

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1334

(Delegate Cane, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

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**Agriculture - Critical Farms Program**

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This bill requires the Maryland Agricultural Land Preservation Foundation (MALPF) and the Maryland Department of Planning (MDP) to establish a Critical Farms Program to provide interim or emergency financing for the acquisition of agricultural preservation easements on critical farms that would otherwise be sold for nonagricultural uses. MALPF and MDP must develop criteria to be used by counties to consider when determining whether a property qualifies for the program. The bill provides for specified evaluation criteria. MALPF and MDP must examine options for easement acquisition on critical farms and identify those that will enable the critical farms program to succeed. MALPF and MDP are authorized to jointly establish regulations to implement the provisions of the bill. The bill requires MALPF and MDP to conduct a thorough study of the options available to fund the Critical Farms Program established under the bill and submit a report to the Governor and the General Assembly by January 1, 2006.

The bill takes effect July 1, 2005 except the section of the bill establishing the critical farms program, which takes effect October 1, 2006.

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**Fiscal Summary**

**State Effect:** None. The bill establishes a mechanism to prioritize the purchase of specified agricultural land but does not affect overall program funding.

**Local Effect:** None.

**Small Business Effect:** None.

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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.

There is no Critical Farms Program within MALPF.

**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.

To date, MALPF has approved 3,163 districts, covering 410,149 acres (including easements); the Board of Public Works has approved 1,695 easement offers, covering 235,836 acres.

**State Fiscal Effect:** The fiscal 2006 budget includes \$42.2 million for easement purchases. This includes \$37.2 million in special funds and \$5 million in federal funds.

The bill does not alter the amount of funding received by MALPF, but rather provides a mechanism to redirect existing funds should the need arise. As a result, the bill is not expected to have any effect on State finances.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None designated; however, SB 502, as introduced, is identical to this bill as introduced.

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

**Fiscal Note History:** First Reader - March 1, 2005  
mll/ljm Revised - House Third Reader - March 28, 2005  
Revised - Enrolled Bill - May 5, 2005

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