



Senate Bill 43 – Maryland Historic Trust – Arbitration

Position: Unfavorable

Hearing: January 31, 2024 – Senate Budget and Taxation Committee

TO: Guy Guzzone, Chair; Jim Rosapepe Vice Chair; and committee members

The undersigned organizations, representatives of Maryland’s land trust community, urge you to reject Senate Bill 43. While this specific legislation deals with historic preservation easements the principals are equally applicable to land preservation.

Easements are perpetual and must remain so. They are also voluntary, and so the landowner makes the choice to permanently protect their land, often at significant financial sacrifice. Land Trusts are the entities that accept the perpetual stewardship of those easements.

Many landowners can recoup some portion of the value of their easement donation by taking a federal income tax deduction. In order to claim this deduction, the easement must precisely follow the rules of the Internal Revenue Service (IRS). Subjecting

easements to arbitration would negate the perpetual nature of the easement and preclude the landowners eligibility for an income tax deduction.

As non-profit, charitable organizations, land trusts are formed to act in the public good. As such they are prohibited from engaging in activities that create an impermissible private benefit. Using arbitration to interpret the terms of a deed of easement clearly opens a window that may increase the value of the property, bestowing impermissible private benefit on a property owner.

Finally, and perhaps most importantly, land trusts are responsible for upholding the wishes of the original easement Grantor. Families make this voluntary, perpetual commitment after careful thought and deliberation. We take the confidence entrusted in us very seriously. If subsequent owners disagree with the easement terms, we have both the legal and moral obligation to ensure that the terms of the initial easement are upheld.

Thank you for your consideration, and we urge an unfavorable vote on SB 43.

**American Chestnut Land Trust**

Gregory Bowen, Director

**Howard County Conservancy**

Meg Boyd, Executive Director

**Baltimore County Land Trust Alliance**

Ann Jones, Director

**Harford Land Trust**

Kristin Kirkwood, Executive Director

**Catoctin Land Trust**

David Lillard, Executive Director

**Land Preservation Trust**

Edward Halle, Vice-President

**Cecil Land Trust**

Alisa Webb, Executive Director

**Lower Shore Land Trust**

Matt Helm, Executive Director

**Eastern Shore Land Conservancy**

Steve Kline, President

**Scenic Rivers Land Trust**

Sarah Knebel, Executive Director

**Forever Maryland**

Josh Hastings, Executive Director