



# Maryland Register

Issue Date: August 5, 2016

Volume 43 • Issue 16 • Pages 889—942

## IN THIS ISSUE

Governor  
Judiciary  
Regulations  
Errata  
General Notices

Pursuant to State Government Article, §7-206, Annotated Code of Maryland, this issue contains all previously unpublished documents required to be published, and filed on or before July 18, 2016, 5 p.m.

Pursuant to State Government Article, §7-206, Annotated Code of Maryland, I hereby certify that this issue contains all documents required to be codified as of July 18, 2016.

Brian Morris  
Administrator, Division of State Documents  
Office of the Secretary of State



# Title 34 DEPARTMENT OF PLANNING

## Subtitle 04 HISTORICAL AND CULTURAL PROGRAMS

### 34.04.02 Maryland Historical Trust Historic Preservation Loan Program

Authority: State Finance and Procurement Article, §§5-7B-01—5-7B-10 and 5A-327, Annotated Code of Maryland; Executive Orders 01.01.1992.27C and 01.01.1998.04

**Notice of Proposed Action**  
[16-194-P]

The Secretary of the Maryland Department of Planning proposes to amend Regulation .08 under COMAR 34.04.02 **Maryland Historical Trust Historic Preservation Loan Program**.

**Statement of Purpose**

The purpose of this action is to modify, revise and clarify certain provisions of and requirements for Maryland Historical Trust (MHT) Historic Preservation Loans in order to improve MHT's ability to asset manage its loan portfolio and better respond to its borrowers' needs.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Rieyn DeLony, Deputy Counsel, Assistant Attorney General, Maryland Historical Trust, 100 Community Place, 3rd Floor, Crownsville, MD 21032-2023, or call 410-514-7847, or email to [rieyn.delony@maryland.gov](mailto:rieyn.delony@maryland.gov), or fax to 410-987-4071. Comments will be accepted through September 6, 2016. A public hearing has not been scheduled.

**.08 Loan Terms and Requirements.**

A. General Requirements. Loans shall meet the following requirements:

(1)—(2) (text unchanged)

(3) Insurance. The borrower shall cause the assisted historic property to be insured against loss or damage by fire and other hazards, casualties, and contingencies as may be required from time to time by the Trust in amounts satisfactory to the Trust, *as described in §C of this regulation.*

(4)—(6) (text unchanged)

(7) Security.

(a) [The Trust may require that repayment of a loan be secured by liens, guarantees of repayment, or other forms of] *Financial assistance from the Trust may be secured, at the discretion of the Trust, by collateral acceptable to the Trust[.]; and*

(b) *Collateral acceptable to the Trust may include:*

(i) *A cash escrow;*

(ii) *A letter of credit;*

(iii) *A pledge of depository accounts;*

(iv) *A pledge of accounts receivable;*

(v) *An assignment of income;*

(vi) *A security interest in machinery and equipment;*

(vii) *A mortgage or deed of trust on the historic real property assisted by the loan;*

(viii) *A mortgage or deed of trust on other real property satisfactory to the Trust; or*

(ix) *Guarantees of repayment from guarantors acceptable to the Trust.*

(8)—(10) (text unchanged)

(11) Modification [or Acceleration] of Loan. *In order to facilitate the successful completion or operation of a project, the Trust may modify:*

(a) *The rate of interest;*

(b) *The time or amount of payment; or*

(c) *Any other term of a loan.*

(12) *Acceleration of loan.* In accordance with the terms of the loan documents, the Trust may [modify the terms of repayment or] accelerate the payment of the entire principal and interest due if the:

(a) [Borrower's income changes or if the borrower is no longer eligible in accordance with Regulation .04 of this chapter] *Borrower defaults on the loan;*

(b)—(c) (text unchanged)

[(12)](13)—[(14)](15) (text unchanged)

B. Deferred Loan Requirements. In addition to the conditions and requirements of §A of this regulation, deferred loans shall meet the following additional requirements:

(1) (text unchanged)

(2) The deferred terms shall provide for repayment of deferred amounts at the maturity date or any earlier date established by the Trust, or upon any sale or other transfer of the [historic] *real property securing a loan, or any sale or other transfer of an interest in [the historic] such real property.* The Trust may, but need not, charge interest on deferred interest payments.

C. [Historic] Real Property Requirements. In addition to the conditions and requirements of §§A and B of this regulation, when *real property secures a loan, or [the] historic real property is assisted by the loan [is real property], the loan shall meet the following requirements:*

(1) Mortgage or Deed of Trust. [Repayment of the loan shall be secured by a mortgage or deed of trust on the real property in the form required by the Trust. The mortgage or deed of trust shall be recorded in the land records of the political subdivision in which the real property is situated. The mortgage or deed of trust may be subordinate to other recorded mortgage liens provided that the Trust and the other mortgagee give any required consents.]

(a) *A mortgage or deed of trust on real property securing a loan shall be recorded in the land records of the political subdivision in which the real property is situated.*

(b) *The mortgage or deed of trust may be subordinate to other recorded mortgage liens, provided that the Trust and the other mortgagee or mortgagees give any required consents.*

(2) *Property, Liability, and Other Insurance.*

(a) *The borrower shall provide evidence that the borrower, the property owner if borrower is not the property owner, and contractors, have obtained and continues to maintain the following insurance, as required by the Trust:*

(i) *Owner's liability;*

(ii) *Contractor's liability; and*

(iii) *Owner's property or hazard, or builder's risk.*

- (b) *All insurance required under this section shall:*
  - (i) *Be written by a company registered with the Maryland Insurance Administration, or a company approved by the Trust in the event the property and company are located out-of-State;*
  - (ii) *Be in force at or before the time of loan closing;*
  - (iii) *Not be terminable without prior notification to the Trust; and*
  - (iv) *Contain such other terms and coverage satisfactory to the Trust.*
- (c) *Owner's liability insurance shall:*
  - (i) *Name the Trust as an additional insured; and*
  - (ii) *Remain in force for the duration of the loan.*
- (d) *Contractor's liability insurance shall:*
  - (i) *Name the Trust as an additional insured; and*
  - (ii) *Remain in place through completion of construction the project or such later date as the Trust may require.*
- (e) *Owner's property or hazard insurance and builder's risk insurance shall:*
  - (i) *Name the Trust as an additional insured, loss payee, and mortgagee; and*
  - (ii) *Remain in force for the duration of the loan.*

[(2)] (3) Title Insurance.

(a) For loans in amounts [greater than] of \$15,000 or greater [the Trust], in its discretion[,] the Trust may require the borrower to provide a standard American Land Title Association Loan Policy—S [1970]2006, as amended, which policy shall

- (i) *Be issued by a title insurance company acceptable to the Trust[.];*
- (ii) *[for]Be issued in an amount equal to the maximum principal amount of the loan[.];*
- (iii) *[This policy shall insure] Insure the Trust[,] as additional insured and mortgagee;*
- (iv) *[evidencing] Evidence that title to the real property on which the improvements are located is, as of the date of closing, [is] vested in the borrower[, and];*
- (v) *[may contain] Contain only [standard] exceptions and encumbrances approved by the Trust[.]; and*
- (vi) *Not include exceptions for survey matters, general or blanket exceptions, materialman's liens or for taxes or assessments that are due and payable as of the date of closing.*

(b) For loans in amounts up to \$15,000, [the Trust,] in its discretion[,] the Trust may require the borrower to provide an attorney's certificate of title or other evidence of title acceptable to the Trust [certifying], which;

- (i) *Establishes that [the] title to the real property on which the improvements are located is as of the date of closing, [is] vested in the borrower[.];*
- (ii) *[The certificate of title may] May contain only [standard] exceptions and encumbrances approved by the Trust[.]; and*
- (iii) *May not include exceptions for survey matters, general or blanket exceptions or materialman's liens or for taxes or assessments that are due and payable as of the date of closing.*

[(3)](4) Appraisals. For loans [greater than] of \$25,000 or greater, the Trust, in its discretion, may require:

- (a) *[an] An appraisal of the assisted historic real property that secures a loan, showing the property's value after completion of any scheduled restoration or rehabilitation[.]; or*
- (b) *An appraisal of other real property that secures a loan, showing the property has sufficient value, taking into account all senior liens, to secure the lien at a 80 percent loan to value ratio.*

[(4)](5) Deed of Easement.

(a) The borrower, and the owner of the historic real property if the owner is not the borrower, shall convey to the Trust a perpetual deed of easement containing preservation covenants applicable to the

historic real property assisted by the loan, in form and substance satisfactory to the Trust. The borrower shall record the deed of easement among the land records of the political subdivision in which the real property is situated. A recorded deed of easement under this paragraph satisfies the requirement of a preservation agreement in §A(8) of this regulation.

(b) The requirement of a preservation agreement or deed of easement set forth in [§C(4)(a) and A(8)] §§A(8) and C(5)(a) of this regulation may be modified or waived by the Secretary if the Secretary has issued a written determination that such an agreement or easement is impracticable or infeasible under the circumstances. Evidence of impracticability or infeasibility may include, among other things, the existence of a previous agreement or deed of easement in form and substance satisfactory to the Trust.

(c) The provision in [§C(4)(a)] §C(5)(a) of this regulation, requiring execution of the deed of easement by the owner if the owner is not the borrower, may be modified or waived by the Director in the case of long-term leasehold property, if necessary.

DAVID R. CRAIG  
Secretary of Planning

## Title 36

# MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

### Subtitle 05 TABLE GAMES

#### Notice of Proposed Action [16-186-P]

The Maryland Lottery and Gaming Control Agency proposes to:

- (1) Amend Regulations .02 under COMAR 36.05.01 General;
- (2) Amend Regulations .13, .16, and .20 and adopt new Regulations .22 and .23 under COMAR 36.05.02 Table Game Equipment;
- (3) Amend Regulations .19 — .22 and adopt as new Regulations .26 — .31 under COMAR 36.05.03 Table Games Procedures;
- (4) Repeal in their entirety existing Regulations .01—.14 under COMAR 36.05.04 Blackjack Rules;
- (5) Repeal in their entirety existing Regulations .01—.12 under COMAR 36.05.05 Craps Rules;
- (6) Repeal in their entirety existing Regulations .01—.21 under COMAR 36.05.06 Poker Rules;
- (7) Repeal in their entirety existing Regulations .01—.06 under COMAR 36.05.07 Roulette Rules;
- (8) Repeal in their entirety existing Regulations .01—.03 under COMAR 36.05.08 Big Six Wheel Rules;
- (9) Repeal in their entirety existing Regulations .01—.13 under COMAR 36.05.09 Four Card Poker Rules;
- (10) Repeal in their entirety existing Regulations .01—.13 under COMAR 36.05.10 Midi Baccarat Rules;
- (11) Repeal in their entirety existing Regulations .01—.13 under COMAR 36.05.11 Mississippi Stud Rules;
- (12) Repeal in their entirety existing Regulations .01—.14 under COMAR 36.05.12 Pai Gow Poker Rules;
- (13) Repeal in their entirety existing Regulations .01—.13 under COMAR 36.05.13 Texas Hold 'Em Rules;
- (14) Repeal in their entirety existing Regulations .01—.13 under COMAR 36.05.14 Three Card Poker Rules;