

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

Senate Bill 260

(Senator Edwards)

Education, Health, and Environmental Affairs

Environmental Matters

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**Garrett County - County Commissioners - Agricultural Districts**

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This bill requires the Garrett County Commissioners to adopt specified rules, regulations, and procedures for the establishment and monitoring of agricultural districts and the evaluation of land to be included in the districts. Land may only be included in an agricultural district if the county's rules, regulations, and procedures governing the land meet specified requirements, and the landowner agrees to specified conditions, restrictions, and limitations. The Maryland Agricultural Land Preservation Foundation may not purchase an easement on land located in the county but outside of an agricultural district established under the bill.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Garrett County property tax revenues would decrease to the extent additional agricultural districts are established under the program and owners of land within those districts sign up for the county's property tax credit.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law/Background:** MALPF was created by the Maryland General Assembly in 1977 to preserve productive agricultural land and woodland. As of January 1, 2008, MALPF had protected approximately 265,591 acres through the purchase of easements on 1,933 farms.

Agricultural preservation districts are currently established through a process similar to that described in the bill, though with MALPF giving final approval of a district petition.

Prior to July 1, 2007, an agricultural land owner was only eligible to sell a development rights easement to MALPF once the land had been placed within an agricultural preservation district. Chapter 650 of 2007 repealed that requirement, specifying that effective July 1, 2007, districts may not be a requirement for the easement application process to MALPF and that as of June 30, 2012, all districts in MALPF will be terminated, with the exception of any district in which an easement has been transferred to MALPF and any district established by a county and a landowner for the purpose of providing a property tax credit to the landowner. MALPF may not accept a district petition after June 30, 2008.

A report submitted to the General Assembly by MALPF in January 2007 regarding the elimination of districts from the Maryland Agricultural Land Preservation Program indicated that fiscal 2008 would be a transition period to provide time for MALPF and the counties to adjust to the removal of the requirement for districts. The report indicated MALPF would continue to process districts for a period of one year to allow counties that intended to create district programs in their jurisdiction adequate time to make the adjustment.

The Garrett County Code allows for a 100% real property tax credit against specified land located in an agricultural preservation district established in accordance with MALPF regulations and procedures.

**Local Fiscal Effect:** The bill allows agricultural preservation districts to continue to be established in Garrett County after MALPF has stopped accepting district petitions. The establishment of additional districts would cause a decrease in property tax revenues for Garrett County to the extent owners of land within those districts sign up for the county's property tax credit. Garrett County advises, however, that the amount of the decrease cannot be quantified.

Approximately three to five districts are established per year in Garrett County, generally with an average acreage per district of 90 to 100 acres. The current property tax rate in Garrett County is \$1 per \$100 of assessed value. According to MALPF, the average agricultural use value per acre of agricultural land in Garrett County that was the subject of an easement purchase in fiscal 2007 was \$574.

**Small Business Effect:** Small business farmers in Garrett County whose land is not already included in an agricultural preservation district would benefit from the continued

option of being able to include their land in an agricultural preservation district to qualify for the county property tax credit.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 314 (Delegate Beitzel) – Environmental Matters.

**Information Source(s):** Garrett County, Maryland Agricultural Land Preservation Foundation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2008  
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