

# SENATE BILL 59

Q7

01r0049

(PRE-FILED)

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By: **Chair, Budget and Taxation Committee (By Request – Departmental – Agriculture)**

Requested: November 2, 2009

Introduced and read first time: January 13, 2010

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Agricultural Land Transfer Tax – Distribution and Use of Revenue**

3 FOR the purpose of altering the distribution of certain revenues attributable to the  
4 agricultural land transfer tax; repealing a certain provision altering the  
5 distribution of the State transfer tax revenues under certain circumstances;  
6 altering the authorized uses of certain revenues received by the Maryland  
7 Agricultural and Resource-Based Industry Development Corporation;  
8 authorizing the use of certain funds for certain easement purchase payments  
9 approved by the Maryland Agricultural Land Preservation Foundation under  
10 certain circumstances; repealing a certain provision declaring the intent of the  
11 General Assembly relating to the establishment of Priority Preservation Areas  
12 and the use of certain funds for agricultural land preservation; and generally  
13 relating to the distribution and use of the agricultural land transfer tax.

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – Property  
16 Section 13–306(a)  
17 Annotated Code of Maryland  
18 (2007 Replacement Volume and 2009 Supplement)  
19 (As enacted by Chapter 610 of the Acts of the General Assembly of 2008)

20 BY repealing and reenacting, with amendments,  
21 Article – Economic Development  
22 Section 10–523(d)  
23 Annotated Code of Maryland  
24 (2008 Volume and 2009 Supplement)

25 BY repealing  
26 Chapter 610 of the Acts of the General Assembly of 2008

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 4 and 5

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

4 **Article – Tax – Property**

5 13–306.

6 (a) (1) Except in Montgomery County and except as provided in  
7 subsection (b)(1) of this section for a certified county, each county collector shall remit  
8 from a special account to the Comptroller, as the Comptroller specifies:

9 (i) the revenue from:

10 1. the agricultural transfer tax that is attributable to the  
11 taxation of instruments of writing that transfer title to parcels of land that are  
12 entirely woodland; and

13 2. the surcharge imposed under § 13–303(d) of this  
14 subtitle; and

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

17 (2) In Montgomery County, if § 52–21(d) (1979) of the Montgomery  
18 County Code is in effect or a transfer tax substantially similar to that provision is in  
19 effect, the collector for Montgomery County shall remit to the Comptroller:

20 (i) the revenue from:

21 1. the agricultural transfer tax that is attributable to the  
22 taxation of instruments of writing that transfer title to parcels of land that are  
23 entirely woodland; and

24 2. the surcharge imposed under § 13–303(d) of this  
25 subtitle; and

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

28 (3) The Comptroller shall deposit:

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

1 (ii) of the revenue in excess of \$200,000 annually remitted  
2 under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b)(1) of this section  
3 and the revenue remitted under paragraphs (1)(ii) and (2)(ii) of this subsection or  
4 subsection (b)(2) of this section:

5 1. subject to paragraph ~~[(5)]~~ (4) of this subsection, for  
6 fiscal year ~~[2009]~~ 2011 and each fiscal year thereafter, ~~[\$2,500,000]~~ \$2,756,250 into  
7 the Maryland Agricultural Land Preservation Fund to be used for the purposes stated  
8 in § 2–505 of the Agriculture Article;

9 2. after the distribution made under item 1 of this item,  
10 37.5% of the agricultural land transfer tax revenue remitted to the Comptroller, up to  
11 a maximum of \$4,000,000 annually, into a special fund to be used by the Maryland  
12 Agricultural and Resource–Based Industry Development Corporation for the Next  
13 Generation Farmland Acquisition Program; AND

14 ~~[3.~~ after the distributions made under items 1 and 2 of  
15 this item, \$4,000,000 into a special fund to be used by the Maryland Agricultural and  
16 Resource–Based Industry Development Corporation for a program of facilitating  
17 preservation easement acquisition through the use of installment purchase  
18 agreements for easement purchases that have been approved by the Maryland  
19 Agricultural Land Preservation Foundation; and]

20 ~~[4.]~~ 3. after the distributions made under items 1 ~~[through~~  
21 3] AND 2 of this item, the remainder into the Maryland Agricultural Land  
22 Preservation Fund to be used for the purposes stated in § 2–505 of the Agriculture  
23 Article.

24 ~~[(4)~~ (i) Notwithstanding § 13–209 of this title, if sufficient revenues  
25 are not collected in any fiscal year to provide a total of \$4,000,000 into the special fund  
26 established under paragraph (3)(ii)3 of this subsection, any deficiency shall be made  
27 up by revenues otherwise required to be distributed to the Maryland Agricultural  
28 Land Preservation Fund from the transfer tax imposed under Subtitle 2 of this title.

29 (ii) The distribution required under subparagraph (i) of this  
30 paragraph shall be made prior to any distribution provided in § 13–209(c) and (d)(2) of  
31 this title.]

32 ~~[(5)]~~ (4) For each fiscal year after ~~[2009]~~ 2011, the amount  
33 distributed into the Maryland Agricultural Land Preservation Fund under paragraph  
34 (3)(ii)1 of this subsection shall be increased by 5% over the amount distributed for the  
35 preceding fiscal year.

36 ~~[(6)]~~ (5) The revenues required to be distributed to the Maryland  
37 Agricultural and Resource–Based Industry Development Corporation under  
38 ~~[paragraphs (3) and (4)]~~ PARAGRAPH (3) of this subsection shall be distributed on a

1 quarterly basis on or about the first day of the month in July, October, January, and  
2 April.

3 **Article – Economic Development**

4 10–523.

5 (d) [(1)] The Corporation may use up to 3% of the money received under §  
6 13–306(a)(3)(ii)2 of the Tax – Property Article for administrative costs associated with  
7 the Next Generation Farmland Acquisition Program.

8 [(2)] The Corporation may use up to 3% of the money received under §  
9 13–306(a)(3)(ii)3 of the Tax – Property Article for administrative costs associated with  
10 an installment purchase agreement program.]

11 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 4 and 5 of  
12 Chapter 610 of the Acts of the General Assembly of 2008 be repealed.

13 SECTION 3. AND BE IT FURTHER ENACTED, That any funds dedicated  
14 before July 1, 2010, to the installment purchase agreements program under §  
15 13–306(a)(3)(ii)3 of the Tax – Property Article as in effect before July 1, 2010, may be  
16 used for lump–sum easement purchase payments approved by the Maryland  
17 Agricultural Land Preservation Foundation.

18 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2010.