

SENATE BILL 662

Q1

(8lr1823)

ENROLLED BILL

—Budget and Taxation / Ways and Means and Environmental Matters—

Introduced by Senator Middleton Senators Middleton, Currie, Kasemeyer, McFadden, DeGrange, Jones, Madaleno, Kramer, Brinkley, Munson, Peters, Robey, King, Edwards, and Zirkin

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Agricultural Land Transfer Tax – Rates Surcharge and Distribution of**
3 **Revenue**

4 FOR the purpose of altering certain agricultural land transfer tax rates; imposing a
5 certain surcharge under certain circumstances in addition to the agricultural
6 land transfer tax imposed on certain instruments of writing; altering the
7 distribution of certain revenues attributable to the agricultural land transfer
8 tax; altering the distribution of the State transfer tax revenues under certain
9 circumstances; providing that the Maryland Agricultural and Resource-Based
10 Industry Development Corporation may use a certain percentage of certain
11 funds for certain administrative costs; declaring the intent of the General
12 Assembly that certain counties be encouraged to establish Priority Preservation
13 Areas for agricultural land preservation as authorized under a certain act and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



(c) (1) “Agricultural land transfer tax” means the tax imposed under this subtitle.

(2) "AGRICULTURAL LAND TRANSFER TAX" INCLUDES THE SURCHARGE IMPOSED UNDER ~~§ 13-301(d)~~ **§ 13-303(D) OF THIS SUBTITLE.**

13-303.

(a) ~~The agricultural land transfer tax applies at the following rates:~~

~~(1) for a transfer of 20 acres or more of agricultural land, [5%] 10%;~~

13 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
14 SUBSECTION, IN ADDITION TO THE TAX IMPOSED UNDER THIS SECTION, A
15 SURCHARGE IN AN AMOUNT EQUAL TO 25% OF THE TAX DETERMINED UNDER
16 SUBSECTIONS (A) THROUGH (C) OF THIS SECTION IS IMPOSED ON AN
17 INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO AGRICULTURAL LAND.

22 13-306.

26 (i) the revenue from:

(ii) two-thirds of the balance of revenue from the agricultural land transfer tax that remains after the remittance under item (i) of this paragraph.

6 (i) the revenue from:

12 (ii) one-third of the balance of revenue from the agricultural
13 transfer tax that remains after the remittance under item (i) of this paragraph.

14 (3) The Comptroller shall deposit:

15 (i) up to \$200,000 annually of the revenue remitted under
16 paragraphs (1)(i) and (2)(i) of this subsection or subsection (b) of this section into the
17 Woodland Incentives Fund established in § 5–307 of the Natural Resources Article;
18 and

19 (ii) **OF** the revenue in excess of \$200,000 annually remitted
20 under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b)(1) of this section
21 and the revenue remitted under paragraphs (1)(ii) and (2)(ii) of this subsection or
22 subsection (b)(2) of this section:

1 3. AFTER THE DISTRIBUTIONS MADE UNDER ITEMS 1
2 ~~AND 2 OF THIS ITEM, \$4,000,000 INTO A SPECIAL FUND TO BE USED BY THE~~
3 ~~MARYLAND AGRICULTURAL AND RESOURCE BASED INDUSTRY DEVELOPMENT~~
4 ~~CORPORATION FOR THE NEXT GENERATION FARMLAND ACQUISITION~~
5 ~~PROGRAM;~~

6 3. AFTER THE DISTRIBUTIONS MADE UNDER ITEMS 1
7 ~~AND 2 OF THIS ITEM, \$4,000,000 INTO A SPECIAL FUND TO BE USED BY THE~~
8 ~~MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT~~
9 ~~CORPORATION FOR A PROGRAM OF FACILITATING PRESERVATION EASEMENT~~
10 ~~ACQUISITION THROUGH THE USE OF INSTALLMENT PURCHASE AGREEMENTS~~
11 ~~FOR EASEMENT PURCHASES THAT HAVE BEEN APPROVED BY THE MARYLAND~~
12 ~~AGRICULTURAL LAND PRESERVATION FOUNDATION; AND~~

13 4. AFTER THE DISTRIBUTIONS MADE UNDER ITEMS 1
14 ~~THROUGH 3 OF THIS ITEM, \$4,000,000 INTO THE MARYLAND AGRICULTURAL~~
15 ~~LAND PRESERVATION FUND TO BE USED FOR THE CRITICAL FARMS PROGRAM~~
16 ~~UNTIL A TOTAL OF \$16,000,000 HAS ACCUMULATED IN THE CRITICAL FARMS~~
17 ~~FUND; AND~~

18 5. 4. AFTER THE DISTRIBUTIONS MADE UNDER ITEMS 1
19 ~~THROUGH 4 3 OF THIS ITEM, THE REMAINDER INTO THE MARYLAND~~
20 ~~AGRICULTURAL LAND PRESERVATION FUND TO BE USED FOR THE PURPOSES~~
21 ~~STATED IN § 2-505 OF THE AGRICULTURE ARTICLE.~~

22 (4) (I) NOTWITHSTANDING § 13-209 OF THIS TITLE, IF
23 SUFFICIENT REVENUES ARE NOT COLLECTED IN ANY FISCAL YEAR TO PROVIDE
24 A TOTAL OF \$4,000,000 INTO THE SPECIAL FUND ESTABLISHED UNDER
25 PARAGRAPH ~~(3)(II)2 (3)(II)3~~ OF THIS SUBSECTION, ANY DEFICIENCY SHALL BE
26 MADE UP BY REVENUES ~~COLLECTED OTHERWISE REQUIRED TO BE~~
27 ~~DISTRIBUTED TO THE MARYLAND AGRICULTURAL LAND PRESERVATION FUND~~
28 FROM THE TRANSFER TAX IMPOSED UNDER SUBTITLE 2 OF THIS TITLE.

29 (II) THE DISTRIBUTION REQUIRED UNDER SUBPARAGRAPH
30 (I) OF THIS PARAGRAPH SHALL BE MADE PRIOR TO ANY DISTRIBUTION
31 PROVIDED IN ~~§ 13-209 § 13-209(D)(2) § 13-209(C) AND (D)(2)~~ OF THIS TITLE.

32 (5) FOR EACH FISCAL YEAR AFTER 2010 2009, THE AMOUNT
33 DISTRIBUTED INTO THE MARYLAND AGRICULTURAL LAND PRESERVATION
34 FUND UNDER PARAGRAPH (3)(II)1 OF THIS SUBSECTION SHALL BE INCREASED
35 BY 5% OVER THE AMOUNT DISTRIBUTED FOR THE PRECEDING FISCAL YEAR.

36 (6) THE REVENUES REQUIRED TO BE DISTRIBUTED TO THE
37 MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT

1 **CORPORATION UNDER PARAGRAPHS (3) AND (4) OF THIS SUBSECTION SHALL**
2 **BE DISTRIBUTED ON A QUARTERLY BASIS ON OR ABOUT THE FIRST DAY OF THE**
3 **MONTH IN JULY, OCTOBER, JANUARY, AND APRIL.**

4 (b) If a county is certified by the Department of Planning and the Maryland
5 Agricultural Land Preservation Foundation under § 5-408 of the State Finance and
6 Procurement Article as having established an effective county agricultural land
7 preservation program, the collector for the county shall remit to the Comptroller:

8 (1) the revenue from:

9 **(I) the agricultural land transfer tax that is attributable to the**
10 **taxation of instruments of writing that transfer title to parcels of land that are**
11 **entirely woodland; AND**

12 **(II) THE SURCHARGE IMPOSED UNDER § 13-303(D) OF THIS**
13 **SUBTITLE; and**

14 (2) 25% of the balance of revenue from the agricultural land transfer
15 tax that remains after the remittance under item (1) of this subsection.

16 **SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland**
17 **read as follows:**

18 **Article 41 – Governor – Executive and Administrative Departments**

19 13-513.

20 (c) (1) The Corporation may receive annual funding through an
21 appropriation in the State budget.

22 (2) The Corporation may also receive funds for projects included in the
23 budgets of State units.

24 (3) All unexpended and unencumbered funds appropriated to the
25 Corporation shall remain with the Corporation for future uses.

26 (4) The Corporation shall conduct its financial affairs in such a
27 manner that, by the year 2020, it shall be self-sufficient and in no further need of
28 general operating support by the State.

29 (5) (i) In order to assist the Corporation in meeting the
30 requirement specified in paragraph (4) of this subsection, the Governor shall include
31 each year in the budget bill an appropriation to the Corporation for rural business
32 development and assistance as follows:

10 (6) (I) THE CORPORATION MAY USE UP TO 3% OF THE FUNDS
11 RECEIVED UNDER ~~§ 13-306(A)(3)(II)2~~ § 13-306(A)(3)(II)3 OF THE TAX -
12 GENERAL PROPERTY ARTICLE FOR ADMINISTRATIVE COSTS ASSOCIATED WITH
13 AN INSTALLMENT PURCHASE AGREEMENT PROGRAM.

14 (II) THE CORPORATION MAY USE UP TO 3% OF THE FUNDS
15 RECEIVED UNDER ~~§ 13-306(A)(3)(II)3~~ § 13-306(A)(3)(II)2 OF THE TAX -
16 GENERAL PROPERTY ARTICLE FOR ADMINISTRATIVE COSTS ASSOCIATED WITH
17 THE NEXT GENERATION FARMLAND ACQUISITION PROGRAM.

18 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
19 read as follows:

Article – Economic Development

21 10-523.

22 (a) (1) The Corporation may receive annual funding through an
23 appropriation in the State budget.

1 (b) All unexpended and unencumbered money appropriated to the
2 Corporation shall remain with the Corporation for future use.

3 (c) The Corporation shall conduct its financial affairs so that, by the year
4 2020, it is self-sufficient and in no further need of general operating support by the
5 State.

6 **(D) (1) THE CORPORATION MAY USE UP TO 3% OF THE MONEY**
7 **RECEIVED UNDER § 13-306(A)(3)(II)2 OF THE TAX – PROPERTY ARTICLE FOR**
8 **ADMINISTRATIVE COSTS ASSOCIATED WITH THE NEXT GENERATION FARMLAND**
9 **ACQUISITION PROGRAM.**

10 **(2) THE CORPORATION MAY USE UP TO 3% OF THE MONEY**
11 **RECEIVED UNDER § 13-306(A)(3)(II)3 OF THE TAX – PROPERTY ARTICLE FOR**
12 **ADMINISTRATIVE COSTS ASSOCIATED WITH AN INSTALLMENT PURCHASE**
13 **AGREEMENT PROGRAM.**

14 SECTION 2. 4. AND BE IT FURTHER ENACTED, That it is the intent of the
15 General Assembly that:

16 (1) counties be encouraged to establish Priority Preservation Areas for
17 agricultural land preservation as authorized under Chapter 289 of the Acts of the
18 General Assembly of 2006 (the Agricultural Stewardship Act); and

19 (2) subject to § 13-306 of the Tax – Property Article and § 5-408 of the
20 State Finance and Procurement Article, new funds that may be provided to the
21 Maryland Agricultural Land Preservation Foundation for preservation easement
22 acquisition under a Critical Farm Program shall be used only in Priority Preservation
23 Areas on or after July 1, 2010.

24 SECTION 5. AND BE IT FURTHER ENACTED, That, if used within a period
25 of 2 years beginning on or after July 1, 2008, funds dedicated to the Installment
26 Purchase Agreements program under § 13-306(a)(3)(ii)3 of the Tax – Property Article as
27 enacted by this Act may be used for lump-sum easement purchase payments approved
28 by the Maryland Agricultural Land Preservation Foundation.

29 SECTION 5. 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act
30 shall take effect on the taking effect of Chapter (H.B. 1050) of the Acts of the
31 General Assembly of 2008. If Section 3 of this Act takes effect, Section 2 of this Act
32 shall be abrogated and of no further force and effect.

33 SECTION 2. 3. 6. 7. AND BE IT FURTHER ENACTED, That, subject to the
34 provisions of Section 5 of this Act, this Act shall take effect July 1, 2008.