

Legislation – 2010 Legislative Session

Relating to Agricultural Land Preservation Issues

Last Revision: January 15, 2010

House of Delegates legislation only:

None

Senate legislation only:

SB 59 – Agricultural Land Transfer Tax – Distribution and Use of Revenue

Sponsor: Chair – Budget and Taxation Committee (by request of the Department of Agriculture).

Department position: support.

Legislative status: hearing on Wednesday, 2 p.m., January 27, 2010, Budget and Taxation Committee.

This departmental bill would remove the annual dedication of \$4 million of MALPF funds from the agricultural transfer tax (and real estate transfer tax when agricultural transfer tax revenues are inadequate) to interest payment obligations undertaken as part of a “leveraged” installment purchase agreement (IPA) program. As a result of SB 662 (2008), the funds now go directly to the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to secure debt obligations from IPAs. This bill resets the distribution of these revenues to go directly to MALPF for the acquisition of easements by whatever settlement option the landowner prefers. If landowners choose the IPA payments option, MALPF can fund it out of its standard allocation of funds to make a grant to MARBIDCO. The Treasurer’s Office in conjunction with the Office of the Attorney General advised MALPF and MARBIDCO that the dedication of tax revenues to leverage IPAs beyond 15 years is unconstitutional. MALPF can already fund IPAs by simply providing grants to MARBIDCO, though it loses the ability to leverage acquisitions against future revenues.

SB 95 – Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program

Sponsor: Chair – Education, Health, & Environmental Affairs Committee (by request of the Department of Agriculture).

Department position: support.

Legislative status: hearing on Wednesday, 2 p.m., January 27, 2010, Education, Health, & Environmental Affairs Committee.

This departmental bill would explicitly authorize the Maryland Agricultural Land Preservation Foundation (MALPF) Board of Trustees to acquire preservation easements on farmland in partnership with outside public and private entities. No State funds would be used for the direct acquisition costs. This legislation would also authorize MALPF to develop and use different ranking criteria, valuation methods, and easement provisions with the approval of the Board. MALPF has identified entities with complementary and, sometimes, supplemental goals to those pursued by MALPF which may provide funding possibilities for workable partnerships in acquiring easements that otherwise may not be funded. The legislation includes a provision that would revise the due date for the MALPF Annual Report from November 1 to January 15.

House of Delegates and Senate legislation (cross-listed bills):

None