

HOUSE BILL 1402

M1, Q1

4lr3129

By: **Delegate Stein**

Introduced and read first time: February 12, 2014

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Agricultural Transfer Tax – Distribution to Mel Noland Woodland Incentives**
3 **Fund**

4 FOR the purpose of increasing the maximum amount of certain tax proceeds required
5 to be deposited by the Comptroller into the Mel Noland Woodland Incentives
6 Fund; altering the parcels of land for which certain counties are required to
7 remit to the Comptroller certain agricultural transfer taxes; and generally
8 relating to woodlands and the agricultural transfer tax.

9 BY repealing and reenacting, without amendments,
10 Article – Natural Resources
11 Section 5–307(a) and (g)
12 Annotated Code of Maryland
13 (2012 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Natural Resources
16 Section 5–307(f)
17 Annotated Code of Maryland
18 (2012 Replacement Volume and 2013 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Tax – Property
21 Section 13–306(a) and (b)
22 Annotated Code of Maryland
23 (2012 Replacement Volume and 2013 Supplement)

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

26 **Article – Natural Resources**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 5–307.

2 (a) In this section, “Fund” means the Mel Noland Woodland Incentives Fund.

3 (f) The Fund consists of:

4 (1) As provided in § 13–306 of the Tax – Property Article, up to
5 **[\$200,000] \$300,000** annually of the proceeds of the tax imposed by § 13–302 of the
6 Tax – Property Article that are attributable to the taxation of instruments of writing
7 that transfer title to parcels of land that are **[entirely] AT LEAST 90%** woodland;

8 (2) Revenues collected by the Department from the payment of
9 charges imposed for Department assistance in implementation of an approved
10 practice;

11 (3) Money distributed from the Chesapeake and Atlantic Coastal Bays
12 2010 Trust Fund under § 8–2A–04 of this article; and

13 (4) Subject to approval by the Secretary and the Board of Public
14 Works, a portion of the revenues derived from the forestry practices on designated
15 lands owned and managed by the Department, that are conducted in accordance with
16 applicable State law and regulation.

17 (g) The Department shall use the Fund:

18 (1) To help fund the Woodland Incentives Program and the cost–share
19 assistance established under this subtitle;

20 (2) For administrative costs calculated in accordance with §
21 1–103(b)(2) of this article;

22 (3) To offset the costs of the Forest and Park Service for developing
23 and approving forest stewardship plans on privately owned forest lands;

24 (4) To provide annual grants to the forest conservancy district boards
25 under § 5–605 of this title, to help facilitate their respective outreach efforts to
26 encourage forest land owners to develop forest stewardship and other forest
27 conservation management plans;

28 (5) To establish a forest health emergency contingency program to
29 help:

30 (i) Maintain the health and vitality of publicly owned and
31 privately owned forest lands; and

1 (ii) Prevent or control large degradation caused by natural
2 threats;

3 (6) To provide financial assistance, as provided in the State budget, for
4 the administration of an urban and community forestry program established under §
5 5–426 of this title, including:

6 (i) Increasing the number of communities with tree canopy
7 goals;

8 (ii) Facilitating compliance with the Chesapeake Bay Program’s
9 forestry targets;

10 (iii) Supporting the use of urban tree canopy expansion for air
11 quality improvement purposes; and

12 (iv) Helping achieve implementation of Regional Greenhouse
13 Gas Initiative offset opportunities in urban areas;

14 (7) To help fund a forest marketing and utilization program in the
15 Department to provide financial assistance to help support, stimulate, and market
16 innovative and creative ways to enhance the production of value-added wood products;

17 (8) To help the Department, in cooperation with appropriate public
18 and private sector entities, develop and expand:

19 (i) A forest mitigation banking system;

20 (ii) A carbon credit or carbon sequestration program;

21 (iii) A clean water credit trading system;

22 (iv) An environmental services credit trading program; and

23 (v) A renewable energy credit trading system; and

24 (9) To help offset administrative costs for providing staff assistance to
25 the Sustainable Forestry Council established under § 5–204 of this title.

26 **Article – Tax – Property**

27 13–306.

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

1 (i) the revenue from:

2 1. the agricultural transfer tax that is attributable to the
3 taxation of instruments of writing that transfer title to parcels of land that are
4 [entirely] **AT LEAST 90%** woodland; and

5 2. the surcharge imposed under § 13-303(d) of this
6 subtitle; and

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

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

12 (i) the revenue from:

13 1. the agricultural transfer tax that is attributable to the
14 taxation of instruments of writing that transfer title to parcels of land that are
15 [entirely] **AT LEAST 90%** woodland; and

16 2. the surcharge imposed under § 13-303(d) of this
17 subtitle; and

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

20 (3) The Comptroller shall deposit:

21 (i) up to **[\$200,000] \$300,000** annually of the revenue remitted
22 under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b) of this section
23 into the Mel Noland Woodland Incentives Fund established in § 5-307 of the Natural
24 Resources Article; and

25 (ii) of the revenue in excess of **[\$200,000] \$300,000** annually
26 remitted under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b)(1) of this
27 section and the revenue remitted under paragraphs (1)(ii) and (2)(ii) of this subsection
28 or subsection (b)(2) of this section:

29 1. subject to paragraph (4) of this subsection, for fiscal
30 year 2011 and each fiscal year thereafter, \$2,756,250 into the Maryland Agricultural
31 Land Preservation Fund to be used for the purposes stated in § 2-505 of the
32 Agriculture Article;

33 2. after the distribution made under item 1 of this item,
34 37.5% of the agricultural land transfer tax revenue remitted to the Comptroller, up to

1 a maximum of \$4,000,000 annually, into a special fund to be used by the Maryland
2 Agricultural and Resource-Based Industry Development Corporation for the Next
3 Generation Farmland Acquisition Program; and

4 3. after the distributions made under items 1 and 2 of
5 this item, the remainder into the Maryland Agricultural Land Preservation Fund to be
6 used for the purposes stated in § 2-505 of the Agriculture Article.

7 (4) For each fiscal year after 2011, the amount distributed into the
8 Maryland Agricultural Land Preservation Fund under paragraph (3)(ii)1 of this
9 subsection shall be increased by 5% over the amount distributed for the preceding
10 fiscal year.

11 (5) The revenues required to be distributed to the Maryland
12 Agricultural and Resource-Based Industry Development Corporation under
13 paragraph (3) of this subsection shall be distributed on a quarterly basis on or about
14 the first day of the month in July, October, January, and April.

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

19 (1) the revenue from:

20 (i) the agricultural land transfer tax that is attributable to the
21 taxation of instruments of writing that transfer title to parcels of land that are
22 [entirely] **AT LEAST 90%** woodland; and

23 (ii) the surcharge imposed under § 13-303(d) of this subtitle;
24 and

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 June 1, 2014.