

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 930 (Senator Klausmeier)  
Education, Health, and Environmental Affairs

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**Agricultural Land Preservation - Termination of Agricultural Districts**

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This bill authorizes a landowner whose land is within an agricultural district under the Maryland Agricultural Land Preservation Program to terminate the district after at least 30 months have elapsed from the establishment of the district. This authority is provided only if the Maryland Agricultural Land Preservation Foundation (MALPF) has not purchased an easement on the property and if the landowner notifies MALPF of the intent to terminate the district at least 30 days before termination. A termination is not effective until the landowner has executed and recorded the termination along with land records.

The bill takes effect June 1, 2004.

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**Fiscal Summary**

**State Effect:** While the bill could result in an increase in the number of applications for district establishment and requests for district termination, the bill is not anticipated to have a significant impact on State finances.

**Local Effect:** The bill is not anticipated to have a significant impact on local finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** MALPF was created 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 land is placed within a district, the owner is eligible to sell a development rights easement on that land to MALPF.

At any time after five years from the establishment of a district, a landowner may terminate his property as an agricultural district by notifying MALPF one year in advance of his intention to do so. A landowner can be released from the district agreement before the five-year period has ended only for two reasons: (1) severe economic hardship; or (2) a fundamental change in the use of the land such that it no longer qualifies for the program. In both cases, release must be approved by the county and MALPF's Board of Trustees.

**Background:** The existing two-stage process of district establishment prior to easement acquisition allows the State to anticipate future demand for easements and allows time for the county and the State to complete the application process, generate necessary funds, and process the easement acquisition. It also: (1) keeps the property "off the market," helping to stabilize the price of easements; (2) helps counties and the State anticipate and plan for future land-use patterns; and (3) helps farmers defend against nuisance suits. Only a handful of landowners request early termination of their districts.

Currently, there are approximately 3,100 districts composing about 405,000 acres, including lands under easement. Excluding lands under easement, there are about 1,540 districts composing about 175,000 acres; many of these landowners are in the process of selling easements to the State. Through June 2003, MALPF had purchased easements covering 228,854 acres.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 22, 2004  
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