

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 860

(Delegate Gilchrist)

Environment and Transportation

Education, Health, and Environmental Affairs

State Planning – Preservation of Agricultural Land – Goal

This bill establishes a State goal of preserving a total of 1,030,000 acres of productive agricultural land by 2030 through (1) the Maryland Agricultural Land Preservation Foundation (MALPF); (2) the Maryland GreenPrint Program; (3) the Rural Legacy Program; (4) the Maryland Environmental Trust (MET); (5) the Next Generation Farmland Acquisition Program (“Next Gen Program”); and (6) local land preservation programs. The bill expresses that the intent of the General Assembly is to extend the deadline to meet the State’s agricultural land preservation goal set under Joint Resolutions 16 and 17 of 2002, from 2022 to 2030, and to include acres preserved through MET and the Next Gen Program as contributing toward the goal.

Fiscal Summary

State Effect: It is unclear to what extent the goal established by the bill may increase State spending for agricultural land preservation; however, additional State funding may be needed to meet the goal, as discussed below. Revenues are not directly affected.

Local Effect: No direct impact. It is assumed that any additional funding provided for agricultural land preservation as a result of the bill is limited to State funding. Local agricultural land preservation efforts may, however, be indirectly affected by the availability of any additional State funding.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Joint Resolutions 16 and 17 of 2002 created a statewide goal to, by 2022, triple the number of acres (now considered to be a goal of 1,030,000 total acres) of productive agricultural land preserved by (1) MALPF; (2) the Maryland GreenPrint Program; (3) the Rural Legacy Program; and (4) local preservation programs.

Maryland Agricultural Land Preservation Foundation

The General Assembly created MALPF to preserve productive agricultural land and woodland, limit the extent of urban development, and protect agricultural land and woodland as open space. MALPF, with the assistance and cooperation of landowners and local governments, purchases development rights easements as a means of protecting agricultural land and woodland production activities.

Maryland GreenPrint Program

Chapter 570 of 2001 established the Maryland GreenPrint Program to create a statewide green infrastructure network by acquiring property and property interests, including easements, in a manner that complements other conservation programs. Chapter 570 terminated in 2006, although acres that were preserved under the program contribute toward the State's agricultural land preservation goal.

Rural Legacy Program

The Rural Legacy Program provides funding for local governments and conservation organizations (such as land trusts) to purchase property and conservation easements within designated rural legacy areas. Local governments and land trusts apply annually to the Rural Legacy Board, which makes recommendations for designating rural legacy areas and granting funds to preserve land in the rural legacy areas that are then reviewed and approved by the Board of Public Works.

Maryland Environmental Trust

MET was established by statute in 1967 "to conserve, improve, stimulate, and perpetuate the aesthetic, natural, health and welfare, scenic, and cultural qualities of the environment, including, but not limited to land, water, air, wildlife, scenic qualities, [and] open spaces." The trust was created as a quasi-public entity and is both a unit of the Department of Natural Resources (DNR) and governed by a private board of trustees. MET's primary method for protecting land is through soliciting donations of conservation easements from private landowners, who may be eligible for both federal and State tax benefits that are available for such donations.

Next Generation Farmland Acquisition Program

The Next Gen Program is administered by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), which was established under Chapter 467 of 2004 to help Maryland's farm, forestry, seafood, and related rural businesses to achieve profitability and sustainability. Under statutory authority to administer rural land acquisition and easement programs, including programs to assist young and beginning farmers, MARBIDCO administers the Next Gen Program, and the recently begun Small Acreage Next Generation Farmland Acquisition Program ("SANG"), which help young and beginning farmers purchase land, with the purchases made under the programs resulting in, or typically leading to, permanent easements on the land.

State Expenditures: It is unclear to what extent State spending on agricultural land preservation increases over the course of fiscal 2022 through 2030 as a result of the bill's changes, which (1) extend the deadline set under Joint Resolutions 16 and 17 of 2002 for the State's agricultural land preservation goal, from 2022 to 2030; (2) include acres preserved through MET and the Next Gen Program as contributing toward the goal; and (3) establish the goal in statute. Extending the deadline from 2022 to 2030, and establishing the goal in statute, may increase the likelihood of the goal affecting agricultural land preservation funding levels in fiscal 2022 through 2030.

The Maryland Department of Planning (MDP) indicates that, as of November 18, 2020, approximately 829,491 acres of productive agricultural land have been preserved by programs listed in the bill (not including the Next Gen Program), which is 80.5% of the 1,030,000 acre goal. The Next Gen Program, which first received funding in fiscal 2018, generally only holds temporary easements (on 2,580 acres, currently) in connection with the program's "easement option purchases"; however, purchases under the program or SANG either result in, or are expected to typically lead to, permanent easements on the land, that are ultimately held by other entities, such as MALPF, MET, a county land preservation program, or a private land conservation program or land trust.

According to MDP, between fiscal 2016 and 2020, approximately 71,500 acres of productive agricultural land were preserved by the programs included under the bill (excluding the Next Gen Program), approximately 14,300 acres preserved per fiscal year. If it is assumed that an additional 14,300 acres are preserved each fiscal year, through fiscal 2030, the State would fall 57,500 acres short of the 1,030,000 acre goal. MDP and DNR, however, have indicated that the pace of preservation may accelerate under current law because of policies already in place, which may lessen any need for additional funding to meet the goal. Temporary easements held by the Next Gen Program at any given time, and any permanent easements resulting from the program that are ultimately held by programs or entities other than those listed in the bill (*e.g.*, private land conservation programs or land trusts), may also help in meeting the goal, as acres preserved "through

the Next Gen Program.” It is assumed, for the purposes of this fiscal and policy note, that any additional funding needed to meet the statutory goal is limited to State funding.

For context, the Governor’s fiscal 2022-2026 *Capital Improvement Program* (CIP) includes \$45.5 million in general obligation bonds and special funds (transfer tax revenues and local participation funding) in fiscal 2022 for the Maryland Agricultural Land Preservation Program administered by MALPF, with \$263.1 million in total planned to be spent over the course of fiscal 2022 through 2026. The CIP includes \$19.0 million in general obligation bonds and special funds for the Rural Legacy Program in fiscal 2022, with \$105.2 million total planned to be spent over the course of fiscal 2022 through 2026. The Governor’s proposed fiscal 2022 budget includes \$2.5 million in general funds for the Next Gen Program.

Small Business Effect: Small business farms and small businesses who provide appraisals, title work, surveys, or other due diligence for agricultural land preservation easement purchases may meaningfully benefit to the extent the bill results in additional funding for agricultural land preservation.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 692 (Senator Young) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore and Frederick counties; Maryland Department of Agriculture; Department of Natural Resources; Maryland Department of Planning; Maryland Agricultural and Resource-Based Industry Development Corporation; Department of Legislative Services

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Analysis by: Amberly Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510