## **SENATE BILL 259**

M4, C5 4lr1737 SB 796/13 - EHE & FIN CF HB 861

By: Senator Middleton

Introduced and read first time: January 17, 2014

Assigned to: Education, Health, and Environmental Affairs and Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2014

CHAPTER

## 1 AN ACT concerning

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## Agriculture - Easements - Renewable Energy Generation Facilities

3 FOR the purpose of requiring, on written request of a landowner in an application to 4 <del>purchase an easement,</del> an easement approved for a certain purchase after a 5 certain date to authorize the landowner to request approval to use the land 6 subject to the easement for renewable energy generation under certain 7 circumstances; requiring, on written request of a landowner, authorizing a written request of a landowner to be approved by the Maryland Agricultural 8 9 Land Preservation Foundation to amend an easement to authorize the 10 landowner to use the land subject to the easement for renewable energy 11 generation under certain circumstances; altering the composition of the Maryland Agricultural Land Preservation Fund; prohibiting the Foundation 12 13 from approving the use of land subject to an easement for renewable energy 14 generation after a certain date; prohibiting the installation of certain wind 15 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 16 Maryland Agricultural Land Preservation Fund; requiring a certain lease 17 18 executed by a landowner and a certain facility owner to include provisions 19 related to the removal of a certain facility under certain circumstances; 20 authorizing the Foundation to charge certain costs to cover certain expenses; 21 requiring the Foundation to adopt certain regulations; providing for the 22application of this Act; declaring the intent of the General Assembly; requiring 23 the Foundation to make a certain report to certain committees of the General 24Assembly by a certain date; defining a certain term certain terms; and generally

## 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.



$\frac{1}{2}$	relating to use of land under an easement held by the Maryland Agricultural Land Preservation Foundation.
3 4 5 6 7	BY repealing and reenacting, with amendments,  Article – Agriculture Section 2–505(b) and 2–513(c) Annotated Code of Maryland (2007 Replacement Volume and 2013 Supplement)
8	BY repealing and reenacting, without amendments,
9	$\operatorname{Article}-\operatorname{Agriculture}$
10	Section 2–509
11	Annotated Code of Maryland
12	(2007 Replacement Volume and 2013 Supplement)
13	BY adding to
14	Article – Agriculture
15	Section 2–513(c)
16	Annotated Code of Maryland
17	(2007 Replacement Volume and 2013 Supplement)
18	BY repealing and reenacting, with amendments,
19	Article - Agriculture
20	Section 2-513(c)
21	Annotated Code of Maryland
22	(2007 Replacement Volume and 2013 Supplement)
23	BY repealing and reenacting, without amendments,
24	Article - Public Utilities
25	Section 7-701(r)
26	Annotated Code of Maryland
27	(2010 Replacement Volume and 2013 Supplement)
28 29	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
30	Article – Agriculture
31	<u>2–505.</u>
32	(b) The Maryland Agricultural Land Preservation Fund shall comprise:
99	(1) Any money made excitable to the Fund by general or enocial fund
33 34	(1) Any money made available to the Fund by general or special fund appropriations; [and]
35	
36	(2) Any money made available to the Fund by grants or transfers from governmental or private sources; AND

1		<u>(3)</u>	Any money received under § 2–513(c) of this subtitle.
2	2–509.		
3 4	(a) the easemen	(1) nt appl	The Foundation shall follow the provisions under this section for ication process.
5		(2)	The Foundation shall adopt regulations and procedures for:
6 7	easement; a	ınd	(i) Evaluation of land for which application is made to sell an
8 9	under an in	stallm	(ii) Purchase of easements, including the purchase of easements ent purchase agreement.
L0 L1	(b) of easement		lations and procedures adopted by the Foundation for the purchase provide that:
12 13 14 15 16	easement b shall include	y the de maj ind any	One or more owners of land actively devoted to agricultural use ation with the county governing body requesting the purchase of an Foundation on the land owned by the applicants. The application are and descriptions of the current use of land for the proposed of other information required by the Foundation to evaluate the land easement.
18 19 20		-	Upon receipt of an application to purchase an easement the local nall refer the application and accompanying materials both to the rvation advisory board and to the county planning and zoning body.
21 22 23 24 25	not the lan Foundation	d for t under	(i) After the referral of an application, the agricultural sory board shall advise the county governing body as to whether or the proposed easement meets the qualifications established by the subsection (d) of this section, and whether or not the advisory board urchase of the easement.
26 27	preservation	n advis	(ii) In making its recommendation, the county agricultural sory board shall:
28 29 30 31 32	patterns of on the land	land d	1. Take into consideration criteria and standards e Foundation under this subtitle, current local regulations, local levelopment, the kinds of development pressures currently existing he proposed easement, State smart growth goals, and any locally ies for the preservation of agricultural land; and

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1 2 3	2. Recommend for ranking any application that qualifies and meets the priorities established by the county governing body for the preservation of agricultural land.
4 5 6 7 8	(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.
9 10 11 12 13 14	(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.
15 16 17	(4) In deciding whether to approve the application, the county governing body shall receive the recommendation of the county agricultural preservation advisory board established under § 2–504.1 of this subtitle.
18 19 20 21	(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.
22 23	(ii) If the county governing body decides to recommend approval of the application, it shall notify the Foundation and forward to the Foundation:
24 25 26	1. The application and all accompanying materials including the recommendations of the advisory board and county planning and zoning body;
27	2. A ranking of all applications based on:
28 29 30 31	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 on the land for the proposed easement, which shall include the total number of development rights that have been subdivided or transferred.

1 2	(iii) If the county governing body recommends denial of the application, it shall inform the Foundation and the applicants.
3 4 5 6 7	(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.
8 9	(d) Regulations and criteria developed by the Foundation relating to land which may be considered for purchase of an easement shall provide that:
10 11 12	(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;
13 14 15	(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;
16 17 18	(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;
19 20 21	(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;
22 23 24	(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
25	(6) Land be evaluated for:
26	(i) Location in a priority preservation area of the county;
27 28	(ii) Soil and other land characteristics associated with agricultural and silvicultural productivity;
29 30	(iii) Agricultural and silvicultural production and contribution to the agricultural and silvicultural economy; and
31	(iv) Any other unique county considerations that support the

33 2-513.

goals of the program.

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1 2 3	(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 Article.
4 5	(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
6 7	(II) "AUTHORIZED RENEWABLE ENERGY SOURCE" MEANS THE FOLLOWING ENERGY SOURCES:
8	$\underline{1.}$ Solar;
9	<u>2.</u> <u>Wind;</u>
10 11	3. ANAEROBIC DIGESTION OF POULTRY LITTER IS PLACED ON FALLOW LAND; AND
12	4. Anaerobic digestion of livestock manure
13	IF PLACED ON FALLOW LAND.
14 15	(III) "REFERENCE POINT" MEANS A POINT ON THE PATUXENT NAVAL AIR STATION CENTERED AT 38.29667N AND 76.37668W.
16	(2) ANY SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ANY
17	EASEMENT ACQUIRED BY THE FOUNDATION AFTER SEPTEMBER 30, 2014
18	SHALL AUTHORIZE THE LANDOWNER TO USE THE LAND SUBJECT TO THE
19	EASEMENT FOR THE GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A
20	TIER 1 RENEWABLE APPROVED FOR PURCHASE BY THE BOARD OF PUBLIC
21	WORKS AFTER JUNE 30, 2014, SHALL AUTHORIZE THE LANDOWNER TO
22	REQUEST APPROVAL, WITH A FAVORABLE RECOMMENDATION OF THE LOCAL
23	AGRICULTURAL ADVISORY BOARD AND IF NOT PROHIBITED BY FEDERAL
24	STATE, AND LOCAL LAWS AND REGULATIONS, TO USE THE LAND SUBJECT TO
25	THE EASEMENT FOR THE GENERATION OF ELECTRICITY BY A FACILITY
26	<u>UTILIZING AN AUTHORIZED RENEWABLE ENERGY</u> SOURCE PROVIDED THAT:
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:
31	1. INCLUDING PERMANENT ROADS OR STRUCTURES
32	THAT ARE NECESSARY FOR ACCESS FOR OPERATION AND MAINTENANCE
33	PURPOSES; AND

1	2. NOT INCLUDING ANY TEMPORARY IMPACTS
2	NECESSARY FOR CONSTRUCTION OF THE FACILITY;
3	(II) THE FOUNDATION DETERMINES THAT AUTHORIZING
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	ABOVE GROUND LEVEL WITHIN THE AREA SPECIFIED IN PARAGRAPH (5) OF
20	THIS SUBSECTION.
21	(3) On the written request of a landowner, the
22	FOUNDATION SHALL AMEND AN EASEMENT TO AUTHORIZE THE LANDOWNER TO
23	USE THE LAND SUBJECT TO THE EASEMENT FOR GENERATION OF ELECTRICITY
24	BY A FACILITY UTILIZING A TIER 1 RENEWABLE SOURCE PROVIDED THAT:
25	(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A
26	WRITTEN REQUEST OF A LANDOWNER, WITH A FAVORABLE RECOMMENDATION
27	OF THE LOCAL AGRICULTURAL ADVISORY BOARD AND IF NOT PROHIBITED BY
28	FEDERAL, STATE, AND LOCAL LAWS, MAY BE APPROVED BY THE FOUNDATION
29	TO AMEND AN EXISTING EASEMENT TO AUTHORIZE THE LANDOWNER TO USE
30	THE LAND SUBJECT TO THE EASEMENT FOR THE GENERATION OF ELECTRICITY
31	BY A FACILITY UTILIZING AN AUTHORIZED RENEWABLE ENERGY SOURCE
32	PROVIDED THAT:

33 (I) THE FACILITY OCCUPIES NO MORE THAN 5% OR 5 34 ACRES, WHICHEVER IS LESS <del>AND NOT INCLUDING ANY TEMPORARY IMPACTS</del>

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1	NECESSARY FOR CONSTRUCTION OF THE FACILITY, OF EACH PARCEL THE LAND
2	SUBJECT TO THE EASEMENT;:
3	1. Including permanent roads or structures
4	THAT ARE NECESSARY FOR ACCESS FOR OPERATION AND MAINTENANCE
5	PURPOSES; AND
C	9 Note including any membodary impacted
$\frac{6}{7}$	2. NOT INCLUDING ANY TEMPORARY IMPACTS NECESSARY FOR CONSTRUCTION OF THE FACILITY;
•	NECESSARI FOR CONSTRUCTION OF THE FACILITY,
8	(II) THE FOUNDATION DETERMINES THAT AUTHORIZING
9	THE LANDOWNER TO USE THE LAND SUBJECT TO THE EASEMENT FOR THE
10	GENERATION OF ELECTRICITY BY A FACILITY UTILIZING A TIER 1 RENEWABLE
11	AN AUTHORIZED RENEWABLE ENERGY SOURCE WILL NOT:
12	1. Interfere significantly with the
13	AGRICULTURAL USE OF THE LAND SUBJECT TO THE EASEMENT; AND
10	AGRICOLITORAL USE OF THE LAND SUBJECT TO THE EASEMENT, AND
14	2. Interfere with State, local, or federal
15	RESTRICTIONS PLACED ON FUNDS USED BY THE FOUNDATION TO PURCHASE
16	THE EASEMENT; AND

- 17 (III) FOR GENERATION OF ELECTRICITY FROM WIND, THE 18 GENERATIOS STATION'S WIND TURBINES ARE NOT LOCATED:
- 1. In Are not located in an area where the Wind turbines could create Doppler radar interference for Missions at the Patuxent River Naval Air Station; and
- 22 **WITHIN A 46 MILE RADIUS MEASURED FROM**23 **LOCATION 38.29667N, 76.37668W DO NOT EXCEED THE MAXIMUM HEIGHT**24 **ABOVE GROUND LEVEL WITHIN THE AREA SPECIFIED IN PARAGRAPH (5) OF**25 **THIS SUBSECTION.**
- 26 (4) (I) THE FOUNDATION MAY NOT APPROVE THE USE OF
  27 LAND SUBJECT TO AN EASEMENT FOR THE GENERATION OF ELECTRICITY BY A
  28 FACILITY UTILIZING AN AUTHORIZED RENEWABLE ENERGY SOURCE AFTER
  29 JUNE 30, 2019.
- 30 (II) THIS PARAGRAPH MAY NOT BE CONSTRUED TO
  31 PROHIBIT THE USE OF LAND SUBJECT TO AN EASEMENT FOR THE GENERATION
  32 OF ELECTRICITY IN ACCORDANCE WITH THIS SUBSECTION THAT WAS APPROVED
  33 BY THE FOUNDATION BEFORE JULY 1, 2019.

$1\\2$	(5) A WIND TURBINE LOCATED ON LAND SUBJECT TO AN EASEMENT MAY NOT EXCEED THE SPECIFIED HEIGHT ABOVE GROUND LEVEL IN
3	THE AREA DESCRIBED AS FOLLOWS:
4 5	(I) EAST OF A LINE PASSING THROUGH THE REFERENCE POINT AND 39.0986N AND 76.5284W AND:
6 7	1. NOT MORE THAN 24 MILES FROM THE REFERENCE POINT, 0 FEET;
8 9	2. More than 24 miles and not more than 30 miles from the reference point, 100 feet;
10 11	3. More than 30 miles and not more than 35 miles from the reference point, 200 feet;
12 13	4. MORE THAN 35 MILES AND NOT MORE THAN 39 MILES FROM THE REFERENCE POINT, 300 FEET;
14 15	5. More than 39 miles and not more than 48 miles from the reference point, 400 feet;
16 17	6. More than 43 miles and not more than 46 miles from the reference point, 500 feet;
18 19	7. MORE THAN 46 MILES AND NOT MORE THAN 49 MILES FROM THE REFERENCE POINT, 600 FEET; AND
20 21	8. MORE THAN 49 MILES AND NOT MORE THAN 56 MILES FROM THE REFERENCE POINT, 700 FEET; AND
22 23	(II) WEST OF A LINE PASSING THROUGH THE REFERENCE POINT AND 39.0986N AND 76.5284W AND:
24	1. SOUTH OF 38.4428N, 0 FEET;
25 26	2. North of 38.4428N and no farther north than 38.5711N, 100 feet;
27 28	3. North of 38.5711N and no farther north than 38.5943N, 200 feet;
29 30	4. North of 38.5943N and no farther north than 38.6366N, 300 FEET;

1	5. NORTH OF 38.6366N AND NO FARTHER NORTH
2	THAN 38.6596N, 400 FEET;
3	6. North of 38.6596N and no farther north
4	THAN 38.6873N, 500 FEET;
5	7. North of 38.6873N and no farther north
6	THAN 38.7075N, 600 FEET; AND
7	8. North of 38.7075N and not more than 56
8	MILES FROM THE REFERENCE POINT, 700 FEET.
9	(6) A FACILITY OWNER WHO USES LAND SUBJECT TO AN
10	EASEMENT FOR THE GENERATION OF ELECTRICITY IN ACCORDANCE WITH THIS
11	SUBSECTION SHALL, ON OPERATION OF THE FACILITY, REMIT AN ANNUAL
12	PAYMENT OF 5% OF ANY LEASE PAYMENT PAID TO THE LANDOWNER TO THE
13	MARYLAND AGRICULTURAL LAND PRESERVATION FUND UNDER § 2–505 OF
14	THIS ARTICLE.
15	(7) A LEASE EXECUTED BY A FACILITY OWNER AND A
16	LANDOWNER FOR THE GENERATION OF ELECTRICITY IN ACCORDANCE WITH
17	THIS SUBSECTION SHALL INCLUDE PROVISIONS TO REQUIRE A FACILITY OWNER
18	TO REMOVE THE FACILITY IF THE FACILITY IS NO LONGER INTENDED TO BE
19	USED TO GENERATE ELECTRICITY.
20	(8) A LANDOWNER WHO IS IN VIOLATION OF FEDERAL, STATE, OR
21	LOCAL LAWS REGARDING THE OPERATION OF THE FACILITY IS IN VIOLATION OF
22	THE EASEMENT AND IS SUBJECT TO A CIVIL PENALTY UNDER § 2–519 OF THIS
23	SUBTITLE.
	(1) (2)
24	(4) (9) THE FOUNDATION MAY CHARGE REASONABLE COSTS
25	TO COVER ANY EXPENSES RELATING TO THE FOUNDATION'S RESPONSIBILITY
26	TO AMEND ANY EASEMENT, AS REQUIRED UNDER THIS SUBSECTION, AND TO
27	MONITOR THE ENFORCEMENT AND COMPLIANCE OF THE EASEMENT.
0.0	(F) (10) With Form Paris Control of the Control of
28	(5) (10) THE FOUNDATION SHALL ADOPT REGULATIONS TO
29	CARRY OUT THE PROVISIONS OF THIS SUBSECTION.

**Article - Public Utilities** 

public any right of access or right of use of the subject property.

Purchase of an easement by the Foundation does not grant the

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1	<del>7-701.</del>		
2 3	<del>(r)</del> energy source		1 renewable source" means one or more of the following types of
4 5	solar water	<del>(1)</del> heatinį	solar energy, including energy from photovoltaic technologies and systems;
6		<del>(2)</del>	wind;
7		<del>(3)</del>	qualifying biomass;
8 9	<del>a landfill or</del>	<del>(4)</del> <del>wastev</del>	methane from the anaerobic decomposition of organic materials in vater treatment plant;
10 11	exchange fre	<del>(5)</del> om or t	geothermal, including energy generated through geothermal hermal energy avoided by, groundwater or a shallow ground source;
12 13	differences;	<del>(6)</del>	ocean, including energy from waves, tides, currents, and thermal
14 15	under item (	<del>(7)</del> <del>(3) or (</del>	a fuel cell that produces electricity from a Tier 1 renewable source  1) of this subsection;
16 17 18	capacity tha		a small hydroelectric power plant of less than 30 megawatts in censed or exempt from licensing by the Federal Energy Regulatory
19		<del>(9)</del>	poultry litter-to-energy;
20		<del>(10)</del>	waste-to-energy;
21		<del>(11)</del>	refuse-derived fuel; and
22		<del>(12)</del>	thermal energy from a thermal biomass system.
23 24 25 26	Agriculture acquired by	Article the M	2. AND BE IT FURTHER ENACTED, That § 2–513(c) of the e as enacted by Section 1 of this Act applies to any easement aryland Agricultural Land Preservation Foundation before, on, or late of this Act.
27 28 29 30 31 32	General Ass electricity in 1 renewable	sembly accores <del>sources ablic U</del>	AND BE IT FURTHER ENACTED, That it is the intent of the that if land subject to an easement is used for the generation of dance with this Act, that the majority of raw materials used as Tier an authorized renewable energy source under § 7–701(r)(4) and tilities § 2–513(c)(1)(ii) of the Agriculture Article originate from the easement.

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									Gov	ernor.
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effect	SECTION t July 1, 20		AND BI	E II F	UKTHER	i ENAC	TED,	That	this Ac	t shall t
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Speaker of the House of Delegates.