

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 58

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Agriculture)

Education, Health, and Environmental Affairs

Environment and Transportation

**Maryland Agricultural Land Preservation Foundation - Elimination of District
Agreements**

This departmental bill deletes obsolete references to “agricultural districts” associated with an agricultural land preservation process involving district agreements that was phased out pursuant to Chapter 650 of 2007. The bill also transfers to codified statute certain uncodified provisions from Chapter 650 of 2007 concerning the dates applicable to the ending of the process and the preservation of certain districts.

Fiscal Summary

State Effect: None. The bill does not directly affect State finances.

Local Effect: None.

Small Business Effect: The Maryland Department of Agriculture has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: Under the district agreement process, agricultural (preservation) districts were formed when qualifying landowners would sign voluntary agreements with the Maryland Agricultural Land Preservation Foundation (MALPF) to keep their land in agricultural or woodland use for a specified number of years (3 to 10 years, depending on the county where the land was located). Landowners who

agreed to place their farms within an agricultural district could sell a development rights easement on that property to MALPF.

The intent of the district agreement process was to help anticipate needed funding levels for easement purchases and to provide a supplementary mechanism for farmland protection. However, reluctance by many landowners to participate in the district agreement process led to the enactment of Chapter 650 of 2007, which allowed for easement purchases without the prior establishment of an agricultural district and phased out the district agreement process. In uncodified language (transferred to codified statute by this bill), Chapter 650 specified that:

- effective July 1, 2007, districts could not be a requirement for the easement application process to MALPF; and
- as of June 30, 2012, all districts in MALPF were terminated, with the exception of (1) any district in which an easement had been transferred to MALPF and (2) any district established by a county and a landowner for the purpose of providing a property tax credit to the landowner.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - January 17, 2019
an/lgc Third Reader - February 8, 2019

Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Elimination of District Agreements**

BILL NUMBER: SB0058

PREPARED BY: Maryland Department of Agriculture

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS