

(PRE-FILED)

By: **Chairman, Environmental Matters Committee (By Request -
Departmental - Agriculture)**

Requested: November 15, 2004

Introduced and read first time: January 12, 2005

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 8, 2005

CHAPTER _____

1 AN ACT concerning

2 **Maryland Agricultural Land Preservation Foundation - Easement**
3 **Terminations Arbitration of Easement Values**

4 FOR the purpose of establishing a certain deadline for requesting arbitration of
5 disputes over the value of certain easements under the Maryland Agricultural
6 Land Preservation Foundation; and generally relating to the Maryland
7 Agricultural Land Preservation Foundation.

8 BY repealing and reenacting, with amendments,
9 Article - Agriculture
10 Section 2-511
11 Annotated Code of Maryland
12 (1999 Replacement Volume and 2004 Supplement)

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

15 **Article - Agriculture**

16 2-511.

17 (a) The maximum value of any easement to be purchased shall be the asking
18 price or the difference between the fair market value of the land and the agricultural
19 value of the land, whichever is lower.

1 (b) The fair market value of the land is the price as of the valuation date for
2 the highest and best use of the property which a vendor, willing but not obligated to
3 sell, would accept for the property, and which a purchaser, willing but not obligated to
4 buy, would pay for the property if the property was not subject to any restriction
5 imposed under this subtitle.

6 (c) The agricultural value of land is the price as of the valuation date which a
7 vendor, willing but not obligated to sell, would accept for the property, and which a
8 purchaser, willing but not obligated to buy, would pay for the property as a farm unit,
9 to be used for agricultural purposes.

10 (d) (1) (i) The value of the easement is determined at the time the
11 Foundation is requested in writing to purchase the easement.

12 (ii) The fair market value shall be determined by the Department of
13 General Services based on one or more appraisals by the State appraisers, and
14 appraisals, if any, of the landowner.

15 (iii) The entire contiguous acreage shall be included in the
16 determination of the value of the easement, less 1 acre per single dwelling; however,
17 except as provided in § 2-513(b)(2) of this subtitle, the entire contiguous acreage,
18 including the 1 acre per single dwelling, is subject to the easement restrictions.

19 (2) (i) Subject to subparagraph (ii) of this paragraph, the agricultural
20 value of land shall be determined by a formula approved by the Department that
21 measures the farm productivity of the land on which the applicant has applied to sell
22 an easement by taking into consideration weighted factors that may include rents,
23 location, soil types, development pressure, interest rates, and potential agricultural
24 use.

25 (ii) The agricultural value determined under subparagraph (i) of
26 this paragraph is subject to the approval of the Department.

27 (e) (1) If the landowner and Foundation do not agree on the value of the
28 easement as determined by the State, either the landowner or the Foundation may
29 request, NO LATER THAN SEPTEMBER 30 OF THE YEAR FOLLOWING THE
30 DETERMINATION OF THE VALUE, that the matter be referred to the property tax
31 assessment appeal board as provided under § 3-107 of the Tax - Property Article, for
32 arbitration as to the value of the easement.

33 (2) The value determined by that arbitration shall be binding upon the
34 owner and the Foundation in a purchase of the easement made subsequent to the
35 arbitration for a period of 2 years, unless the landowner and the Foundation agree
36 upon a lesser value or the landowner or the Foundation appeals the results of the
37 arbitration to the Maryland Tax Court, and either party may further appeal from the
38 Tax Court as provided in § 13-532 of the Tax - General Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
40 October 1, 2005.

