



WRITTEN TESTIMONY

BILL NO.: House Bill 1337 – Real Property – Condemnation – Damages Awarded for Lost Profits

COMMITTEE: House Environment and Transportation Committee

HEARING DATE: March 6, 2025

SPONSOR: Delegates Mangione, Beauchamp, Bouchat, Buckel, Grammer, R. Long, McComas, Miller, M. Morgan, T. Morgan, Nawrocki, Otto, Pippy, Reilly, Rose, Szeliga, and Tomlinson

POSITION: Favorable

Chairman and Members of the Committee,

I respectfully submit this testimony in **strong support** of **House Bill 1337**, which ensures that **business and farm owners receive fair compensation for lost profits when their property is taken by eminent domain**. I urge a **favorable report** on this critical legislation, which protects Maryland's agricultural industry, small businesses, and economic vitality.

Maryland's Agricultural Industry: A Pillar of the Economy

Maryland's agricultural sector is **the largest commercial industry in the state**, employing **350,000 people, including nearly 6,000 full-time farmers**, and contributing **over \$8 billion annually** to the economy¹. Protecting farms from unjust financial losses is essential to **food security, rural economies, and land preservation**.

Unfortunately, Maryland's farmers **face increasing threats** from infrastructure projects that seize land through **eminent domain**, disrupting farming operations and causing **irreparable financial harm**. HB 1337 helps ensure that **farmers are compensated not just for their land, but for the economic losses suffered as a result of forced takings**.

The Destruction of Productive Farmland

Projects like the Maryland Piedmont Reliability Project (MPRP) have already threatened to take vast portions of Maryland farmland. The proposed **overhead transmission line** project alone could destroy **522.6 acres of cultivated cropland**, directly reducing food production and farmers' revenue.

Farmland **cannot be easily replaced**. Once taken, the land is often left unsuitable for cultivation, forcing farmers to either **relocate—often at great cost—or exit the industry**

¹ <https://msa.maryland.gov/msa/mdmanual/01glance/html/agri.html>



altogether. This bill ensures that **farmers who suffer financial losses from eminent domain takings receive just compensation.**

Threats to Maryland's Growing Agritourism Industry

Maryland's **agritourism sector** is a vital part of the state's agricultural economy, generating **over \$162 million annually** and supporting **more than 1,000 jobs**. Agritourism allows farms to **diversify their income** by hosting activities such as farm tours, pick-your-own produce events, festivals, weddings, and educational programs.

The proposed MPRP **directly threatens at least three existing agritourism farms** and places **several more in the planning stages in limbo**, uncertain of their future. These farms **depend on their scenic landscapes and open spaces to attract visitors**, and the construction of **high-voltage transmission lines through their land would destroy their viability.**

By failing to compensate for lost profits, the current eminent domain process could **devastate** a growing segment of Maryland's economy and **strip rural communities of one of their most promising revenue sources.**

The MPRP: A Multi-Billion Dollar Project at the Expense of Maryland Farmers

The Maryland Piedmont Reliability Project (MPRP) is a multi-billion dollar infrastructure project designed to expand the transmission network, yet the financial burden falls squarely on Maryland's farmers, landowners, and small businesses. While the developer stands to profit significantly from transmission fees and federal energy incentives, local agricultural communities bear the cost of lost land, productivity, and revenue. The project is expected to generate hundreds of millions in guaranteed returns for its investors over its lifetime, but those displaced by eminent domain receive only bare minimum compensation for the land taken—without any recognition of the long-term economic damage to their businesses.

Compensating Farmers and Business Owners for Lost Profits

Under current law, compensation for eminent domain takings only covers **the fair market value of the land—but not the financial losses suffered by the businesses and farms operating on that land.** This is unjust and out of step with the true economic consequences of land seizures.

HB 1337 **addresses this inequity** by ensuring that farmers and businesses can recover damages for lost profits when they can prove:



- **The actual amount of lost profits** using sound financial records.
- **That the loss was directly caused by the eminent domain taking.**
- **That the loss cannot be reasonably prevented by relocation.**
- **That the compensation is not duplicated by other payments.**

This bill **does not create excessive burdens on the government**; it simply ensures that businesses and farms are made whole when they suffer financial harm from eminent domain actions.

Protecting Maryland's Rural Economy & Food Security

HB 1337 is a **commonsense solution** that protects Maryland's farming industry and small businesses while maintaining a **fair and balanced eminent domain process**. Without this reform, more farmland will be lost, agritourism businesses will be forced to shut down, and Maryland's rural economy will suffer.

For these reasons, I respectfully urge the committee to issue a **favorable report** on **HB 1337**.

Thank you for your time and consideration.

Respectfully submitted,

Joanne Frederick

President

Stop MPRP, Inc.

joanne.frederick@stopmprp.org

443.789.1382