Conservation of Natural Resources

Agricultural Land Preservation

Ag Land Pres Easements
(P788911)

Category	Conservation of Natural Resources	Date Last Modified	01/04/20
SubCategory	Ag Land Preservation	Administering Agency	Agriculture
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	4,484	1,372	839	2,273	372	375	377	380	383	386	-
Land	10,830	5,808	4,002	1,020	170	170	170	170	170	170	-
Other	37	37	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	15,351	7,217	4,841	3,293	542	545	547	550	553	556	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Agricultural Transfer Tax	3,421	967	1,254	1,200	200	200	200	200	200	200	-
Contributions	500	-	-	500	-	-	70	200	142	88	-
Developer Payments	6,423	4,734	435	1,254	150	198	277	150	211	268	-
Federal Aid	522	479	43	-	-	-	-	-	-	-	-
G.O. Bonds	308	308	-	-	-	-	-	-	-	-	-
Investment Income	787	68	380	339	192	147	-	-	-	-	-
State Aid	3,390	661	2,729	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	15,351	7,217	4,841	3,293	542	545	547	550	553	556	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 21 Request	542	Year First Appropriation	FY89
Appropriation FY 22 Request	545	Last FY's Cost Estimate	10,793
Cumulative Appropriation	12,058		
Expenditure / Encumbrances	7,259		
Unencumbered Balance	4,799		

PROJECT DESCRIPTION

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective November 25, 2008, for local participation in Maryland's Agricultural and Conservation programs and through Executive Regulation 3-09 AM, adopted July 27, 2010. The County Agricultural Easement Program (AEP) enables the County to purchase preservation easements on farmland in the agricultural zones and in other zones approved by the County Council to preserve farmland not entirely protected by Transferable Development Rights (TDR) easements or State agricultural land preservation easements. The Maryland Agricultural Land Preservation Foundation (MALPF) enables the State to purchase

preservation easements on farmland jointly by the County and State. The Rural Legacy Program (RLP) enables the State to purchase conservation easements to preserve large contiguous tracts of agricultural land. The sale of development rights easements are proffered voluntarily by the farmland owner. The project receives funding from the Agricultural Transfer Tax, which is levied when farmland is sold and removed from agricultural status. Montgomery County is a State-Certified County under the provisions of State legislation, which enables the County to retain 75 percent of the taxes for local use. The County uses a portion of its share of the tax to provide matching funds for State easements. In FY10, the Building Lot Termination (BLT) program was initiated. This program represents an enhanced farmland preservation program tool to further protect land where development rights have been retained in the Agricultural Reserve-AR zone. This program utilizes a variety of revenue sources that include: Agricultural Transfer Tax revenues, Contributions, Developer Payments, Investment Income, and State Aid.

COST CHANGE

Costs for FY25 and FY26 have been added to the project, as well as, FY20 funds related to a $2,705,000 Rural Legacy Program State grant and FY19 Agricultural Transfer Tax receipts in excess of the approved FY19 budget.

PROJECT JUSTIFICATION

Annotated Code of Maryland Agriculture Article 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland Tax-Property Article 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation; and Executive Regulation 3-09 AM.

OTHER

FY21 estimated Planning, Design and Supervision expenditures are $372,000, with $30,000 of these annual costs funded by Agricultural Transfer Tax revenues as authorized by State law. The amount includes funding for 1.0 FTE Business Development Specialist; 1.25 FTE administrative staff; $25,000 for the Deer Donation Program; $15,000 for the Montgomery Weed Control Program; and $72,000 for the Cooperative Extension Partnership. Appropriations are based upon a projection of Montgomery County's portion of the total amount of Agricultural Transfer Tax which has become available since the last appropriation and State Rural Legacy Program grant funding. Appropriations to this project represent a commitment of Agricultural Transfer Tax funds and State Aid to purchase agricultural easements, contributions from the Crown Farm Annexation Agreement, and partial BLT payments made by developers for additional density in BLT receiving areas. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses, the purchase of easements, and other agricultural initiatives carried out by the Office of Agriculture. The program permits the County to take title to the TDRs. These TDRs are an asset that the County may sell in the future, generating revenues for the Agricultural Land Preservation Fund. The County can use unexpended appropriations for this project to pay its share (40 percent) of the cost of easements purchased by the State. Since FY99, the County has received State RLP grant funds to purchase easements for the State through the County. The State allows County reimbursement of three percent for direct administrative costs such as appraisals, title searches, surveys, and legal fees. The traditional funding sources for this project are no longer sustainable. Easement acquisition opportunities will be considered on a case-by-case approach while alternative funding sources are identified.

FISCAL NOTE

Land costs are for the purchasing of easements. An FY20 supplemental appropriation was approved to recognize the availability of additional FY19 Agricultural Transfer Tax revenue ($744,000) and an FY20 Rural Legacy State grant ($2,705,000).

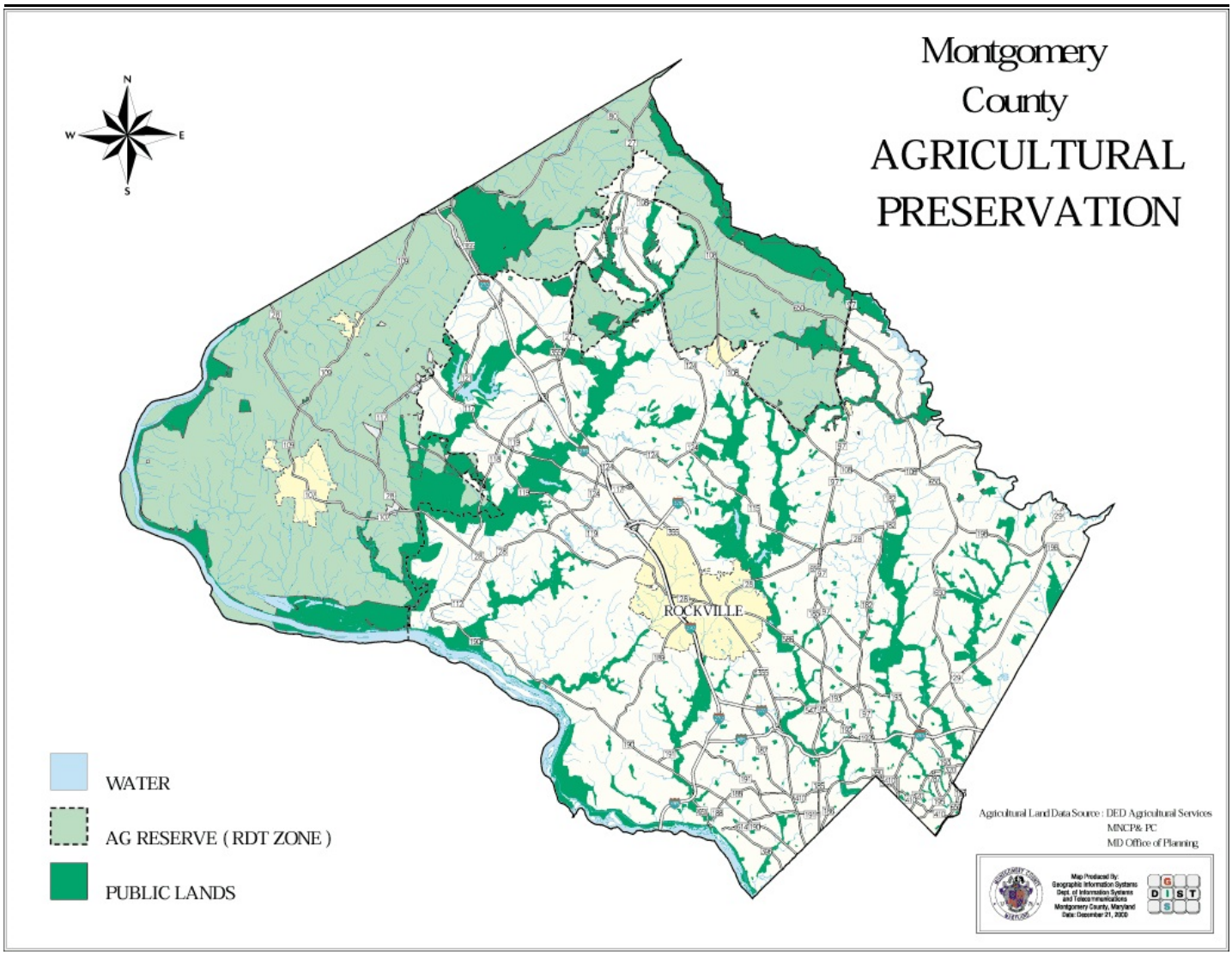
DISCLOSURES

Expenditures will continue indefinitely. The County Executive asserts that this project conforms to the requirement of relevant local

plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

COORDINATION

Montgomery County Office of Agriculture, State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, and Landowners.


Montgomery
County
AGRICULTURAL
PRESERVATION
N
W
E
S
ROCKVILLE
WATER
AG RESERVE (RDT ZONE)
PUBLIC LANDS
Agricultural Land Data Source : DED Agricultural Services
MNCP& PC
MD Office of Planning
Map Produced by:
Geographic Information Systems
Dept. of Information Systems
and Telecommunications
Montgomery County, Maryland
Date: December 31, 2009
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