



Advocacy Alert

2011 Legislative Session Ends with Mixed Results

April 20, 2011

Monday, April 11, 2011 marked the end of the 2011 Session of the General Assembly. The 428th General Assembly struggled to pass a final budget in light of the continuing tough economic times. Two major, and controversial, items that were passed were an alcohol tax increase and the extension of in-state college tuition breaks to illegal immigrants. Governor O'Malley's proposed septic system ban was shelved for summer study. Below is a summary of how the preservation legislative agenda fared. One key victory was the failure of HB620, which may have led to the early sunset of the Sustainable Communities Tax Credit Program.

Legislation

- **Commission on African American History and Culture – Members and Duties ([HB1253](#))** - This bill increases the number of members of the MCAAHC from nine to twenty-one. The bill also eliminates certain duties of the Commission.
- **Sustainable Communities Tax Credit Program ([HB1196](#))** - This bill permits the Maryland Historical Trust to set the fee charged to SCTC Program users for certification of historic structures and rehabilitations at a rate (up to 3%) sufficient to cover costs associated with administering the program.
- **Sustainable Communities Tax Credit Program – Eligibility ([HB601](#))** - This bill permits the Director of the Maryland Historical Trust to award a Sustainable Communities Tax Credit (SCTC) to a commercial tax credit project after a substantial part of the proposed rehabilitation work has begun in those cases where the proposed rehabilitation work has already received approval under the Federal Rehabilitation Tax Credit Program.
- **Tax Credit Evaluation Act ([HB620](#))** - This bill would have established a system of legislative review that would determine whether a tax credit is necessary for the public interest. The bill could have led to the sunset of the SCTC Program as early as June 30, 2012 – two years in advance of its current sunset date of June 30, 2014. While the bill passed the House, it received an unfavorable report from the Senate Budget and Taxation Committee and did not pass.

Budget Items:

This year's budget items faced a particularly tough battle. The Museum Assistance Grant Program was eliminated in the Governor's Budget. Funding for the Maryland Humanities Council was also eliminated, but was later restored through Governor O'Malley's supplemental

budget. Another victory was the restoration of funding to the Non-Capital Historic Preservation Grant Program. The program was eliminated in FY2011 and was restored at a modest level for FY2012. Please see the full summary of budget items below.

Sustainable Communities Tax Credit Program

- FY2012 Budget Request - \$10 million
- Amount in Final Budget - \$9 million

Maryland Historical Trust Grant Programs

- **The Non-Capital Historic Preservation Grant Program**
 - FY2012 Budget Request - \$400,000
 - Amount in Final Budget - \$40,000
- **The Museum Assistance Grant Program**
 - FY2012 Budget Request - \$203,259
 - Amount in Final Budget - \$0
- **African American Heritage Preservation Grant Program**
 - FY2012 Budget Request - \$1 million
 - Amount in Final Budget - \$1 million

Maryland Heritage Areas Authority

- FY2012 Budget Request - \$3 million
- Amount in Final Budget - \$2.5 million

Main Street Maryland

- **Community Legacy**
 - FY2012 Budget Request - \$4.25 million
 - Amount in Final Budget - \$4.25 million
- **Neighborhood BusinessWorks**
 - FY2012 Budget Request - \$4.25 million
 - Amount in Final Budget - \$4.25 million

Maryland Humanities Council:

- FY2012 Budget Request - \$53, 500
- Amount in Final Budget - \$53,500

Thanks to all of you who supported this year's legislative and budget agendas through letters, e-mails and phone-calls. Important work can be done between now and the beginning of next year's General Assembly Session. We encourage you to cultivate the support of your representatives in the General Assembly by highlighting preservation projects in your community and stressing the importance of the above programs year round.

Thank you for your support!

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