## **HOUSE BILL 861**

M4, C5 HB 1091/13 – ENV CF SB 259

By: Delegates Fraser-Hidalgo, Arora, Barkley, Hixson, Kramer, Luedtke, McIntosh, Mizeur, and Waldstreicher

Introduced and read first time: February 5, 2014

Assigned to: Environmental Matters

Reassigned: Environmental Matters and Economic Matters, February 11, 2014

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2014

CHAPTER

## 1 AN ACT concerning

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## Agriculture - Easements - Renewable Energy Generation Facilities

FOR the purpose of requiring, on written request of a landowner in an application to purchase an easement, an easement to authorize the landowner to use the land subject to the easement for renewable energy generation under certain circumstances; requiring, on written request of a landowner, authorizing a written request of a landowner to be approved by the Maryland Agricultural Land Preservation Foundation to amend an easement to authorize the landowner to use the land subject to the easement for renewable energy generation under certain circumstances; altering the composition of the Maryland Agricultural Land Preservation Fund; prohibiting the Foundation from approving the use of land subject to an easement for renewable energy generation after a certain date; prohibiting the installation of certain wind turbines exceeding certain heights in certain areas of the State; requiring a facility owner to remit a certain percentage of a certain lease payment to the Maryland Agricultural Land Preservation Fund; authorizing the Foundation to charge certain costs to cover certain expenses; requiring the Foundation to adopt certain regulations; providing for the application of this Act; declaring the intent of the General Assembly; requiring the Foundation to make a certain report to certain committees of the General Assembly by a certain date; defining a certain term certain terms; and generally relating to use of land under an easement held by the Maryland Agricultural Land Preservation Foundation.

## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1	BY repealing and reenacting, with amendments,
2	$\underline{\text{Article}-\text{Agriculture}}$
3	Section $2-505(b)$ and $2-513(c)$
4	Annotated Code of Maryland
5	(2007 Replacement Volume and 2013 Supplement)
6	BY repealing and reenacting, without amendments,
7	Article – Agriculture
8	Section 2–509
9	Annotated Code of Maryland
10	(2007 Replacement Volume and 2013 Supplement)
11	BY adding to
12	Article – Agriculture
13	Section 2–513(c)
14	Annotated Code of Maryland
15	(2007 Replacement Volume and 2013 Supplement)
16	BY repealing and reenacting, with amendments,
17	Article - Agriculture
18	Section 2-513(c)
19	Annotated Code of Maryland
20	(2007 Replacement Volume and 2013 Supplement)
21	BY repealing and reenacting, without amendments,
22	Article - Public Utilities
23	<del>Section 7-701(r)</del>
24	Annotated Code of Maryland
25	(2010 Replacement Volume and 2013 Supplement)
26	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27	MARYLAND, That the Laws of Maryland read as follows:
28	Article - Agriculture
29	<u>2–505.</u>
30	(b) The Maryland Agricultural Land Preservation Fund shall comprise:
	<u></u>
31	(1) Any money made available to the Fund by general or special fund
32	appropriations; [and]
33	(2) Any money made available to the Fund by grants or transfers from
34	governmental or private sources; AND
25	(9) ANY MONEY DECERTED INDED 6.0 F10.(a) OF MILIC CLUMMENTS
35	(3) ANY MONEY RECEIVED UNDER § 2–513(C) OF THIS SUBTITLE.

1	2–509.
2 3	(a) (1) The Foundation shall follow the provisions under this section for the easement application process.
4	(2) The Foundation shall adopt regulations and procedures for:
5 6	(i) Evaluation of land for which application is made to sell an easement; and
7 8	(ii) Purchase of easements, including the purchase of easements under an installment purchase agreement.
9	(b) Regulations and procedures adopted by the Foundation for the purchase of easements shall provide that:
11 12 13 14 15	(1) One or more owners of land actively devoted to agricultural use may file an application with the county governing body requesting the purchase of an easement by the Foundation on the land owned by the applicants. The application shall include maps and descriptions of the current use of land for the proposed easement, and any other information required by the Foundation to evaluate the land for purchase of an easement.
17 18 19	(2) Upon receipt of an application to purchase an easement the local governing body shall refer the application and accompanying materials both to the agricultural preservation advisory board and to the county planning and zoning body.
20 21 22 23 24	(i) After the referral of an application, the agricultural preservation advisory board shall advise the county governing body as to whether or not the land for the proposed easement meets the qualifications established by the Foundation under subsection (d) of this section, and whether or not the advisory board recommends the purchase of the easement.
25 26	(ii) In making its recommendation, the county agricultural preservation advisory board shall:
27 28 29 30	1. Take into consideration criteria and standards established by the Foundation under this subtitle, current local regulations, local patterns of land development, the kinds of development pressures currently existing on the land for the proposed easement, State smart growth goals, and any locally established priorities for the preservation of agricultural land; and

2. Recommend for ranking any application that qualifies and meets the priorities established by the county governing body for the preservation of agricultural land.

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- (iii) After the referral of an application, the county planning and zoning body shall advise the local governing body as to whether or not the purchase of the easement is compatible with existing and approved county plans and overall county policy, and whether or not the planning and zoning body recommends the purchase of the easement.
- (3) If either the agricultural preservation advisory board or the planning and zoning body recommends approval, the county governing body shall hold a public hearing on the application for the proposed easement. Adequate notice of the hearing shall be given to all owners whose land would be encumbered by the proposed easement and all owners whose land is contiguous to the land for the proposed easement.
- 12 (4) In deciding whether to approve the application, the county 13 governing body shall receive the recommendation of the county agricultural 14 preservation advisory board established under § 2–504.1 of this subtitle.
  - (5) (i) After the receipt of the application and the recommendations of the agricultural preservation advisory board and the county planning and zoning body, the county governing body shall render a decision as to whether or not the application shall be recommended to the Foundation for approval.
- 19 (ii) If the county governing body decides to recommend approval 20 of the application, it shall notify the Foundation and forward to the Foundation:
- 21 1. The application and all accompanying materials, 22 including the recommendations of the advisory board and county planning and zoning 23 body;
  - 2. A ranking of all applications based on:
  - A. The county governing body's locally established priorities as approved by the Foundation, which for purposes of enhancing competitive bidding may include a system that ranks properties in ascending order with respect to the proportion obtained by dividing the asking price by the value of the easement; and
- B. Guidelines adopted by the Foundation under subsection (d) of this section; and
- 3. A statement of the total current development rights 32 on the land for the proposed easement, which shall include the total number of 33 development rights that have been subdivided or transferred.
- 34 (iii) If the county governing body recommends denial of the application, it shall inform the Foundation and the applicants.

1 2 3 4 5	(c) Regulations and procedures adopted by the Foundation for the purchase and monitoring of easements may not require, in Garrett County or Allegany County, a natural gas rights owner or lessee to subordinate its interest to the Foundation's interest if the Foundation determines that exercise of the natural gas rights will not interfere with an agricultural operation conducted on land subject to an easement.
6 7	(d) Regulations and criteria developed by the Foundation relating to land which may be considered for purchase of an easement shall provide that:
8 9 10	(1) Subject to item (2) of this subsection, land shall meet productivity, acreage, and locational criteria determined by the Foundation to be necessary for the continuation of farming;
11 12 13	(2) As long as all other criteria are met, land that is at least 50 acres in size or is contiguous to other permanently preserved land shall qualify for purchase of an easement;
14 15 16	(3) The Foundation shall attempt to preserve the minimum number of acres which may reasonably be expected to promote the continued availability of agricultural suppliers and markets for agricultural goods;
17 18 19	(4) Land within the boundaries of a 10-year water and sewer service district may be considered for purchase of an easement only if that land is outstanding in productivity and is of significant size;
20 21 22	(5) Land may be considered for purchase of an easement only if the county regulations governing the land permit the activities listed under $\S 2-513(a)$ of this subtitle; and
23	(6) Land be evaluated for:
24	(i) Location in a priority preservation area of the county;
25 26	(ii) Soil and other land characteristics associated with agricultural and silvicultural productivity;
27 28	(iii) Agricultural and silvicultural production and contribution to the agricultural and silvicultural economy; and
29 80	(iv) Any other unique county considerations that support the

(c) (1) In this subsection, "Tier 1 renewable source" is a source stated in § 7-701(R)(1), (2), (4), or (9) of the Public Utilities

2-513.

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1 2	ARTICLE. (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
3 4	(II) "AUTHORIZED RENEWABLE ENERGY SOURCE" MEANS THE FOLLOWING ENERGY SOURCES:
5	1. SOLAR;
6	$\underline{2}$ . Wind; And
7 8	3. ANAEROBIC DIGESTION OF POULTRY LITTER IF PLACED ON FALLOW LAND.
9	(III) "REFERENCE POINT" MEANS A POINT ON THE PATUXENT NAVAL AIR STATION CENTERED AT 38.29667N AND 76.37668W.
11 .2 .3 .4 .5 .66 .7 .8 .9 .20 .21 .22 .23 .24 .25	(2) ANY SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ANY EASEMENT ACQUIRED BY THE FOUNDATION AFTER SEPTEMBER 30, 2014, SHALL AUTHORIZE THE LANDOWNER TO USE THE LAND SUBJECT TO THE EASEMENT FOR THE GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A THER 1 RENEWABLE APPROVED FOR PURCHASE BY THE BOARD OF PUBLIC WORKS AFTER JUNE 30, 2014, SHALL AUTHORIZE THE LANDOWNER TO REQUEST APPROVAL, WITH A RECOMMENDATION OF THE LOCAL AGRICULTURAL ADVISORY BOARD AND IF NOT PROHIBITED BY FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS, TO USE THE LAND SUBJECT TO THE EASEMENT FOR THE GENERATION OF ELECTRICITY BY A FACILITY UTILIZING AN AUTHORIZED RENEWABLE ENERGY SOURCE PROVIDED THAT:  (I) THE FACILITY OCCUPIES NO MORE THAN 5% OR 5 ACRES, WHICHEVER IS LESS AND NOT INCLUDING ANY TEMPORARY IMPACTS NECESSARY FOR CONSTRUCTION OF THE FACILITY, OF EACH PARCEL THE LAND SUBJECT TO THE EASEMENT;
26 27 28	1. INCLUDING PERMANENT ROADS OR STRUCTURES THAT ARE NECESSARY FOR ACCESS FOR OPERATION AND MAINTENANCE PURPOSES; AND
29 30	2. NOT INCLUDING ANY TEMPORARY IMPACTS NECESSARY FOR CONSTRUCTION OF THE FACILITY;
31 32 33	(II) THE FOUNDATION DETERMINES THAT AUTHORIZING THE LANDOWNER TO USE THE LAND SUBJECT TO THE EASEMENT FOR THE GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A TIER 1 RENEWABLE

AN AUTHORIZED RENEWABLE ENERGY SOURCE WILL NOT:

1 2	1. INTERFERE SIGNIFICANTLY WITH THE AGRICULTURAL USE OF THE LAND SUBJECT TO THE EASEMENT; AND
3	2. Interfere with State, local, or federal
4	RESTRICTIONS PLACED ON FUNDS USED BY THE FOUNDATION TO PURCHASE
5	THE EASEMENT; AND
C	(III) FOR CENERATION OF ELECTRICITY FROM WIND THE
6 7	(III) FOR GENERATION OF ELECTRICITY FROM WIND, THE GENERATING STATION'S WIND TURBINES ARE NOT LOCATED:
1	GENERATING STATION S WIND TURBINES ARE NOT LOCATED:
8	1. In Are not located in an area where the
9	WIND TURBINES COULD CREATE DOPPLER RADAR INTERFERENCE FOR
10	MISSIONS AT THE PATUXENT RIVER NAVAL AIR STATION; AND
11	2. WITHIN A 46-MILE RADIUS MEASURED FROM
12	LOCATION 38.29667N, 76.37668W DO NOT EXCEED THE MAXIMUM HEIGHT
13	ABOVE GROUND LEVEL WITHIN THE AREA SPECIFIED IN PARAGRAPH (5) OF
14	THIS SUBSECTION.
1 <b>2</b>	
15	(3) ON THE WRITTEN REQUEST OF A LANDOWNER, THE
16	FOUNDATION SHALL AMEND AN EASEMENT TO AUTHORIZE THE LANDOWNER TO
17 18	USE THE LAND SUBJECT TO THE EASEMENT FOR GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A TIER 1 RENEWABLE SOURCE PROVIDED THAT:
10	BIATACIDITI CITEDING A FIBR I RENEWABLE SOCKEE I ROVIDED THAT.
19	(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A
20	WRITTEN REQUEST OF A LANDOWNER, WITH A RECOMMENDATION OF THE
21	LOCAL AGRICULTURAL ADVISORY BOARD AND IF NOT PROHIBITED BY FEDERAL,
22	STATE, AND LOCAL LAWS, MAY BE APPROVED BY THE FOUNDATION TO AMEND
23	AN EXISTING EASEMENT TO AUTHORIZE THE LANDOWNER TO USE THE LAND
24	SUBJECT TO THE EASEMENT FOR THE GENERATION OF ELECTRICITY BY A
25	FACILITY UTILIZING AN AUTHORIZED RENEWABLE ENERGY SOURCE PROVIDED
26	THAT:
0.7	(r) The programme aggreeing we around my an FOV on F
27	(I) THE FACILITY OCCUPIES NO MORE THAN 5% OR 5
28	ACRES, WHICHEVER IS LESS AND NOT INCLUDING ANY TEMPORARY IMPACTS
29	NECESSARY FOR CONSTRUCTION OF THE FACILITY, OF EACH PARCEL THE LAND
30	SUBJECT TO THE EASEMENT <u></u> :
31	1. Including permanent roads or structures
32	THAT ARE NECESSARY FOR ACCESS FOR OPERATION AND MAINTENANCE

**PURPOSES; AND** 

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POINT AND 39.0986N AND 76.5284W AND:

1	2. Not including any temporary impacts
2	NECESSARY FOR CONSTRUCTION OF THE FACILITY;
3	(II) THE FOUNDATION DETERMINES THAT AUTHORIZING
3 4	THE LANDOWNER TO USE THE LAND SUBJECT TO THE EASEMENT FOR THE
5	GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A TIER 1 RENEWABLE
6	AN AUTHORIZED RENEWABLE ENERGY SOURCE WILL NOT:
7	1. Interfere significantly with the
8	AGRICULTURAL USE OF THE LAND SUBJECT TO THE EASEMENT; AND
9	2. Interfere with State, local, or federal
10	RESTRICTIONS PLACED ON FUNDS USED BY THE FOUNDATION TO PURCHASE
11	THE EASEMENT; AND
12	(III) FOR GENERATION OF ELECTRICITY FROM WIND, THE
13	GENERATING STATION'S WIND TURBINES ARE NOT LOCATED:
14	1. In Are not located in an area where the
15	WIND TURBINES COULD CREATE DOPPLER RADAR INTERFERENCE FOR
16	MISSIONS AT THE PATUXENT RIVER NAVAL AIR STATION; AND
17	2. WITHIN A 46-MILE RADIUS MEASURED FROM
18	LOCATION 38.29667N, 76.37668W DO NOT EXCEED THE MAXIMUM HEIGHT
19 20	ABOVE GROUND LEVEL WITHIN THE AREA SPECIFIED IN PARAGRAPH (5) OF THIS SUBSECTION.
20	THIS SUBSECTION.
21	(4) (I) THE FOUNDATION MAY NOT APPROVE THE USE OF
22	LAND SUBJECT TO AN EASEMENT FOR THE GENERATION OF ELECTRICITY BY A
23	FACILITY UTILIZING AN AUTHORIZED RENEWABLE ENERGY SOURCE AFTER
24	JUNE 30, 2019.
25	(II) THIS PARAGRAPH MAY NOT BE CONSTRUED TO
26	PROHIBIT THE USE OF LAND SUBJECT TO AN EASEMENT FOR THE GENERATION
27	OF ELECTRICITY IN ACCORDANCE WITH THIS SUBSECTION THAT WAS APPROVED
28	BY THE FOUNDATION BEFORE JULY 1, 2019.
29	(5) A WIND TURBINE LOCATED ON LAND SUBJECT TO AN
30	EASEMENT MAY NOT EXCEED THE SPECIFIED HEIGHT ABOVE GROUND LEVEL IN
31	THE AREA DESCRIBED AS FOLLOWS:

(I) EAST OF A LINE PASSING THROUGH THE REFERENCE

1 2	1. REFERENCE POINT, 0 FEET;	NOT	MORE	THAN	24	MILES	FROM	THE
3 4	2. MILES FROM THE REFERENC			24 MILES EET;	S ANI	NOT M	ORE THA	AN 30
5 6	3. MILES FROM THE REFERENC			30 MILES	S ANI	NOT M	ORE THA	AN 35
7 8	$\frac{4.}{1}$			35 MILES	S ANI	NOT M	ORE THA	AN 39
9 10	5. MILES FROM THE REFERENC			39 MILES	S ANI	NOT M	ORE THA	AN 43
11 12	6. MILES FROM THE REFERENC	More	THAN	43 MILES	S ANI	NOT M	ORE THA	AN 46
13 14	7. MILES FROM THE REFERENC	More	THAN	46 MILES	S ANI	NOT M	ORE THA	AN 49
15 16	8. MILES FROM THE REFERENC	More	THAN	49 MILES	S ANI	NOT M	ORE THA	AN 56
17	(II) WES	T OF A	LINE P.	ASSING T	<u>THRO</u>	UGH THI	E REFER	ENCE
18 19	POINT AND 39.0986N AND 76			4428N, 0	FEE	<u>r;</u>		
20 21	2. THAN 38.5711N, 100 FEET;	NORT	H OF 3	8.4428N	AND	NO FAR	THER N	<u>ORTH</u>
22 23	3 <u>.</u> THAN 38.5943N, 200 FEET;	Nort	H OF 3	8.5711N	AND	NO FAR	THER N	<u>ORTH</u>
24 25	4. THAN 38.6366N, 300 FEET;	Nort	H OF 3	8.5943N	AND	NO FAR	THER N	<u>ORTH</u>
26 27	5. THAN 38.6596N, 400 FEET;	<u>Nort</u>	H OF 3	8.6366N	AND	NO FAR	THER N	<u>ORTH</u>
28	<u>6.</u>	Nort	H OF 3	8.6596N	AND	NO FAR	THER N	<u>ORTH</u>
29	THAN $38.6873N$ , $500$ FEET;							

1 2	7. North of 38.6873N and no farther north than 38.7075N, 600 feet; and
3 4	8. North of 38.7075N and not more than 56 miles from the reference point, 700 feet.
5 6 7 8 9 10	(6) A FACILITY OWNER WHO USES LAND SUBJECT TO AN EASEMENT FOR THE GENERATION OF ELECTRICITY IN ACCORDANCE WITH THIS SUBSECTION SHALL, ON OPERATION OF THE FACILITY, REMIT AN ANNUAL PAYMENT OF 5% OF ANY LEASE PAYMENT PAID TO THE LANDOWNER TO THE MARYLAND AGRICULTURAL LAND PRESERVATION FUND UNDER § 2–505 OF THIS ARTICLE.
11 12 13 14	(7) A LANDOWNER WHO IS IN VIOLATION OF FEDERAL, STATE, OR LOCAL LAWS REGARDING THE OPERATION OF THE FACILITY IS IN VIOLATION OF THE EASEMENT AND IS SUBJECT TO A CIVIL PENALTY UNDER § 2–519 OF THIS SUBTITLE.
15 16 17 18	(4) (8) THE FOUNDATION MAY CHARGE REASONABLE COSTS TO COVER ANY EXPENSES RELATING TO THE FOUNDATION'S RESPONSIBILITY TO AMEND ANY EASEMENT, AS REQUIRED UNDER THIS SUBSECTION, AND TO MONITOR THE ENFORCEMENT AND COMPLIANCE OF THE EASEMENT.
19 20	(5) (9) THE FOUNDATION SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBSECTION.
21 22	[(c)] (D) Purchase of an easement by the Foundation does not grant the public any right of access or right of use of the subject property.
23	Article - Public Utilities
24	<del>7-701.</del>
25 26	(r) "Tier 1 renewable source" means one or more of the following types of energy sources:
27 28	(1) solar energy, including energy from photovoltaic technologies and solar water heating systems;
29	$\frac{(2)}{}$ wind;
30	(3) qualifying biomass;
31 32	(4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;

1	(5) geothermal, including energy generated through geothermal					
2	exchange from or thermal energy avoided by, groundwater or a shallow ground source;					
3	(6) ocean, including energy from waves, tides, currents, and thermal					
4	differences;					
5	(7) a fuel cell that produces electricity from a Tier 1 renewable source					
6	under item (3) or (4) of this subsection;					
7	(8) a small hydroelectric power plant of less than 30 megawatts in					
8	capacity that is licensed or exempt from licensing by the Federal Energy Regulatory					
9	Commission;					
10	(9) poultry litter-to-energy;					
11	(10) waste-to-energy;					
12	(11) refuse-derived fuel; and					
13	(12) thermal energy from a thermal biomass system.					
14	SECTION 2. AND BE IT FURTHER ENACTED, That § 2-513(c) of the					
15	Agriculture Article as enacted by Section 1 of this Act applies to any easement					
16	acquired by the Maryland Agricultural Land Preservation Foundation before, on, or					
17	after the effective date of this Act.					
18	SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the					
19	General Assembly that if land subject to an easement is used for the generation of					
20	electricity in accordance with this Act, that the majority of raw materials used as Tier					
21	1 renewable sources an authorized renewable energy source under § 7–701(r)(4) and					
22	(9) of the Public Utilities § 2–513(c)(1)(ii) of the Agriculture Article originate from the					
23	farm subject to the easement.					
24	SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,					
25	2018, the Maryland Agricultural Land Preservation Foundation shall report to the					
26	Senate Education, Health, and Environmental Affairs Committee, the Senate Finance					
27	Committee, the House Economic Matters Committee, and the House Environmental					
28	Matters Committee, in accordance with § 2–1246 of the State Government Article, on					
29	the implementation of this Act.					
30	SECTION 4. 5. AND BE IT FURTHER ENACTED, That this Act shall take					
31	effect July 1, 2014.					