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MARYLAND DEPARTMENT OF AGRICULTURE

LEGISLATIVE COMMENT

DATE: March 3, 2020

BILL NUMBER: HOUSE BILL 1362

SHORT TITLE: HARFORD COUNTY - TRANSFER TAX - DISTRIBUTION OF PROCEEDS

MDA POSITION: CONCERN

EXPLANATION:

House Bill 1362 changes the existing law to give the Harford County Council the discretion to apply revenue collected by the county transfer tax “in a manner determined by the County Council by law.” The current law mandates that 50% of the revenue collected shall be dedicated to the county’s agricultural land preservation program and 50% of the revenue shall be dedicated to fund school expenses. By removing the required percentage of the revenue to go towards agricultural land preservation, this bill would negatively impact the Harford County Agricultural Land Preservation Program and has the potential to adversely affect the Maryland Agricultural Land Preservation Foundation (MALPF) Program through a decrease in funds committed from Harford County to agricultural land preservation.

BACKGROUND INFORMATION:

The MALPF program purchases agricultural easements on properties to preserve productive farmland and woodland for the continued production of food and fiber for all of Maryland’s citizens. To accomplish this and other statutory and ancillary goals (e.g., Chesapeake Bay, land preservation, etc.), MALPF easements restrict agricultural land from commercial, industrial and residential development. To date, the program has easements on almost 2,400 properties, covering over 322,000 acres at a public investment of more than \$766 million.

In addition to a state annual allotment for the purchase of preservation easements, the MALPF program encourages counties to contribute additional funds for acquisitions (county match funds). MALPF matches county matching funds on a 60/40 basis up to \$2

million dollars per county. Historically, Harford County has contributed a full match (\$1.3 million) per acquisition cycle. The combination of MALPF and county funds is estimated to protect over 500 acres an easement cycle (based on the Harford County per-acre average from 2017-2019 offers). The Harford County MALPF administrator informed MALPF staff that the matching funds traditionally come from the dedicated portion of county transfer tax to the county's agricultural land preservation program.

If HB 1362 were to pass, it could not only reduce the amount of funds Harford County would be able to contribute to the MALPF program, it also could decrease the amount of funds that are dedicated to what has historically been a very successful agricultural land preservation effort in Harford County.

If you have additional questions, please contact Cassie Shirk, Director of Legislation and Governmental Affairs, at cassie.shirk@maryland.gov or 410-841-5886.