

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 8 (Senator Garagiola)
Education, Health, and Environmental Affairs

Maryland Commission for the Montgomery County Agricultural Reserve

This bill establishes a Maryland Commission for the Montgomery County Agricultural Reserve within the Maryland Department of Agriculture (MDA).

Fiscal Summary

State Effect: General fund expenditure increase of \$110,400 in FY 2008 to support the commission. Future year expenditures reflect annualization and inflation. Potential increase in special/federal fund revenues and expenditures beginning in FY 2008.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
SF/FF Rev.	-	-	-	-	-
GF Expenditure	110,400	137,900	144,300	151,200	158,400
SF/FF Exp.	-	-	-	-	-
Net Effect	(\$110,400)	(\$137,900)	(\$144,300)	(\$151,200)	(\$158,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Potential increase in Montgomery County revenues and expenditures resulting from the commission's activities. The county believes the bill could result in the need for additional personnel.

Small Business Effect: Minimal, assuming the commission's activities are primarily advisory in nature. The extent to which the commission's work would affect land use decisions in Montgomery County is unknown.

Analysis

Bill Summary: The commission must: (1) foster coordination with State agencies to further the objectives and broaden the interest-base of the reserve program, including incorporating the program within capital design projects and land management projects and working with existing land preservation programs to aid in funding and supporting the reserve; (2) explore means for adding and protecting lands within the reserve; (3) encourage local governments to coordinate activities and appropriate budgets that increase implementation of the reserve in their jurisdictions; (4) maintain an active outreach program; and (5) coordinate with others to further communication and information regarding agricultural land preservation and the development of agricultural business industries.

MDA must include the commission in its annual budget. The commission may employ a staff and make expenditures in accordance with the State budget. With the approval of the Secretary of Agriculture, the commission may accept federal funds and private gifts and donations. MDA must provide technical assistance to the commission, including assisting the commission in administering an operating budget and providing staff as necessary until the commission employs its own staff.

The bill establishes provisions regarding the membership of the commission, the election of a chair, and the terms of the commissioners. A commissioner may not receive compensation but is entitled to reimbursement for expenses under the Standard State Travel Regulations. The bill provides that specified State agencies must designate a liaison to be the primary contact from the agency for the commission.

By December 1 of each year, the commission must submit an annual report to specified entities on its findings and recommendations for legislative, regulatory, or administrative changes necessary to further the preservation, conservation, and agricultural development of the reserve.

Background: The Montgomery County Agricultural Reserve was established more than 25 years ago by the *Preservation of Agriculture and Rural Open Space Functional Master Plan* in response to the rapid disappearance of farms in Montgomery County. The reserve consists of more than 90,000 acres of farmland and is now a nationally acclaimed land-use model for agricultural land preservation. Over half of the reserve is preserved through transfer of development rights or easement purchase initiatives. Agricultural activities occupy about one-third of Montgomery County's land area.

State Revenues: The bill provides that, with the approval of the Secretary of Agriculture, the commission may accept federal funds and private gifts and donations.

Accordingly, federal fund revenues could increase to the extent the commission is successful in obtaining federal funds, and special fund revenues could increase to the extent any private gifts or donations are made to the commission. Any such increase in revenues cannot be reliably estimated at this time.

State Expenditures: General fund expenditures could increase by an estimated \$110,376 in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects the cost of hiring one executive director to head up the commission and one administrative aide to provide administrative support. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including travel, potential costs for contractual services, and costs to rent office space in Montgomery County.

Salaries and Fringe Benefits	\$85,816
Travel and Other Operating Expenses	15,570
Equipment	<u>8,990</u>
Total FY 2008 State Expenditures	\$110,376

This estimate assumes that the commission's role is primarily advisory in nature. To the extent the commission is expected to have a more hands-on role in the reserve program (for example, by approving land use transactions), additional technical staff (such as land use planners, GIS specialists, and agribusiness development specialists) would be needed and costs would increase significantly.

The estimate also does not include any additional expenditures the commission would make if it were to receive any federal grants or private gifts and donations. Although the bill authorizes the commission to receive such funds, the commission's use of any such funds is unclear. In any event, depending on the nature of the funds received, it is possible that the receipt of any federal/special funds could reduce the need for general funds to support the commission and its activities.

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Local Revenues: Montgomery County revenues could increase to the extent the commission is successful in garnering any federal or private funds and to the extent such funds would flow through to the county. Any such increase is speculative, however.

Local Expenditures: Montgomery County reports that the involvement of local entities on the commission would result in an increase in local expenditures. Specifically, in

addition to the existing staff that would serve on the commission, Montgomery County advises that it would likely need to hire at least one employee to handle the additional workload that could result from the commission's activities. Legislative Services advises, however, that if the commission is primarily advisory in nature, it is unclear to what extent county finances would be affected.

Additional Comments: Montgomery County advises that the establishment of a State commission with jurisdiction over a program in a single home rule county may represent an infringement of local land use authority.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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bfl/jr

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