

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 57

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Agriculture)

Education, Health, and Environmental Affairs

Environment and Transportation

Agriculture - County Agricultural Land Preservation Programs

This departmental bill makes specified changes to Maryland Agricultural Land Preservation Foundation (MALPF) provisions under the Agriculture Article of the Maryland Annotated Code which are consistent with (1) provisions under the Tax – Property Article governing the amount of time counties have to spend or commit funds received from the agricultural land transfer tax and (2) provisions governing certification or recertification of county agricultural land preservation programs under the State Finance and Procurement Article. The bill also clarifies that a county agricultural preservation advisory board’s duties include approving or disapproving an application by the county for certification *or recertification* of a county agricultural land preservation program. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None. The bill does not directly affect State finances.

Local Effect: None.

Small Business Effect: The Maryland Department of Agriculture has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: Consistent with provisions under the Tax – Property Article and the State Finance and Procurement Article, the bill modifies MALPF provisions under the Agriculture Article to:

- specify that funds deposited in a county’s special account for its agricultural land preservation program as a result of an easement termination be remitted to the Comptroller for deposit in the Maryland Agricultural Land Preservation Fund if not expended or committed within *a period of time prescribed in a specified provision of the Tax – Property Article* (six years after the date of deposit) rather than within three years of the date of deposit into the special account;
- require that a county which applies for certification or recertification of a county agricultural land preservation program include a priority preservation area element in the county’s comprehensive plan; and
- require that the Maryland Department of Planning (MDP) and MALPF review any update to a county’s comprehensive plan or any other change that may affect a priority preservation area.

Current Law/Background: The provisions of the Tax – Property Article governing the amount of time counties have to spend funds received from the agricultural land transfer tax and the provisions of the State Finance and Procurement Article governing certification or recertification of a county agricultural land preservation program, were revised under Chapter 294 of 2018. The bill’s changes are largely related to those revisions.

Chapter 294 increased – from three years to six years – the amount of time counties have to spend money received from the agricultural land transfer tax before it must be remitted to the Comptroller for deposit in the Maryland Agricultural Land Preservation Fund. Pursuant to provisions under the Tax – Property Article existing prior to Chapter 294, money received by counties from the agricultural land transfer tax must be held in a special county account to be used for an approved agricultural land preservation program. In addition, provisions under the Agriculture Article relating to easement terminations specify that a portion of the funds resulting from an easement termination (*i.e.*, repurchase of the easement by the landowner) at least equal to the percentage of the original easement purchase price that was paid out of the county’s special account must be deposited by the county into the county’s special account.

Chapter 294 also allows – under the program administered by MDP and MALPF for certification of effective county agricultural land preservation programs – for a recertification of a county program to be effective for five years instead of three years if MDP and MALPF determine that the county program is consistently effective in the

achievement of preservation goals. MDP and MALPF, however, must review such a recertification when a county (1) revises the boundary of a priority preservation area; (2) subtracts land from a priority preservation area; or (3) adopts a comprehensive rezoning policy that increases the allowable nonagricultural land uses, density, or intensity of development within a priority preservation area. MDP and MALPF may revoke a county program recertification on a finding that such an action is inconsistent with specified statutory requirements applicable to priority preservation areas.

Pursuant to a provision under the State Finance and Procurement Article existing prior to Chapter 294, a certified county agricultural land preservation program must include a priority preservation area element established in the county's comprehensive plan.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture; Maryland Department of Planning; Department of General Services; Anne Arundel, Charles, Montgomery, Queen Anne's, and Worcester counties; Department of Legislative Services

Fiscal Note History: First Reader - January 18, 2019
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: County Agricultural Land Preservation Programs

BILL NUMBER: SB 57

PREPARED BY: Maryland Department of Agriculture

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

N/A