

HOUSE BILL 17

M4
HB 1008/19 – ENT

(PRE-FILED)

0lr0580
CF SB 244

By: **Delegate Arentz**

Requested: August 28, 2019

Introduced and read first time: January 8, 2020

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 18, 2020

CHAPTER _____

1 AN ACT concerning

2 **Maryland Agricultural Land Preservation Foundation – Valuation of Easement**

3 FOR the purpose of authorizing the Maryland Agricultural Land Preservation Foundation
4 to use a fair market value determined in accordance with certain provisions of law
5 for up to a certain number of years after the date on which the Foundation was first
6 requested in writing to purchase the easement; and generally relating to the
7 valuation of easements for purchase by the Maryland Agricultural Land
8 Preservation Foundation.

9 BY repealing and reenacting, with amendments,
10 Article – Agriculture
11 Section 2–511
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2019 Supplement)

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

16 **Article – Agriculture**
17 2–511.

18 (a) Except as provided in subsection (e) of this section, the maximum value of any
19 easement to be purchased shall be the asking price or the difference between the fair

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.



1 market value of the land and the agricultural value of the land, whichever is lower.

2 (b) The fair market value of the land is the price as of the valuation date for the
3 highest and best use of the property which a vendor, willing but not obligated to sell, would
4 accept for the property, and which a purchaser, willing but not obligated to buy, would pay
5 for the property if the property was not subject to any restriction imposed under this
6 subtitle.

7 (c) The agricultural value of land is the price as of the valuation date which a
8 vendor, willing but not obligated to sell, would accept for the property, and which a
9 purchaser, willing but not obligated to buy, would pay for the property as a farm unit, to be
10 used for agricultural purposes.

11 (d) (1) (i) **[The] SUBJECT TO SUBPARAGRAPH (II) OF THIS**
12 **PARAGRAPH, THE** value of the easement is determined at the time the Foundation is
13 requested in writing to purchase the easement.

14 (ii) **THE FOUNDATION MAY USE A FAIR MARKET VALUE**
15 **DETERMINED IN ACCORDANCE WITH THIS SECTION FOR UP TO 2 YEARS AFTER THE**
16 **DATE ON WHICH THE FOUNDATION WAS FIRST REQUESTED IN WRITING TO**
17 **PURCHASE THE EASEMENT.**

18 (iii) **(III)** The fair market value shall be determined by the Department of
19 General Services based on one or more appraisals by the State appraisers, and appraisals,
20 if any, of the landowner.

21 [(iii)] **(IV)** The entire contiguous acreage shall be included in the
22 determination of the value of the easement, less 1 acre per single dwelling; however, except
23 as provided in § 2-513(b)(2) of this subtitle, the entire contiguous acreage, including the 1
24 acre per single dwelling, is subject to the easement restrictions.

25 (2) (i) Subject to subparagraph (ii) of this paragraph, the agricultural
26 value of land shall be determined by a formula approved by the Department that measures
27 the farm productivity of the land on which the applicant has applied to sell an easement by
28 taking into consideration weighted factors that may include rents, location, soil types,
29 development pressure, interest rates, and potential agricultural use.

30 (ii) The agricultural value determined under subparagraph (i) of this
31 paragraph is subject to the approval of the Department.

32 (e) (1) Notwithstanding the provisions of this section, and except as provided
33 in paragraph (2) of this subsection, the Foundation may not purchase an easement for more
34 than 75% or less than 25% of the fair market value of the land.

35 (2) The Foundation may purchase an easement for less than 25% of the fair
36 market value of the land if the owner's asking price is less than 25% of the fair market

1 value of the land.

2 (f) (1) If the landowner and the Foundation do not agree on the value of the
3 easement as determined by the State, either the landowner or the Foundation may request,
4 no later than September 30 of the year following the determination of the value, that the
5 matter be referred to the property tax assessment appeal board as provided under § 3–107
6 of the Tax – Property Article, for arbitration as to the value of the easement.

7 (2) The value determined by that arbitration shall be binding upon the
8 owner and the Foundation in a purchase of the easement made subsequent to the
9 arbitration for a period of 2 years, unless the landowner and the Foundation agree upon a
10 lesser value or the landowner or the Foundation appeals the results of the arbitration to
11 the Maryland Tax Court, and either party may further appeal from the Tax Court as
12 provided in § 13–532 of the Tax – General Article.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.