

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 851

(Anne Arundel County Senators)

Budget and Taxation

Ways and Means

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**Anne Arundel County - Property Tax Credit - Rural Legacy Program**

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This bill authorizes Anne Arundel County to grant, by law, a property tax credit for real property that is located in a specified Rural Legacy Area and for which the property owner has sold the development rights under the Rural Legacy Program. **The bill takes effect June 1, 2026, and applies to taxable years beginning after June 30, 2026.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County property tax revenues decrease by approximately \$27,800 annually beginning in FY 2027 to the extent the property tax credit is granted. County expenditures are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Anne Arundel County is authorized to grant a property tax credit for real property that is subject to the State’s or county’s agricultural land preservation program.

The Department of Natural Resources indicates that one Rural Legacy Area is located in Anne Arundel County, consisting of 37,381 acres. This area completes a greenway of farmland from the Patuxent River to the Rhode River on the Chesapeake Bay and contains extensive tidal and forested wetlands. Four watersheds are located within the area, including the West River, Herring Bay, the Rhode River, and the Patuxent River.

To date, the Board of Public Works has approved over \$12 million in Rural Legacy Program grants to Anne Arundel County to purchase 17 conservation easements totaling over 1,800 acres across 21 properties. The State Department of Assessments and Taxation (SDAT) indicates that perpetual conservation easements under the Rural Legacy Program receive a \$500 per acre conservation use assessment.

**Local Fiscal Effect:** There are currently 21 properties in Anne Arundel County that have Rural Legacy conservation easements. These properties already receive the agricultural use assessment from SDAT, resulting in a lower property assessment. Anne Arundel County currently provides a property tax credit to agricultural landowners that have similar conservation easements under the Maryland Agricultural Land Preservation Foundation (MALPF) Program and the County Agricultural and Woodland Preservation Program.

When comparing the 2025 real property tax bill for properties in the MALPF program (that receive the existing tax credit) and the Rural Legacy Program (that do not receive the tax credit), on average the Rural Legacy property owners pay approximately \$1,325 more in real property taxes annually.

Based on the current number of properties with a Rural Legacy conservation easement (21) and the county real property tax rate in fiscal 2026 (\$0.9770 per \$100 of assessment), Anne Arundel County property tax revenues could decrease by \$27,825 annually beginning in fiscal 2027, to the extent the property tax credit is granted. To the extent additional easements are purchased in the Anne Arundel County Rural Legacy Area, county property tax revenues will decrease accordingly.

#### *Property Tax Collections in Anne Arundel County*

Anne Arundel County is projected to collect approximately \$1.0 billion in property tax revenues in fiscal 2026, as shown in the [County Revenue Outlook Report](#). A copy of the report is available on the Department of Legislative Services [website](#).

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Cross File:** HB 320 (Delegate Behler, *et al.*) - Ways and Means.

**Information Source(s):** Anne Arundel County; Department of Natural Resources; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2026  
js/hlb Third Reader - March 19, 2026

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