
By: **Senator Frosh**

Introduced and read first time: February 1, 2002

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Local Land Preservation Programs**

3 FOR the purpose of authorizing local governments to adopt local land preservation
4 programs for certain purposes; providing for the funding of local land
5 preservation programs in a certain manner; providing for the acquisition of
6 certain interests in land in certain manners and under certain conditions;
7 requiring the development and review of certain plans in connection with a local
8 land preservation program; providing for the review of certain applications by
9 the Department of Natural Resources and the approval of the applications by
10 the Board of Public Works, subject to the availability of certain funding;
11 requiring the Department of Natural Resources to adopt criteria, review certain
12 programs and plans, and make certain support available to local jurisdictions
13 that adopt local land preservation programs; providing for consultation and
14 coordination among certain governmental units and other entities; making
15 declarations of the General Assembly; defining certain terms; authorizing
16 certain State funding of certain local land preservation programs under certain
17 circumstances, subject to a certain contingency; requiring certain local
18 governments to notify the Department of Natural Resources of certain actions;
19 requiring the Department of Natural Resources to notify certain units that a
20 certain contingency has been met; making this Act subject to a certain
21 contingency; and generally relating to local land preservation programs and
22 land conservation.

23 BY adding to
24 Article - Natural Resources
25 Section 5-9B-01 through 5-9B-06, inclusive, to be under the new subtitle
26 "Subtitle 9B. Local Land Preservation Programs"
27 Annotated Code of Maryland
28 (2000 Replacement Volume and 2001 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article - Environment
31 Section 9-1605
32 Annotated Code of Maryland

1 (1996 Replacement Volume and 2001 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - Natural Resources**

5 SUBTITLE 9B. LOCAL LAND PRESERVATION PROGRAMS.

6 5-9B-01.

7 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (B) "APPLICATION" MEANS AN APPLICATION BY A LOCAL GOVERNMENT TO
10 THE BOARD OF PUBLIC WORKS TO FUND THE PURCHASE OF AN INTEREST IN REAL
11 PROPERTY UNDER A LOCAL LAND PRESERVATION PROGRAM.

12 (C) "LAND TRUST" MEANS A QUALIFIED CONSERVATION ORGANIZATION
13 THAT:

14 (1) IS A QUALIFIED ORGANIZATION UNDER § 170(H)(3) OF THE INTERNAL
15 REVENUE CODE AND REGULATIONS ADOPTED UNDER § 170(H)(3) OF THE INTERNAL
16 REVENUE CODE; AND

17 (2) HAS EXECUTED A COOPERATIVE AGREEMENT WITH THE MARYLAND
18 ENVIRONMENTAL TRUST.

19 (D) "PRIORITY FUNDING AREA" MEANS AN AREA DESIGNATED AS A PRIORITY
20 FUNDING AREA UNDER § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT
21 ARTICLE.

22 (E) "PROGRAM" MEANS A LOCAL LAND PRESERVATION PROGRAM
23 ESTABLISHED IN ACCORDANCE WITH THIS SUBTITLE.

24 (F) "SPONSOR" MEANS A LOCAL GOVERNMENT.

25 5-9B-02.

26 (A) THE GENERAL ASSEMBLY DECLARES THAT:

27 (1) SPRAWL DEVELOPMENT AND OTHER MODIFICATIONS TO THE
28 LANDSCAPE IN MARYLAND CONTINUE AT AN ALARMING RATE, CONSUMING LAND
29 RICH IN NATURAL RESOURCE, AGRICULTURAL, AND FORESTRY VALUE, ADVERSELY
30 AFFECTING WATER QUALITY, WETLANDS AND HABITAT, THREATENING
31 RESOURCE-BASED ECONOMIES AND CULTURAL ASSETS, AND RENDING THE FABRIC
32 OF RURAL LIFE;

33 (2) PRESERVING VALUABLE OPEN SPACE IN ITS NATURAL,
34 AGRICULTURAL, OR FORESTRY USE WILL HELP CONTAIN SPRAWL DEVELOPMENT,

1 IMPROVE THE WATER QUALITY OF THE CHESAPEAKE BAY AND ITS TRIBUTARIES BY
2 LIMITING POINT AND NONPOINT SOURCES OF POLLUTION, AND HELP MEET A GOAL
3 OF THE CHESAPEAKE BAY AGREEMENT PERMANENTLY TO PROTECT 20% OF THE
4 CHESAPEAKE BAY WATERSHED BY 2010;

5 (3) CURRENT STATE, COUNTY, AND LOCAL LAND CONSERVATION
6 PROGRAMS HELP TO LIMIT THE EFFECT OF SPRAWL DEVELOPMENT BUT LACK
7 SUFFICIENT FUNDING AND FOCUS TO PRESERVE KEY AREAS BEFORE ESCALATING
8 LAND VALUES MAKE THEIR PROTECTION IMPOSSIBLE OR THE LAND IS LOST TO
9 DEVELOPMENT; AND

10 (4) LOCAL GRANT PROGRAMS THAT LEVERAGE AVAILABLE FUNDING,
11 FOCUS ON PRESERVATION OF STRATEGIC RESOURCES, INCLUDING THOSE
12 RESOURCES THREATENED BY SPRAWL DEVELOPMENT, STREAMLINE REAL
13 PROPERTY ACQUISITION PROCEDURES TO EXPEDITE LAND PRESERVATION, TAKE
14 ADVANTAGE OF INNOVATIVE PRESERVATION TECHNIQUES SUCH AS TRANSFERABLE
15 DEVELOPMENT RIGHTS AND THE PURCHASE OF DEVELOPMENT RIGHTS, AND
16 PROMOTE A GREATER LEVEL OF NATURAL AND ENVIRONMENTAL RESOURCES
17 PROTECTION THAN IS PROVIDED BY EXISTING EFFORTS, WILL ESTABLISH A LEGACY
18 FOR FUTURE GENERATIONS.

19 (B) (1) A COUNTY OR MUNICIPAL CORPORATION MAY ADOPT A LOCAL LAND
20 PRESERVATION PROGRAM TO ENHANCE NATURAL RESOURCE, AGRICULTURAL,
21 FORESTRY, AND ENVIRONMENTAL PROTECTION AND PARK AND RECREATIONAL
22 USES AS PROVIDED IN SUBSECTION (A) OF THIS SECTION WHILE MAINTAINING THE
23 VIABILITY OF RESOURCE-BASED LAND USAGE AND PROPER MANAGEMENT OF
24 TILLABLE AND WOODED AREAS THROUGH ACCEPTED AGRICULTURAL AND
25 SILVICULTURAL PRACTICES FOR FARM PRODUCTION AND TIMBER HARVESTS.

26 (2) A PROGRAM SHALL PROVIDE FUNDS TO THE LOCAL GOVERNMENT
27 UNITS AND LAND TRUSTS TO PURCHASE INTERESTS IN REAL PROPERTY FROM
28 WILLING SELLERS, INCLUDING EASEMENTS, TRANSFERABLE DEVELOPMENT
29 RIGHTS, AND FEE ESTATES.

30 (3) A PROGRAM SHALL ENCOURAGE PARTNERSHIPS AMONG THE
31 FEDERAL, STATE, AND LOCAL GOVERNMENTS, AND NONPROFIT LAND TRUST
32 ORGANIZATIONS AND ENCOURAGE LOCAL LAND CONSERVATION INITIATIVES.

33 (4) EACH PROGRAM SHALL BE ADMINISTERED IN ACCORDANCE WITH
34 LOCAL LAW ADOPTED UNDER THE AUTHORITY OF THIS SUBTITLE.

35 (C) (1) A PROGRAM SHALL BE FUNDED BY A CONTINUING, DEDICATED, AND
36 CLEARLY IDENTIFIED LOCAL OR PRIVATE FUNDING SOURCE, NOT DERIVED FROM
37 STATE FUNDS, THAT IS ADOPTED IN ACCORDANCE WITH STATE OR LOCAL LAW.
38 FUNDING UNDER THE PROGRAM MAY NOT BE USED BY THE LOCAL GOVERNMENT TO
39 SUPPLANT EXISTING OR PLANNED LOCAL OR PRIVATE FUNDS DEDICATED TO LAND
40 PRESERVATION.

1 (2) SUBJECT TO AVAILABILITY OF FUNDS UNDER § 5-9B-05 OF THIS
2 SUBTITLE, A PROGRAM SHALL ALSO BE ELIGIBLE FOR STATE FUNDING EACH YEAR
3 THAT EQUALLY MATCHES LOCALLY OR PRIVATELY PROVIDED FUNDING.

4 (3) COMMENCEMENT OF STATE FUNDING UNDER PARAGRAPH (2) OF
5 THIS SUBSECTION IS ALSO SUBJECT TO THE ATTAINMENT OF A SPECIFIED NUMBER
6 OF COUNTIES PARTICIPATING AND A SPECIFIED POPULATION OF PARTICIPATING
7 COUNTIES.

8 (D) THE LOCAL GOVERNING BODY MAY ADOPT REGULATIONS TO IMPLEMENT
9 A LOCAL LAND PRESERVATION PROGRAM UNDER THIS SUBTITLE, INCLUDING
10 PROCEDURES FOR EXPEDITING ACQUISITIONS AND PURCHASING AND SELLING
11 TRANSFERABLE DEVELOPMENT RIGHTS AND USING THE PROCEEDS RELATED TO
12 PURCHASING AND SELLING TRANSFERABLE DEVELOPMENT RIGHTS IN
13 ACCORDANCE WITH LOCAL LAW.

14 (E) (1) THE LOCAL GOVERNING BODY SHALL ESTABLISH A METHOD
15 ACCEPTABLE TO THE DEPARTMENT FOR APPRAISING THE VALUE OF CONSERVATION
16 EASEMENTS ACQUIRED UNDER THIS SUBTITLE. THE LOCAL GOVERNING BODY
17 SHALL USE THE METHOD USED BY THE COUNTY UNDER PROGRAM OPEN SPACE FOR
18 APPRAISING FEE SIMPLE INTERESTS IN PROPERTY ACQUIRED UNDER THIS
19 SUBTITLE.

20 (2) ANY METHOD FOR APPRAISAL ESTABLISHED BY A LOCAL
21 GOVERNING BODY MAY NOT INCLUDE A VALUE FOR ANY RESOURCE USED OR
22 RESERVED BY THE OWNER FOR PRIVATE ECONOMIC BENEFIT.

23 (F) A LOCAL GOVERNING BODY AND SPONSORS MAY ENTER INTO
24 AGREEMENTS WITH OTHER GOVERNMENTAL UNITS, INCLUDING THE RURAL LEGACY
25 BOARD, THE MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION, AND
26 THE MARYLAND ENVIRONMENTAL TRUST, FOR THE PURPOSE OF ESTABLISHING
27 PARTNERSHIPS TO CARRY OUT A LOCAL LAND PRESERVATION PROGRAM.

28 5-9B-03.

29 (A) THE SPONSOR SHALL SUBMIT APPLICATIONS TO APPROPRIATE STATE
30 AND LOCAL UNITS AND CONSIDER ANY RECOMMENDATIONS MADE REGARDING THE
31 APPLICATIONS.

32 (B) AN EASEMENT ACQUIRED UNDER THIS SUBTITLE IS PERPETUAL AND MAY
33 NOT BE EXTINGUISHED OR RELEASED.

34 (C) (1) IN A COUNTY WITH A LOCALLY ADOPTED TRANSFERABLE
35 DEVELOPMENT RIGHTS PROGRAM AND WITH THE APPROVAL OF THE COUNTY,
36 FUNDS UNDER A PROGRAM MAY BE USED TO PURCHASE TRANSFERABLE
37 DEVELOPMENT RIGHTS IN THE COUNTY IN ACCORDANCE WITH THE LOCALLY
38 ADOPTED TRANSFERABLE DEVELOPMENT RIGHTS PROGRAM.

39 (2) THE RIGHT TO RESELL THE DEVELOPMENT RIGHT, IF ANY, SHALL BE
40 STATED IN THE INSTRUMENT OF PURCHASE.

1 (3) TRANSFERABLE DEVELOPMENT RIGHTS MAY BE RESOLD ONLY TO
2 OWNERS OR OPTION PURCHASERS OF REAL PROPERTY LOCATED IN PRIORITY
3 FUNDING AREAS, INCLUDING MUNICIPAL CORPORATIONS, WITHIN THE COUNTY IN
4 WHICH THE RIGHTS WERE PURCHASED.

5 (D) ALL EASEMENT ACQUISITIONS MUST BE RECORDED AMONG THE LAND
6 RECORDS WHERE THE REAL PROPERTY IS LOCATED.

7 5-9B-04.

8 (A) A SPONSOR THAT APPLIES FOR FUNDING TO IMPLEMENT A LOCAL LAND
9 PRESERVATION PROGRAM UNDER THIS SUBTITLE SHALL:

10 (1) DEVELOP A PLAN TO GUIDE THE CONSERVATION OF PROPERTY IN
11 THE JURISDICTION UNDER THE PROGRAM;

12 (2) ENSURE THAT EACH APPLICATION IS CONSISTENT WITH THE
13 APPROVED LOCAL LAND PRESERVATION AND RECREATION PLAN FOR THE COUNTY,
14 TO GUIDE THE ACQUISITION OF PROPERTY INTERESTS LISTED IN THE APPLICATION;
15 AND

16 (3) SUBMIT THE APPLICATION, DESCRIPTION OF PROPERTIES AND
17 EASEMENTS TO BE ACQUIRED, TOGETHER WITH A DESCRIPTION OF CONSISTENCY
18 WITH THE PLAN TO THE DEPARTMENT OF NATURAL RESOURCES FOR REVIEW.

19 (B) A SPONSOR MAY SATISFY THE REQUIREMENTS OF SUBSECTION (A)(1) OF
20 THIS SECTION WITH MATERIALS DEVELOPED UNDER OR IN CONJUNCTION WITH:

21 (1) THE COMPREHENSIVE PLAN FOR THE JURISDICTION REVIEWED AND
22 REVISED UNDER ARTICLE 66B, § 1.03(B) OR § 4.09 OF THE CODE;

23 (2) THE LOCAL LAND PRESERVATION AND RECREATION PLAN UNDER §
24 5-905 OF THIS TITLE;

25 (3) AN APPROVED LOCAL AGRICULTURAL LAND PRESERVATION
26 PROGRAM UNDER § 2-512 OF THE AGRICULTURE ARTICLE, FOR THE MARYLAND
27 AGRICULTURAL LAND PRESERVATION PROGRAM;

28 (4) AN APPROVED ANNUAL PROGRAM SUBMITTED BY THE SPONSOR
29 UNDER PROGRAM OPEN SPACE;

30 (5) AN APPROVED RURAL LEGACY AREA AND GRANT AGREEMENT
31 UNDER THE RURAL LEGACY PROGRAM UNDER SUBTITLE 9A OF THIS TITLE;

32 (6) THE GREENPRINT PROGRAM UNDER SUBTITLE 15A OF THIS TITLE;
33 OR

34 (7) ANOTHER ACQUISITION PLAN PREPARED BY, JOINTLY FUNDED, OR
35 ACCEPTED BY THE DEPARTMENT FOR THE PROTECTION OF LOCAL OR STATE LAND
36 PRESERVATION OR RECREATIONAL GOALS.

1 5-9B-05.

2 (A) A SPONSOR MAY SUBMIT FUNDING REQUESTS FOR ACQUISITION OF
3 PROPERTY UNDER ITS LOCAL LAND PRESERVATION PROGRAM TO THE DEPARTMENT
4 OF NATURAL RESOURCES FOR EVALUATION AND SUBMISSION TO THE BOARD OF
5 PUBLIC WORKS UNDER THIS SECTION.

6 (B) THE DEPARTMENT SHALL:

7 (1) REVIEW LOCAL PROGRAMS AND APPLICATIONS FOR FUNDING
8 SUBMITTED BY SPONSORS FOR CONSISTENCY WITH THE LOCAL PLANS UNDER §
9 5-9B-04(A) OF THIS SUBTITLE;

10 (2) SUBMIT APPLICATIONS REVIEWED UNDER PARAGRAPH (1) OF THIS
11 SUBSECTION TO THE BOARD OF PUBLIC WORKS FOR FUNDING, ALONG WITH THE
12 DEPARTMENT'S RECOMMENDATION ON THE APPLICATION; AND

13 (3) COORDINATE APPLICATIONS RECEIVED WITH AVAILABLE
14 REMAINING FUNDING.

15 (C) (1) APPLICATIONS FOR FUNDING UNDER THIS SECTION IN A FISCAL
16 YEAR SHALL BE RECEIVED AT A DATE DETERMINED BY THE DEPARTMENT AND
17 REVIEWED USING CRITERIA ESTABLISHED BY THE DEPARTMENT UNDER §
18 5-9B-06(A)(2) OF THIS SUBTITLE.

19 (2) APPLICATIONS RECOMMENDED FOR APPROVAL BY THE
20 DEPARTMENT SHALL BE FORWARDED TO THE BOARD OF PUBLIC WORKS WITH A
21 FAVORABLE RECOMMENDATION IN ACCORDANCE WITH THE CRITERIA.

22 (D) (1) THE BOARD OF PUBLIC WORKS SHALL APPROVE STATE FUNDING
23 FOR QUALIFIED APPLICATIONS IN AN AMOUNT EQUAL TO THE FUNDING SUPPLIED
24 BY THE LOCAL GOVERNMENT, TO THE EXTENT THAT UNEXPENDED STATE MONEYS
25 ARE AVAILABLE FOR THAT FISCAL YEAR FROM:

26 (I) 80% OF THE INTEREST EARNED IN THE PRECEDING FISCAL
27 YEAR BY THE MARYLAND WATER QUALITY REVOLVING LOAN FUND UNDER § 9-1605
28 OF THE ENVIRONMENT ARTICLE; AND

29 (II) UP TO 15% OF ANY AVAILABLE SURPLUS IN THE STATE BUDGET
30 FOR THE CURRENT FISCAL YEAR.

31 (2) AN APPLICATION THAT IS REJECTED DUE TO UNAVAILABILITY OF
32 STATE FUNDS IN A GIVEN FISCAL YEAR MAY BE RENEWED BY THE LOCAL
33 GOVERNMENT AT THE START OF THE NEXT FISCAL YEAR.

34 5-9B-06.

35 (A) THE DEPARTMENT OF NATURAL RESOURCES SHALL:

1 (1) PROVIDE TECHNICAL SUPPORT AND ASSISTANCE TO LOCAL
2 GOVERNMENTS IN THE DEVELOPMENT OF LOCAL LAND PRESERVATION PROGRAMS,
3 INCLUDING MAPPING, AND IDENTIFICATION OF SMALLER PARCELS THAT MAY BE
4 AGGREGATED FOR PROTECTION UNDER LOCAL LAND PRESERVATION PROGRAMS;

5 (2) ADOPT CRITERIA FOR DISTRIBUTING AVAILABLE STATE FUNDING TO
6 LOCAL LAND PRESERVATION PROGRAMS IN ACCORDANCE WITH THE PURPOSES OF
7 THIS SUBTITLE;

8 (3) ASSIST SPONSORS TO COORDINATE LAND PRESERVATION EFFORTS
9 IN THEIR REGIONS UNDER LOCAL LAND PRESERVATION AND RECREATION PLANS
10 WITH RELATED EFFORTS UNDER PROGRAM OPEN SPACE, THE RURAL LEGACY
11 PROGRAM, THE HERITAGE AREA PROGRAM, THE AGRICULTURAL LAND
12 PRESERVATION PROGRAM, AND THE GREENPRINT PROGRAM; AND

13 (4) CONSULT WITH OTHER FEDERAL, STATE, AND LOCAL UNITS AND
14 PRIVATE LAND TRUSTS IN ORDER TO FACILITATE CONSERVATION EFFORTS UNDER
15 THIS SUBTITLE.

16 (B) THE PURPOSES OF THE CRITERIA ADOPTED UNDER SUBSECTION (A) OF
17 THIS SECTION INCLUDE:

18 (1) PRESERVATION OF OPEN SPACE;

19 (2) CONTAINMENT OF SPRAWL DEVELOPMENT; AND

20 (3) IMPROVEMENT OF WATER QUALITY IN THE CHESAPEAKE BAY AND
21 OTHER WATERSHEDS OF THE STATE.

22 (C) THE CRITERIA SHALL BE BASED ON:

23 (1) THE CURRENT POPULATION OF PARTICIPATING JURISDICTIONS AND
24 ADJACENT AREAS;

25 (2) PROJECTED POPULATION GROWTH IN THOSE AREAS;

26 (3) THE SENSITIVITY OF SURFACE AND GROUND WATERS IN AND
27 DERIVED FROM THOSE AREAS TO DEGRADATION FROM POINT AND NONPOINT
28 SOURCE POLLUTION; AND

29 (4) GIVING HIGHER PRIORITY TO APPLICATIONS FOR THE PROTECTION
30 OF LANDS AND LAND USES THAT PROVIDE THE HIGHEST LEVEL OF PROTECTION FOR
31 WATER QUALITY.

32 (D) THE CRITERIA SHALL BE USED AT THE START OF EACH FISCAL YEAR TO
33 ALLOCATE FUNDING AVAILABLE TO LOCAL PROGRAMS IN PARTICIPATING LOCAL
34 GOVERNMENTS IN ORDER TO PROVIDE FOR APPROPRIATE AND TIMELY
35 DELIBERATION AND REVIEW OF ELIGIBLE PROPOSALS FOR ACQUISITION BY EACH
36 PARTICIPATING LOCAL GOVERNMENT.

1 (E) THE DEPARTMENT MAY INITIALLY ESTABLISH ALLOCATIONS OF
2 AVAILABLE FUNDING BASED ON THE FUNDING THAT IS MADE AVAILABLE TO EACH
3 PARTICIPATING LOCAL GOVERNMENT UNDER PROGRAM OPEN SPACE IN THE SAME
4 PROPORTION THAT THE LOCAL GOVERNMENT RECEIVES PROGRAM OPEN SPACE
5 FUNDING IN RELATION TO THE PROGRAM OPEN SPACE ALLOCATIONS OF ALL
6 PARTICIPATING LOCAL GOVERNMENTS.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article - Environment**

10 9-1605.

11 (a) (1) There is a Maryland Water Quality Revolving Loan Fund. The Water
12 Quality Fund shall be maintained and administered by the Administration in
13 accordance with the provisions of this subtitle and such rules or program directives as
14 the Secretary or the Board may from time to time prescribe.

15 (2) The Water Quality Fund is a special, continuing, nonlapsing fund
16 which is not subject to § 7-302 of the State Finance and Procurement Article and
17 which shall be available in perpetuity for the purpose of providing financial
18 assistance in accordance with the provisions of this subtitle and Title VI of the
19 Federal Water Pollution Control Act.

20 (3) Subject to the provisions of any applicable bond resolution regarding
21 the holding or application of amounts in the Water Quality Fund, the Treasurer shall
22 separately hold, and the Comptroller shall account for, the Water Quality Fund.

23 (4) (i) Except as provided in subparagraph (ii) of this paragraph, and
24 subject to the provisions of any applicable bond resolution governing the investment
25 of amounts in the Water Quality Fund, the Water Quality Fund shall be invested and
26 reinvested in the same manner as other State funds.

27 (ii) The Administration, in cooperation with the Treasurer, may
28 establish a linked deposit program to carry out the purposes of this subtitle and Title
29 VI of the Federal Water Pollution Control Act.

30 (5) [Any] SUBJECT TO PARAGRAPH (6) OF THIS SUBSECTION, ANY
31 investment earnings shall be retained to the credit of the Water Quality Fund.

32 (6) THE BOARD OF PUBLIC WORKS MAY APPROVE PAYMENT OF MONEYS
33 TO MATCH LOCAL FUNDING OF PROPERTY ACQUISITION BY LOCAL LAND
34 PRESERVATION PROGRAMS FROM THE INVESTMENT EARNINGS OF THE WATER
35 QUALITY FUND IN ACCORDANCE WITH § 5-9B-05 OF THE NATURAL RESOURCES
36 ARTICLE.

37 (7) The Water Quality Fund shall be subject to biennial audit by the
38 Office of Legislative Audits as provided for in § 2-1220 of the State Government
39 Article.

1 (b) There shall be deposited in the Water Quality Fund:

2 (1) Federal capitalization grants and awards or other federal assistance
3 received by the State pursuant to Title VI of the Federal Water Pollution Control Act
4 and any funds transferred to the Water Quality Fund pursuant to § 302 of the federal
5 Safe Drinking Water Act;

6 (2) Funds appropriated by the General Assembly for deposit to the Water
7 Quality Fund;

8 (3) Payments received from any borrower in repayment of a loan,
9 including amounts withheld by the State Comptroller and paid to the Administration
10 pursuant to a pledge made by a borrower under § 9-1606(d) of this article or § 7-222
11 of the State Finance and Procurement Article;

12 (4) Net proceeds of bonds issued by the Administration;

13 (5) Interest or other income earned on the investment of moneys in the
14 Water Quality Fund; and

15 (6) Any additional moneys made available from any sources, public or
16 private, for the purposes for which the Water Quality Fund has been established.

17 (c) The Administration may from time to time establish accounts and
18 subaccounts within the Water Quality Fund as may be deemed desirable to effectuate
19 the purposes of this subtitle, to comply with the provisions of any bond resolution, or
20 to meet any requirement of the Federal Water Pollution Control Act or rules or
21 program directives established by the Secretary or the Board. Such accounts and
22 subaccounts may include:

23 (1) A federal receipts account;

24 (2) A State receipts account;

25 (3) A management and administration expense account;

26 (4) A bond proceeds account;

27 (5) An account to segregate a portion or portions of the revenues or
28 corpus of the Water Quality Fund as security for bonds of the Administration;

29 (6) A loan repayment account; and

30 (7) An investment earnings account.

31 (d) Amounts in the Water Quality Fund may be used only:

32 (1) To make loans, on the condition that:

33 (i) The loans are made at or below market interest rates, including
34 interest free loans, at terms not to exceed 20 years;

- 1 (ii) Annual principal and interest payments will commence not
2 later than 1 year after completion of any wastewater facility and all loans will be fully
3 amortized not later than 20 years after project completion;
- 4 (iii) The local government borrower will establish a dedicated source
5 of revenue for repayment of loans;
- 6 (iv) In the case of a wastewater facility owned by a borrower other
7 than a local government, the borrower will provide adequate security for repayment
8 of loans; and
- 9 (v) The Water Quality Fund will be credited with all payments of
10 principal and interest on all loans;

11 (2) To buy or refinance debt obligations of local governments at or below
12 market rates, if such debt obligations were incurred after March 7, 1985;

13 (3) To guarantee, or purchase insurance for, bonds, notes, or other
14 evidences of obligation issued by a local government for the purpose of financing all or
15 a portion of the cost of a wastewater facility, if such action would improve credit
16 market access or reduce interest rates;

17 (4) As a source of revenue or security for the payment of principal and
18 interest on bonds issued by the Administration if the proceeds of the sale of such
19 bonds will be deposited in the Water Quality Fund;

20 (5) To earn interest on Water Quality Fund accounts;

21 (6) To establish a linked deposit program to promote loans for controlling
22 nonpoint sources of pollution and protecting the quality of the waters of the State;

23 (7) For the reasonable costs of administering the Water Quality Fund
24 and conducting activities under Title VI of the Federal Water Pollution Control Act;
25 [and]

26 (8) ONLY WITH RESPECT TO A PORTION OF THE INVESTMENT EARNINGS
27 OF THE WATER QUALITY FUND, TO MATCH LOCAL FUNDING OF PROPERTY
28 ACQUISITION THROUGH LOCAL LAND PRESERVATION PROGRAMS UNDER TITLE 5,
29 SUBTITLE 9B OF THE NATURAL RESOURCES ARTICLE FOR THE PRESERVATION OF
30 OPEN SPACE AND LAND FROM DEVELOPMENT THAT MAY HAVE AN ADVERSE EFFECT
31 ON SURFACE OR GROUND WATERS OF THE STATE; AND

32 [(8)] (9) For any other purpose authorized by Title VI of the Federal
33 Water Pollution Control Act or § 302 of the federal Safe Drinking Water Act.

34 (e) The costs of administering the Water Quality Fund shall be paid from
35 federal capitalization grants and awards, from bond sale proceeds, and from amounts
36 received from borrowers pursuant to loan agreements, and not from any State
37 moneys appropriated to the Fund, except general funds of the State used to match
38 federal capitalization grants and awards to the Water Quality Fund.

1 SECTION 3. AND BE IT FURTHER ENACTED, That each jurisdiction that
2 establishes a local land preservation program under this Act shall notify the
3 Comptroller and the Departments of Natural Resources, the Environment, and
4 Legislative Services of the establishment, and of the current population of the
5 jurisdiction. The Department of Natural Resources shall notify the Comptroller and
6 the Departments of the Environment and Legislative Services when at least three
7 counties have adopted local land preservation programs under Section 1 of this Act
8 and the cumulative population of jurisdictions that have adopted local land
9 preservation programs under Section 1 of this Act is at least 750,000.

10 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
11 take effect on the later of July 1, 2004 or the date that the Department of Natural
12 Resources notifies the Comptroller and the Departments of the Environment and
13 Legislative Services that at least three counties have established local land
14 preservation programs under this Act and that the cumulative population of
15 jurisdictions that have adopted local land preservation programs under this Act is at
16 least 750,000, without further action required by the General Assembly. If the
17 requirements for the minimum number of counties and population for availability of
18 State funding under this section and Section 3 have been met, and Section 2 of this
19 Act takes effect, funding under Section 2 of this Act may continue thereafter
20 notwithstanding any subsequent change in the number of participating counties or
21 level of population.

22 SECTION 5. AND BE IT FURTHER ENACTED, That this Act may not take
23 effect until the State receives appropriate authorization from the United States
24 Environmental Protection Agency to use funding derived from interest on the
25 Maryland Water Quality Revolving Loan Fund to match local funding for local land
26 preservation programs under this Act; that on or before December 31, 2002, the
27 Governor shall petition the Environmental Protection Agency for that authorization
28 under federal law; and that if the Environmental Protection Agency does not provide
29 appropriate authorization for the matching of local funding for local land preservation
30 programs under this Act on or before December 31, 2003, this Act shall be null and
31 void without the necessity of further action by the General Assembly.

32 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in
33 Sections 3, 4, and 5 of this Act, this Act shall take effect October 1, 2002.