



**Testimony on HB 1146
Forest Conservation – Mel Noland Woodland Incentives Fund – Distribution of
Agricultural Land Transfer Tax Revenue
Ways and Means Committee
February 27, 2020**

POSITION – OPPOSE

The Baltimore County Land Trust Alliance represents 5 land trusts that work in Baltimore County to protect our farms, forests and open spaces. Collectively we are responsible for the long-term stewardship of more than 500 conservation easements.

We agree that additional funding is needed to develop forest stewardship plans. Many of our easements require forest stewardship plans and there is currently inadequate funding to prepare those plans. However, transferring funds from the Maryland Agricultural Preservation Foundation (MALPF) is not the answer.

Allocation: HB 1146 would change the allocation of the agricultural transfer tax in two fundamental ways:

1-) Currently the parcel subject to the agricultural land transfer tax must be 100% wooded. This legislation would reduce the requirement to 80% wooded.

2-) Currently the amount of the agricultural land transfer tax allocated to the preparation of forest stewardship plans is capped at \$200,000. This legislation would raise this cap to \$500,000.

Both of these provisions would substantially reduce the amount of funding available for MALPF to administer the program.

Importance of MALPF Funding: The Agricultural Land Transfer Tax funds the administration of the MALPF program. Unlike DNR, there is no designated percentage for MALPF administration. As the transfer tax funds for MALPF have increased, there is a corresponding increase for administrative expenses. “The FY21 budget includes an increase of \$181,400 in special funds for the Maryland Agricultural Land Preservation Foundation related to the return to a single-year application cycle that increases the volume of work. This funding increase is comprised of \$131,400 for a Memorandum of Understanding with DGS to fund 2 new Assistant Attorneys General (AAG) – 1 regular position and 1 contractual FTE – and 2 new appraisers – 1 regular position and 1

**Gunpowder Valley Conservancy; Land Preservation Trust; Long Green Land Trust;
Manor Conservancy; Neighborspace Baltimore County**

contractual FTE split with DGS. MDA notes that overall, it is paying for 3 AAGs, 1 legal assistant, and 2.5 appraisers. There is also an increase of \$50,000 in special funds for settlement fees related to new easement acquisitions”.

2016 Task Force: In 2016 the legislature set up a Forest Preservation and Woodland Incentive Workgroup. In December of 2016 the workgroup “concluded that efforts to increase funding for the Woodland Incentive Fund should first pursue more thorough implementation of existing rules and procedures before considering changing the funding base or other legislative action. Specifically, the workgroup recommends that the Department of Natural Resources collaborate closely with the Department of Taxation and Assessment and the State Comptroller to ensure uniform compliance in the county tax assessment of forested lands”.

Results: The amount of funded allocated to the Woodland have increased both in absolute numbers and as a percentage of the total Agricultural land transfer tax have increased significantly since the recommendations

Year	MAPLF	Woodland	% to woodland
2016	1,386,933.89	3,063.84	-
2017	1,018,168.96	9,461.38	1%
2018	1,277,390.80	94,417.50	7%
2019	1,805,889.32	200,000.00	10%

The changes proposed by the task force are working to increase the funding available to develop forest management plans. The changes proposed by HB 1146 would decrease the ability of MALPF to administer the MALPF program.

We urge an unfavorable report on HB 1146, but would welcome to chance to work with the delegation to determine other mechanisms to provide additional funding for Forest Stewardship Plans.

**Gunpowder Valley Conservancy; Land Preservation Trust; Long Green Land Trust;
Manor Conservancy; Neighborspace Baltimore County**