

HOUSE BILL 576

M3, M4, N1

4lr2057

By: **Delegates Fisher, Bates, Beitzel, Dwyer, Eckardt, Elliott, Haddaway–Riccio, Hough, Impallaria, Jacobs, McComas, McConkey, McDermott, McDonough, W. Miller, Myers, Norman, Otto, Parrott, Schulz, Serafini, Smigiel, Sophocleus, Stocksdales, and Wood**

Introduced and read first time: January 29, 2014

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Sustainable Growth and Agricultural Preservation Act of 2012 – Diminution**
3 **in Value of Real Property – Compensation**

4 FOR the purpose of requiring the State to pay just compensation to an owner of
5 certain real property that experiences a diminution in fair market value as a
6 result of certain land use or development restrictions; requiring a landowner to
7 file a certain claim with the Department of Agriculture to apply for just
8 compensation under this Act; requiring the Department to determine the
9 amount of just compensation owed to a certain landowner in a certain manner;
10 providing for the appeal of a certain determination; requiring any compensation
11 awarded under this Act to be paid from a certain fund; requiring the Secretary
12 of Agriculture to adopt regulations necessary to implement this Act; and
13 generally relating to the compensation of landowners for certain diminutions in
14 property value.

15 BY adding to

16 Article – Agriculture

17 Section 2–1301 to be under the new subtitle “Subtitle 13. Compensation for
18 Diminution in Property Value”

19 Annotated Code of Maryland

20 (2007 Replacement Volume and 2013 Supplement)

21 Preamble

22 WHEREAS, The Sustainable Growth and Agricultural Preservation Act of 2012
23 required jurisdictions to place land into four growth tiers, according to certain criteria;
24 and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, Properties in areas designated as Tiers III and IV do not have the
2 same property rights as properties located in Tiers I and II; and

3 WHEREAS, Properties located in Tiers III and IV, which are primarily rural
4 and agricultural in nature, have experienced a diminution in value; now, therefore,

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

7 **Article – Agriculture**

8 **SUBTITLE 13. COMPENSATION FOR DIMINUTION IN PROPERTY VALUE.**

9 **2–1301.**

10 (A) THE STATE SHALL PAY JUST COMPENSATION TO THE OWNER OF
11 ANY REAL PROPERTY THAT EXPERIENCES A DIMINUTION IN FAIR MARKET
12 VALUE AS A DIRECT RESULT OF A LAND USE OR DEVELOPMENT RESTRICTION
13 IMPOSED UNDER § 9–206(F) OR (G) OF THE ENVIRONMENT ARTICLE.

14 (B) TO APPLY FOR JUST COMPENSATION UNDER THIS SECTION, A
15 LANDOWNER SHALL FILE A CLAIM WITH THE DEPARTMENT ON A FORM THE
16 DEPARTMENT SUPPLIES.

17 (C) (1) TO DETERMINE THE AMOUNT OF JUST COMPENSATION OWED
18 TO A LANDOWNER UNDER THIS SECTION, THE DEPARTMENT SHALL DETERMINE
19 THE DIMINUTION IN THE FAIR MARKET VALUE OF THE LANDOWNER’S PROPERTY
20 BY TAKING THE AVERAGE OF THREE ESTIMATES SUBMITTED, ONE EACH, BY:

21 (I) AN APPRAISER, APPOINTED BY THE SECRETARY;

22 (II) AN APPRAISER, APPOINTED BY THE LANDOWNER; AND

23 (III) AN APPRAISER, APPOINTED BY MUTUAL AGREEMENT OF
24 THE APPRAISERS LISTED IN ITEMS (I) AND (II) OF THIS PARAGRAPH.

25 (2) (I) IF EITHER THE LANDOWNER OR THE DEPARTMENT
26 DISAGREES WITH THE AMOUNT OF JUST COMPENSATION DETERMINED UNDER
27 PARAGRAPH (1) OF THIS SUBSECTION, THE LANDOWNER OR THE DEPARTMENT
28 MAY REQUEST, NO LATER THAN SEPTEMBER 30 OF THE YEAR FOLLOWING THE
29 DETERMINATION, THAT THE MATTER BE REFERRED TO THE PROPERTY TAX
30 ASSESSMENT APPEAL BOARD FOR ARBITRATION, AS PROVIDED UNDER § 3–107
31 OF THE TAX – PROPERTY ARTICLE.

1 **(II) THE LANDOWNER OR THE DEPARTMENT MAY APPEAL A**
2 **DECISION OF THE PROPERTY TAX ASSESSMENT APPEAL BOARD UNDER THIS**
3 **PARAGRAPH TO THE MARYLAND TAX COURT.**

4 **(III) THE LANDOWNER OR THE DEPARTMENT MAY APPEAL A**
5 **DECISION OF THE MARYLAND TAX COURT UNDER THIS PARAGRAPH AS**
6 **PROVIDED IN § 13-532 OF THE TAX – GENERAL ARTICLE.**

7 **(D) ANY COMPENSATION AWARDED UNDER THIS SECTION SHALL BE**
8 **PAID FROM THE GENERAL FUND OF THE STATE.**

9 **(E) THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO**
10 **IMPLEMENT THIS SECTION.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2014.