

HOUSE BILL 90

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2002 Regular Session
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(PRE-FILED)

By: **Chairman, Environmental Matters Committee and Chairman, Ways and Means Committee (Departmental - Natural Resources)**

Requested: October 19, 2001

Introduced and read first time: January 9, 2002

Assigned to: Environmental Matters and Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2002

CHAPTER 199

1 AN ACT concerning

2 **Forest Conservation Management Agreements - Notice Required**

3 FOR the purpose of ~~clarifying the conditions for assigning or transferring a Forest~~
4 ~~Conservation and Management Agreement~~ requiring an owner of land that is
5 subject to a Forest Conservation and Management Agreement to provide certain
6 notice to certain persons at a certain time; requiring a certain landowner to
7 provide certain notice to the Department of Natural Resources within a certain
8 time; specifying the applicability of certain notice requirements to certain
9 additional persons; and generally relating to certain notices required of certain
10 owners and certain additional persons regarding Forest Conservation and
11 Management Agreements.

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section 8-211
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2001 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - Property**

20 8-211.

21 (a) (1) In this section, the following words have the meanings indicated.

1 (2) "Agreement" means an agreement made under subsection (c) of this
2 section.

3 (3) "Program" means the forest conservation and management program.

4 (b) The Department of Natural Resources shall establish the program to:

5 (1) encourage the preservation or development of land for productive
6 woodland purposes;

7 (2) increase the income of persons in the State from the sale of timber;

8 (3) prevent flooding of land and the loss of the State's soil;

9 (4) provide wooded areas for the use and enjoyment of all individuals in
10 the State; and

11 (5) promote the welfare and assets of the State.

12 (c) The owner of at least 5 contiguous acres of land may make an agreement
13 with the Department of Natural Resources to place the land in the program.

14 (d) A memorandum of the agreement shall be recorded in each county where
15 the land is located under §§ 3-102 and 3-103 of the Real Property Article. The
16 woodland owner shall pay for recording the memorandum.

17 (e) (1) The owner of land that is subject to an agreement shall PROMPTLY
18 notify;

19 (I) the supervisor of the county where the land is located that the
20 land is subject to an agreement;

21 (II) BEFORE A SALE OR TRANSFER, A PROSPECTIVE BUYER OR
22 TRANSFeree THAT THE LAND IS SUBJECT TO AN AGREEMENT; AND

23 (III) WITHIN 30 DAYS OF A SALE OR TRANSFER, THE DEPARTMENT
24 OF NATURAL RESOURCES.

25 (2) THE REQUIREMENTS APPLICABLE TO AN OWNER UNDER
26 PARAGRAPH (1) OF THIS SUBSECTION SHALL APPLY TO:

27 (I) A SUCCESSOR, HEIR, OR ASSIGN OF THE OWNER; AND

28 (II) AS APPLICABLE, THE PERSONAL REPRESENTATIVE OF THE
29 OWNER'S ESTATE.

30 (f) (1) Except for an agreement made on or before July 1, 1984, an
31 agreement shall be for at least 15 years.

32 (2) Consecutive agreements shall be deemed a single agreement from
33 the date of the original agreement.

1 (g) An agreement may be assigned and transferred to a buyer of all or part of
2 the land that is subject to the agreement, if:

3 (1) the buyer assumes the obligation of the agreement;

4 (2) the agreement is transferred to the buyer BY THE LANDOWNER OR
5 THE LANDOWNER'S SUCCESSORS, HEIRS, OR ASSIGNS; and

6 (3) property tax on an assessment under subsection (i) of this section is
7 not due.

8 (h) Except as provided in subsection (i) of this section, the value of woodland
9 for assessment purposes in effect at the beginning of an agreement may not be
10 increased for the period covered by the agreement.

11 (i) (1) Woodland shall be reassessed when:

12 (i) an agreement ends and is not renewed as provided in subsection
13 (f)(2) of this section;

14 (ii) timber is harvested, unless harvested according to the plan
15 approved by the Department of Natural Resources;

16 (iii) land subject to an agreement is conveyed to a new owner except
17 as provided in subsection (g) of this section; or

18 (iv) an agreement is ended by the Department of Natural Resources
19 at the request of the owner or because the owner has not complied with the
20 agreement.

21 (2) If only part of the land subject to an agreement is conveyed or only
22 part of the timber is harvested, the reassessment shall be only for the part of land
23 conveyed or the part of land on which the timber is harvested.

24 (j) If the assessment under subsection (i)(1)(ii) through (iv) of this section is
25 greater than the value used to determine the assessment under subsection (h) of this
26 section, the difference between the 2 valuations is computed in approximately equal
27 annual steps that cover the number of taxable years between the 2 valuations, and
28 the agreement holder owes property tax for each taxable year payable at the property
29 tax rates applicable for each taxable year.

30 (k) (1) Subject to the provisions of this subsection and any pertinent local
31 laws, a woodland owner who has 50 or more contiguous acres subject to an agreement
32 may subdivide the property and transfer to a child of the owner a building lot for the
33 purposes of constructing a dwelling unit on the lot without liability for prior taxable
34 years under subsection (j) of this section.

35 (2) A building lot transferred under this subsection may not exceed:

36 (i) 1 acre; or

1 (ii) if local law or regulations adopted by the Department of the
2 Environment require that the minimum size of a building lot exceed 1 acre, the
3 minimum size required under local law or regulations adopted by the Department of
4 the Environment.

5 (3) A woodland owner may not transfer under this subsection more than
6 one building lot for every 10 acres subject to the agreement or more than one building
7 lot to each child of the owner.

8 (4) (i) A woodland owner shall apply to the Department of Natural
9 Resources for a modification of an agreement under this subsection.

10 (ii) On approval by the Department of Natural Resources, the
11 woodland owner shall notify the supervisor of the county where the land is located.

12 (iii) The supervisor shall reassess that portion of the property
13 removed from the program and establish the property as a separate account in the
14 assessment records of the county.

15 (5) A modification of an agreement under this subsection shall be
16 recorded in each county where the building lot is located under §§ 3-102 and 3-103 of
17 the Real Property Article. The woodland owner shall pay for recording the
18 modification.

19 (6) A modification of an agreement under this subsection is not subject to
20 a penalty under subsection (l) of this section.

21 (l) An agreement holder shall pay the Department of Natural Resources a
22 penalty of \$100 if an agreement is terminated as a result of noncompliance or at the
23 request of the owner.

24 (m) (1) Land that is removed from an agreement by eminent domain or other
25 involuntary proceeding is not subject to:

26 (i) reassessment under subsection (i) of this section; or

27 (ii) penalty under subsection (l) of this section.

28 (2) If only part of the land subject to an agreement is removed by
29 eminent domain or other involuntary procedure the supervisor shall:

30 (i) apportion the assessment and enter the removed part as a
31 separate assessment on the tax roll; and

32 (ii) adjust the assessment of the land that remains under the
33 agreement to reflect the change.

34 (n) This section does not affect any benefit charge or other special charge that
35 applies to woodland.

1 (o) This section does not apply to the valuation or assessment of
2 improvements or agricultural, mineral, or other nonforest values on land that is
3 subject to an agreement.

4 (p) The Department of Natural Resources may set reasonable fees for the
5 development of management plans, original agreements, and conducting inspections.
6 The fees shall be designed to cover the administrative costs of conducting the
7 program.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
9 effect October 1, 2002.