

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 391

(Senators Middleton and Stoltzfus)

Education, Health, and Environmental Affairs

Appropriations

**Maryland Agricultural Land Preservation Foundation - Easement Sale
Application**

This bill repeals the requirement that an application to sell an easement must be submitted to the Maryland Agricultural Land Preservation Foundation (MALPF) by July 1 of the fiscal year in which the application is to be considered, and provides instead that the application deadline be determined by the MALPF board of trustees.

Fiscal Summary

State Effect: Although the bill would provide flexibility to MALPF, it is not anticipated to materially affect State finances.

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

Small Business Effect: Potential meaningful. Most farms are small businesses. To the extent that the board establishes application deadlines that expedite easement settlements, farmers applying to sell an easement to MALPF could benefit.

Analysis

Current Law: An owner of agricultural land located in an agricultural district (or a contract purchaser with written approval of the landowner) may offer by written application to sell an easement to MALPF on the entire contiguous acreage of such agricultural land. In order to be considered, an application must, among other things, be received by the board no later than July 1 of the fiscal year in which the application is to be considered.

Background: The Maryland General Assembly created MALPF in 1977 to, among other things, protect agricultural land in the State. 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. Once a district is established, the landowner is eligible to apply to 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.

Chapter 634 of 2000 created a task force to study MALPF. The task force is required to: (1) study the current program and practices of the foundation; (2) study the financial standing of the foundation; (3) review and make recommendations on legislation affecting the foundation considered by the General Assembly in the 2000 session; and (4) make recommendations to improve the program, practices, and financial standing of the foundation. In its August 2001 report to the Governor and the General Assembly, the task force noted that several procedural processes, including the submission of a landowner's offer to sell an easement, resulted in a delay in reaching settlement. In an effort to address the issue, the task force recommended that MALPF spread several application periods over the course of a year rather than handling all applications at one time. This bill is a direct result of the task force's recommendation.

Additional Information

Prior Introductions: None.

Cross File: HB 999 (Delegate W. Baker, *et al.*) – Appropriations.

Information Source(s): Maryland Department of Agriculture (Maryland Agricultural Land Preservation Foundation), Department of Legislative Services

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