

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 434 (Delegate Gettv)

Appropriations

Agricultural Land Preservation - Easements - Dwelling House

This bill requires the Maryland Agricultural Land Preservation Foundation (MALPF), upon written application to the foundation, to release free of easement restrictions one acre or less of land under a MALPF easement for the purpose of constructing a dwelling on the land if: (1) the property covered by the easement contains 50 acres or more; (2) no dwelling existed on the property at the time of sale of the easement; (3) the property has not been previously subdivided since the time of the easement; (4) the landowner pays the State for any acre or portion released at the price per acre that the State paid for the easement; and (5) the landowner agrees not to further subdivide any acreage released. Except under specified circumstances, the bill only applies to easements purchased by MALPF on or after October 1, 2000. A landowner must apply by October 30, 2002.

Fiscal Summary

State Effect: Potential increase in special fund revenue related to the reimbursement by the landowner for any acre or portion released from an easement pursuant to the bill. The average value of an easement is about \$2,000 per acre.

Local Effect: The bill would not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: If the landowner meets the conditions outlined above, MALPF must issue a preliminary release of the land which shall become final when MALPF receives and certifies a nontransferable building permit for the construction of a dwelling house. The bill also provides for the nullification of the preliminary release under specified circumstances. The landowner's agreement not to further subdivide the land must be recorded in the land records and shall bind all future owners.

The bill only applies to easements purchased on or after October 1, 2000, unless, by that date, a county has applied and MALPF has approved the county's application to have the bill apply to easements in the county purchased before October 1, 2000. MALPF must establish criteria for approving county applications.

Current Law: A landowner who sells an easement to MALPF is allowed, subject to specified conditions, to exclude as many as ten one-acre lots up to a maximum density of one lot per 20 acres for the purpose of constructing a house for the landowner or the landowner's children. The landowner is required to pay the State for any acre or portion released at the price per acre that the State paid the owner for the easement. The landowner and the child, if appropriate, must agree not to subdivide further for residential purposes any acreage allowed to be excluded from the easement. Subject to specified conditions, a subsequent landowner may: (1) construct housing for tenants fully engaged in operation of the farm; and (2) exclude from the easement restrictions one acre per each single dwelling which existed at the time of the sale of the easement. All revenues and expenditures are paid into and out of the MALPF.

Background: Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for a minimum of five years. Landowners who agree to place their farms within an agricultural preservation district may sell a development rights easement on that property to MALPF. Subject to some limitations, once an easement has been sold, the property is protected from further development in perpetuity. Subject to a specified exception, landowners who purchase land already under a MALPF easement are not allowed to construct dwellings on that land. MALPF is concerned that the construction of too many dwellings on an agricultural property in the preservation program could interfere with the agricultural use of that property.

State Fiscal Effect: To the extent that land under a MALPF easement is released pursuant to the bill, special fund revenues could increase by an indeterminate amount. The bill requires any such owner to pay the State for any acre or portion released at the price per acre that the State paid for the easement. According to MALPF, the average easement value is

approximately \$2,000 per acre. However, the number of landowners to which this bill may apply cannot be reliably estimated at this time. For illustrative purposes, if 15 landowners apply to have one acre of land released for the purposes of constructing a dwelling, and all other conditions are met, special fund revenues could increase by approximately \$30,000 annually. Any increase in special fund revenues will likely be offset by an increase in special fund expenditures to purchase additional easements under the MALPF program, although this would not be a direct result of the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2000
cm/jr Revised - House Third Reader - March 30, 2000

Analysis by: Lesley Frymier

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510