

Chapter 12

(Senate Bill 71)

AN ACT concerning

Maryland Agricultural Land Preservation Foundation – Value of Easement

FOR the purpose of prohibiting, notwithstanding certain provisions of law, and with a certain exception, the Maryland Agricultural Land Preservation Foundation from purchasing an agricultural land preservation easement for more than a certain amount or less than a certain amount; authorizing the Foundation to purchase an easement for less than a certain amount if the asking price is less than a certain amount; and generally relating to the value of agricultural land preservation easements purchased by the Maryland Agricultural Land Preservation Foundation.

BY repealing and reenacting, with amendments,

Article – Agriculture

Section 2–511

Annotated Code of Maryland

(2007 Replacement Volume and 2013 Supplement)

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

Article – Agriculture

2–511.

(a) [The] **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,** THE maximum value of any easement to be purchased shall be the asking price or the difference between the fair market value of the land and the agricultural value of the land, whichever is lower.

(b) The fair market value of the land is the price as of the valuation date for the highest and best use of the property which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property if the property was not subject to any restriction imposed under this subtitle.

(c) The agricultural value of land is the price as of the valuation date which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property as a farm unit, to be used for agricultural purposes.

(d) (1) (i) The value of the easement is determined at the time the Foundation is requested in writing to purchase the easement.

(ii) The fair market value shall be determined by the Department of General Services based on one or more appraisals by the State appraisers, and appraisals, if any, of the landowner.

(iii) The entire contiguous acreage shall be included in the determination of the value of the easement, less 1 acre per single dwelling; however, except as provided in § 2-513(b)(2) of this subtitle, the entire contiguous acreage, including the 1 acre per single dwelling, is subject to the easement restrictions.

(2) (i) Subject to subparagraph (ii) of this paragraph, the agricultural value of land shall be determined by a formula approved by the Department that measures the farm productivity of the land on which the applicant has applied to sell an easement by taking into consideration weighted factors that may include rents, location, soil types, development pressure, interest rates, and potential agricultural use.

(ii) The agricultural value determined under subparagraph (i) of this paragraph is subject to the approval of the Department.

(E) (1) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AND EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE FOUNDATION MAY NOT PURCHASE AN EASEMENT FOR MORE THAN 75% OR LESS THAN 25% OF THE FAIR MARKET VALUE OF THE LAND.

(2) THE FOUNDATION MAY PURCHASE AN EASEMENT FOR LESS THAN 25% OF THE FAIR MARKET VALUE OF THE LAND IF THE OWNER'S ASKING PRICE IS LESS THAN 25% OF THE FAIR MARKET VALUE OF THE LAND.

[(e)] (F) (1) If the landowner and **THE** Foundation do not agree on the value of the easement as determined by the State, either the landowner or the Foundation may request, no later than September 30 of the year following the determination of the value, that the matter be referred to the property tax assessment appeal board as provided under § 3-107 of the Tax – Property Article, for arbitration as to the value of the easement.

(2) The value determined by that arbitration shall be binding upon the owner and the Foundation in a purchase of the easement made subsequent to the arbitration for a period of 2 years, unless the landowner and the Foundation agree upon a lesser value or the landowner or the Foundation appeals the results of the arbitration to the Maryland Tax Court, and either party may further appeal from the Tax Court as provided in § 13-532 of the Tax – General Article.

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

Approved by the Governor, April 8, 2014.