

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 90 (St. Mary's County Delegation)
Environment and Transportation

**St. Mary's County - Agricultural Land Preservation Program - Installment
Purchase Agreements - Repeal**

This bill repeals the authority for St. Mary's County to enter into "installment purchase agreements" (IPAs) to acquire the development rights for agricultural or forestry land as a part of the county's agricultural land preservation program. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: None. The provisions repealed by the bill are obsolete.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Chapter 526 of 2005 authorizes the St. Mary's County Commissioners to enter into IPAs for an aggregate purchase price of up to \$20 million plus interest to acquire the development rights for agricultural or forestry land located in the county as part of the county's agricultural land preservation program. In doing so, the county must pay the purchase price for that land either in installments or at the maturity of the agreement as well as interest on the unpaid balance.

Among other things, Chapter 526 authorizes the county to select the tract or parcels of agricultural or forestry land for which development rights are to be acquired and to negotiate with the landowners for the purchase price of the development rights and other

conditions or terms as may be necessary to acquire these rights. The county may apply to the payment of the purchase price and interest any funds received from the State, the federal government, or any other source under specified conditions. The county is further authorized to purchase and set aside in a segregated fund or account U.S. Treasury STRIPs or other obligations and to apply those funds to the payment of the balance of the purchase price.

Any income derived from the development rights acquired through IPAs is exempt from State, county, municipal, or other taxation.

The bill repeals the entirety of these authorizations.

Background: St. Mary's County advises that the county IPA program was never developed or used and that the authority is no longer needed.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): St. Mary's County; Maryland Department of Agriculture; Department of Legislative Services

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af/lgc

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