

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 285 (Delegate Getty)
Appropriations

Referred to Budget and Taxation

**Maryland Agricultural Land Preservation Foundation - Termination of Easements
- Distribution of Repurchase Payment**

This amended bill requires the Maryland Agricultural Land Preservation Foundation to distribute to the contributing county a portion of the repurchase payment received in the case of the termination of an easement.

Fiscal Summary

State Effect: Potential minimal decrease in special fund revenues beginning in FY 2006. Expenditures would not be affected.

Local Effect: Potential minimal increase in local revenues beginning in FY 2006. Expenditures would not be affected.

Small Business Effect: None. This bill would not directly affect small businesses.

Fiscal Analysis

State Effect: The Maryland Agricultural Land Preservation Program promotes the creation of agricultural land preservation districts and purchases development rights easements as a means of protecting agricultural land and woodland production activities. As illustrated in **Exhibit 1**, the program has acquired a total of 809 easements, protecting 117,319 acres of farmland and woodland in Maryland. In fiscal 1995, the State purchased 51 easements totaling 7,410 acres of land at a cost of \$10.7 million. [These figures reflect fiscal 1994 cycle 2 and fiscal 1995 cycle 1 easement acquisitions.] Of this amount, \$2.8 million or 26% was paid with local funds.

Pursuant to this legislation, a local government would receive a portion of the repurchase

payment when an easement is terminated. However, according to the Maryland Agricultural Land Preservation Foundation (MALPF), to be eligible for repurchase, an easement has to remain in effect for 25 years and be unsuited for agricultural use. Based on MALPF records, fiscal 2006 is the earliest an easement would be eligible for repurchase.

Local Effect: Local government revenues could increase by a minimal amount beginning in fiscal 2006. The revenue increase would depend upon whether an easement is eligible for repurchase, the jurisdiction affected, and the repurchase price. The bill specifies that a portion of the funds must be deposited in the county's agricultural land preservation account. Further, after three years, if the funds in the account have not been expended, the funds must be returned to the State and deposited in the Maryland Agricultural Land Preservation Fund.

Information Source(s): Department of Fiscal Services, Department of Agriculture

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