2010.
- In addition to its existing duties, the task force must:
 - Determine methods to assess the cumulative impacts of proposed development on infrastructure on a regional scale;
 - Determine the parameters for a state development plan, state transportation plan, state housing plan;
 - Determine how those plans work together with land use plans;
 - Identify infrastructure needed for Smart Growth development consistent with population growth;
 - And, assess mechanisms to fund the construction and maintenance of Smart Growth infrastructure.
- The bill adds the following members to the task force:
 - Secretaries of Transportation and Housing and Community Development;
 - Chair of the BRAC Subcabinet;
 - Executive Director of the Rural Maryland Council or designee; and
 - Three representatives of citizen's organizations addressing affordable housing, transportation and smart growth.
- The bill extends the deadline, from December 1, 2007 to December 1, 2008, for the task force to report its findings.

- **SB 3 The Property Protection Act of 2007**

- Bill as originally proposed would likely have created greater incentive for legal actions challenging condemnation and disputing the money being offered because of the extra impediments it placed on condemnation plus the prospect of being paid for

goodwill. It would have placed enough impediments on condemnation to make it very costly and time consuming. As adopted, SB03 will increase State and local government expenditures since property owners are now eligible for higher payments. But it will not place the serious limitations on condemnation that the previous version of the bill did and its effects on the number of condemnation proceedings cannot be predicted.

- Original Bill's Basic Features
 - Government entity may not condemn private property for purposes of economic development to benefit private interest unless
 - It is not only for private benefit
 - It is part of comprehensive plan,
 - It is essential to carry out that plan and no other alternative is possible
 - If it's a business, owner has had opportunity to be included in comprehensive plan, if not, an alternate site is to be provided
 - A court shall review takings to ensure that the government unit doing the taking made findings as per above.
 - No farm can be condemned for private interest or for urban renewal/economic development.
 - In addition to other compensation, owner is entitled to payment for goodwill based on a specified formula if that loss is due to the taking itself, cannot be compensated in another way and has not already been compensated for. Goodwill is defined as the benefits that accrue to a business or farm due to its location, good reputation or other favorable circumstances that make it more attractive to customers.
 - State, its instrumentalities or local jurisdictions must move to take property within 3 years of initiating condemnation proceedings or they must initiate an entire new condemnation proceeding. Agency must then receive new authorization to condemn property
- Revisions to Bill
 - The really restrictive provisions were removed as time went on, and the following were added to benefit property owners facing takings.
 - Displacing agency makes extra payments to displaced person from dwelling actually dwelled in for not less than 180 days prior to initiation of negotiations.

- Payout for expenses needed to establish a displaced farm or small business at its new site has been raised.
 - Displacing agency representative shall contact owner of business or farm NLT 30 days before filing of the action and negotiate in good faith on a plan for relocating business or farm.
 - State or local condemning authority must condemn the property within 4 years of its original action or it must obtain a new authority to take the property.
- Impacts
 - No direct impact on MDP, however would impact local revitalization/economic development projects with which this agency interacts.

- 2006 GA SESSION: REPORT ON IMPLEMENTATION STATUS OF HB 1141 & HB 2 PLANNING AND TECHNICAL ASSISTANCE
 - **HB 1141 Update**
 - MDP has received at least one comp plan that has attempted to integrate 1141 (Hebron).
 - MDP will provide technical assistance in the form of Models and Guidelines (more on specifics below)
 - All new plan elements are required in the comprehensive plan by Oct. 1, 2009.
 - Additionally, MDP may grant a six-month extension to local jurisdictions and municipal corporations to ensure that they comply with the new regulations.
 - We will also provide technical assistance as requested. May want to mention that if a jurisdiction wants tech asst, they should request in writing to Secretary Hall.
 - **Reprint of Article 66B to reflect updates through 2006**
 - In your packet is updated 66B
 - Includes the Water resource and Municipal growth element requirements.
 - Comprehensive Plan may include Priority Preservation and Housing element.
 - Priority preservation plan element - Beginning in Fiscal Year 2009 a county must have a certified Priority Preservation Element for its agricultural land preservation program.
 - Housing element - HB 1160 created a Workforce Housing Grant Program. County or municipal corporations will qualify for grant and program monies if it has an approved HUD 5 year consolidated plan or their comprehensive plan includes a workforce housing element.
 - **Water Resources Element Models and Guidelines**
 - 14 comments on the peer review draft were received from local government staff, regional agencies and NGOs - thank you for your help, we will continue to need your help and feedback
 - An internal Draft has been completed
 - Final interagency review and editing is underway
 - The guidance is designed to updated as better information becomes available and regulatory programs become more clear
 - This first version will be available before the end of June
 - **Municipal Growth Element Models and Guidelines**
 - Document is in production phase
 - **HB 1354 Certification of County Priority Preservation Areas - a continuation of HB 2 from 2006**
 - As each county submits its annual report for the Certification Program, MDP is providing each county with specific guidelines to

help ensure they can meet the new requirements for Priority Preservation Areas created by HB. This is done to ensure that counties are aware of issues that might need to be addressed and provide time to do so.

- PPA regulations are being reviewed before COMAR publication and comment.
- MALPF holding a workshop for County preservation program administrators on June 28th. Notice will go out soon from MALPF. One of the topics to be covered is the certification program and the new PPA requirement.
- MDP is creating a review sheet for reviewing applications for certification under the new PPA requirements.
- Counties encouraged to call MDP with questions and to submit draft applications for review before submitting the certification application for official county signatures.

- OTHERS
 - **HB893 Bay Restoration Fund- Wastewater Treatment Upgrades- Reporting Requirements**
 - MDE and MDP will need to work with local governments to determine the number of permits issued for residential and commercial development that will be served by any WWTP that was upgraded to enhanced nutrient removal (ENR) using the Bay Restoration Fund (BRF).
 - This information will be included in an annual report on the impact on growth within particular counties or municipalities due to use of BRF funds.
 - **HB786/SB784 Stormwater Management Act of 2007**
 - Requires the Maryland Department of the Environment (MDE) to establish regulations and a model ordinance regarding the use of “environmental site design” (ESD) in stormwater management practices.
 - The bill also modifies existing regulatory requirements of MDE with respect to stormwater management.
 - There may be some effects on the Smart Growth development related to allowing room under current densities for necessary stormwater management practices and devices.
 - MDP is an interested party and would like to be a part of the decision making process for the update of regulations and the development of model ordinances.
 - Any improvement to fee systems or schedules will help a failing enforcement system that is hamstringing state efforts to reduce sediment and nutrient pollution from new development.
 - This bill helps the state to recognize and show how it is working in response to Tributary Team recommendations for near term actions to implement the tributary Strategy.
 - The implementation of these two bills will go far to prevent many of the occurrences that made the Water Resources Element and its enabling legislation necessary.
 - **SB414 Working Waterfront Commission**
 - Establishes a Working Waterfront Commission to study and make recommendations regarding protecting and preserving Maryland’s commercial fishing industry’s access to public trust waters.
 - Residential development in Crisfield and similar areas (e.g., West Ocean City) can pose a threat to the viability of the commercial fishing industry.
 - The Secretary of MDP or Secretary’s designee is required to serve on the commission.