



# Maryland Department of Agriculture

*Office of the Secretary*

**Larry Hogan**, Governor  
**Boyd K. Rutherford**, Lt. Governor  
**Joseph Bartenfelder**, Secretary  
**Julianne A. Oberg**, Deputy Secretary

The Wayne A. Cawley, Jr. Building  
50 Harry S. Truman Parkway  
Annapolis, Maryland 21401  
[www.mda.maryland.gov](http://www.mda.maryland.gov)

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410.841.5880 Baltimore/Washington  
410.841.5914 Fax  
800.492.5590 Toll Free

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### Legislative Comment

**Date:** February 23, 2021

**BILL NUMBER:** House Bill 815

**SHORT TITLE:** State Agricultural Land Transfer Tax – Application of Nonagricultural Use Reduction and Exemption

**MDA POSITION:** Information

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House Bill 815 provides the ability for a landowner that had entered into a contract of sale prior to July 1, 2019, which the transfer of the property required payment under the Agricultural Transfer Tax (ATT), to request a refund of any excess tax paid in accordance with Title 14, Subtitle 9 of the Tax – Property Article on or after July 1, 2019. The number of eligible parties able to request a refund under this bill is finite.

A set percentage of the ATT collected each year is designated to the Maryland Agricultural Land Preservation Foundation (MALPF), a program located within the Maryland Department of Agriculture. The ATT, along with the ATT surcharge, funds the operating budget of MALPF, with any surplus funds able to contribute to the acquisition of agricultural easements.

The MALPF program purchases agricultural easements on properties to preserve productive farmland and woodland for the continued production of food and fiber for all of Maryland's citizens. To accomplish this and other statutory and ancillary goals, MALPF easements restrict agricultural land from commercial, industrial and residential development. At the end of 2020, MALPF holds easements on over 2,460 properties, covering more than 333,000 acres at a public investment of more than \$811 million.

While this bill will reduce the overall amount of the ATT available due to refunds issued, given the very specific eligibility criteria that a person/party would need to meet to be eligible to request a refund, MALPF does not anticipate a significant reduction in the total amount of ATT collected in the year.

If you have additional questions, please contact Cassie Shirk, Director of Legislation and Governmental Affairs, at [cassie.shirk@maryland.gov](mailto:cassie.shirk@maryland.gov) or 410-841-5886.