



Agricultural Land Preservation

PROGRAM DESCRIPTION AND OBJECTIVES

The County's Agricultural Land Preservation capital program is administered by the Montgomery County Office of Agriculture (OAG). The program includes one ongoing capital project, Agricultural Land Preservation Easements, with the objectives to protect and preserve agricultural land from development and retain a significant farming sector throughout Montgomery County.

During FY09, the County achieved the goal of protecting 70,000 acres of agricultural land through easements. As of June 30, 2025, the County has permanently preserved 72,008 acres for agricultural use. Montgomery County leads the State of Maryland in the number of acres preserved and has the highest percentage of farmland under agricultural land preservation easements of any county in the nation. Within this total, 46,475 acres are protected by Transferable Development Rights (TDR) easements which allow for densities as high as one unit per twenty-five acres. It will be important for the County to continue to pursue higher levels of protection for these properties to reduce the potential for future development in the Agricultural Reserve. The implementation of the Building Lot Termination (BLT) Program will be integral to this effort. The number of total acres is adjusted to reflect the land preserved through BLT that were placed over TDR.

Currently, preservation of agricultural land is accomplished under six separate agricultural land preservation programs: the Montgomery County Agricultural Easement Program (AEP); the Maryland Agricultural Land Preservation Foundation (MALPF); Montgomery County's local TDR; the Maryland Environmental Trust (MET); the Montgomery County Rural Legacy Program (RLP); and the Building Lot Termination Program (BLT). The acres preserved under each program are displayed in the chart below, and each program is described in the narrative that follows.

	MALPF	AEP	MET	BLT	RLP	TDR	Total
Acres Protected thru June 2025	5,991	8,847	2,352	2,286	6,056	46,475	72,008

Note: The total number of acres has been refined to more accurately reflect TDR easements and overlaps with other agricultural preservation programs. The lower acreage reported as of June 2025, compared to June 2023, is due to improved tracking and updated calculations.

Through the Agricultural Easement Program (AEP), the County purchases easements on farmland using Agricultural Transfer Tax collections to meet acreage acquisition targets. Agricultural easements acquired through the AEP may range in value from \$1,600 to \$9,000 per acre, depending on location, land quality, and amount of road frontage. The County has protected 8,847 acres through the AEP.

Through the MALPF, the State purchases development rights easements directly from landowners to protect agricultural land from development. Since 1980, 5,991 acres have been protected.

Montgomery County's local TDR program, established by the functional Master Plan for the Preservation of Agriculture and Rural Open Space, accounts for a major portion of the County's preserved land (46,475 acres). The program, administered by the Maryland-National Capital Park and Planning Commission (M-NCPPC), allows Upcounty landowners to transfer development rights from the 93,000-acre Agricultural Reserve, in the western and northern portions of the County, at the rate of one TDR per five acres, to developers with projects in areas that can accept the higher development density, designated as "TDR receiving areas." Lands protected by TDR easements also represent additional opportunities for the County to further protect agricultural lands through easements by reducing the allowable housing density that is reserved on those lands.

The MET program encourages landowners to donate an easement on their property to protect scenic open areas, including farm and forest land, wildlife habitats, waterfront, unique or rare areas, and historic sites. This program is associated with the Maryland Department of Natural Resources and requires no monetary participation by the County. Montgomery County has protected 2,352 acres through the MET program.

The RLP was enacted in 1997 as part of the Governor's Smart Growth and Neighborhood Conservation initiative to protect natural resources. The program is designed to protect areas rich in multiple agricultural, forestry, natural, and cultural resources in order to protect resource-based economic development, protect green areas, and maintain rural life. Montgomery County acts as a conduit for these funds, and no monetary participation is required of the County. The County has protected 6,056 acres through RLP.

The BLT program was approved by the County Council through Chapter 02B.00.01.04 in December of 2008. This program provides another tool to permanently protect agricultural lands, especially where development potential is achievable through the approval of on-site waste disposal systems. In 2009, five million dollars was approved by the County Council through a supplemental appropriation to this project to fund the BLT program. Since FY12, 1,258 acres of agricultural land have been acquired through County BLT easements, and an additional 1,028 acres have been acquired through private/developer-purchased BLT easements, totaling 2,286 acres.

PROGRAM CONTACTS

Contact Mike Scheffel of the Office of Agriculture 301-590-2830 or Seamus McNamara of the Office of Management and Budget at 240-777-2755 for more information regarding this capital budget.

CAPITAL PROGRAM REVIEW

The Executive's recommended FY27-32 program expenditure total is \$2,950,000. Total six-year program funding includes Agricultural Transfer Tax, Developer Payments and investment income.



Ag Land Pres Easements

(P788911)

Category	Conservation of Natural Resources	Date Last Modified	01/10/26
SubCategory	Ag Land Preservation	Administering Agency	Agriculture
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Planning, Design and Supervision	3,494	2,341	253	900	150	150	150	150	150	150	-
Land	22,455	16,124	4,281	2,050	960	250	210	210	210	210	-
Other	174	37	137	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	26,123	18,502	4,671	2,950	1,110	400	360	360	360	360	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Agricultural Transfer Tax	6,004	2,994	1,810	1,200	200	200	200	200	200	200	-
Contributions	1,499	966	533	-	-	-	-	-	-	-	-
Current Revenue: General	500	500	-	-	-	-	-	-	-	-	-
Developer Payments	8,627	5,351	1,586	1,690	900	190	150	150	150	150	-
Federal Aid	545	511	34	-	-	-	-	-	-	-	-
G.O. Bonds	308	308	-	-	-	-	-	-	-	-	-
Investment Income	1,119	609	450	60	10	10	10	10	10	10	-
State Aid	7,521	7,263	258	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	26,123	18,502	4,671	2,950	1,110	400	360	360	360	360	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 27 Request	1,110	Year First Appropriation	FY89
Appropriation FY 28 Request	400	Last FY's Cost Estimate	24,613
Cumulative Appropriation	23,173		
Expenditure / Encumbrances	18,504		
Unencumbered Balance	4,669		

PROJECT DESCRIPTION

This project provides funds for purchasing 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 joint County and State purchases of preservation easements on farmland. 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 is proffered voluntarily by the farmland owner. The project receives funding from the Agricultural Transfer Tax, 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 protect further land where development rights have been retained in the Agricultural Reserve (AR). This program utilizes various revenue sources, including agricultural transfer tax revenues, contributions, developer payments, investment income, and State aid.

COST CHANGE

Increase due to the addition of two fiscal years to this ongoing project. In addition, funds received, but not yet appropriated, are added to the project scope to support the purchase of additional TDRs.

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

FY27 estimated planning, design, and supervision expenditures include funding for a 1.0 FTE (full-time equivalent) Business Development Specialist. Appropriations are based upon a projection of the Montgomery County portion of the total amount of agricultural transfer tax, investment income, contributions, and developer payments. The agricultural transfer taxes are deposited into an investment income fund, and the interest 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 which would generate revenue 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. Easement acquisition opportunities will be considered on a case-by-case basis while alternative funding sources are identified.

On July 29, 2025, the County Council approved Zoning Text Amendment (ZTA) 25-05. This amendment requires developers to contribute a specific amount to the Agricultural Land Preservation Fund (ALPF) when constructing buildings above the baseline density in the Commercial Residential zone. The amendment allows the Office of Agriculture to utilize the ALPF funds for purchasing Transfer of Development Rights (TDR) agricultural preservation easements, following guidance from the Agricultural Preservation Advisory Board. The Office of Agriculture plans to update the Executive Regulation to amend Chapter 2B, implementing the requirements established in ZTA 25-05. This update would enable the Office of Agriculture to purchase TDR easements in Fiscal Year 2027.

FISCAL NOTE

Land costs are for the purchase of easements. An FY20 supplemental appropriation was approved to recognize the availability of additional FY19 Agricultural Transfer Tax revenue of \$744,000 and an FY20 Rural Legacy State grant of \$2,705,000. The Office of Agriculture was able to settle easements from the Rural Legacy State grant received in FY21, of which \$2,497,048 has been spent. An

FY22 supplemental was approved to recognize contributions from Maryland-National Capital Park and Planning Commission for the acquisition of a farm encumbered by a County Agricultural Preservation easement of \$953,055, as well as a Rural Legacy Program grant (State Aid) for the amount of \$2,722,761. The Council added \$500,000 in General Fund: Current Revenue in FY23 to support agricultural easement purchases. An FY23 supplemental appropriation was approved to recognize the availability of additional Agricultural Transfer Tax revenue of \$1,336,000 and a Rural Legacy Program grant (State Aid) for the amount of \$1,306,000. An FY25 supplemental appropriation for \$739,758 Agricultural Transfer Taxes was approved.

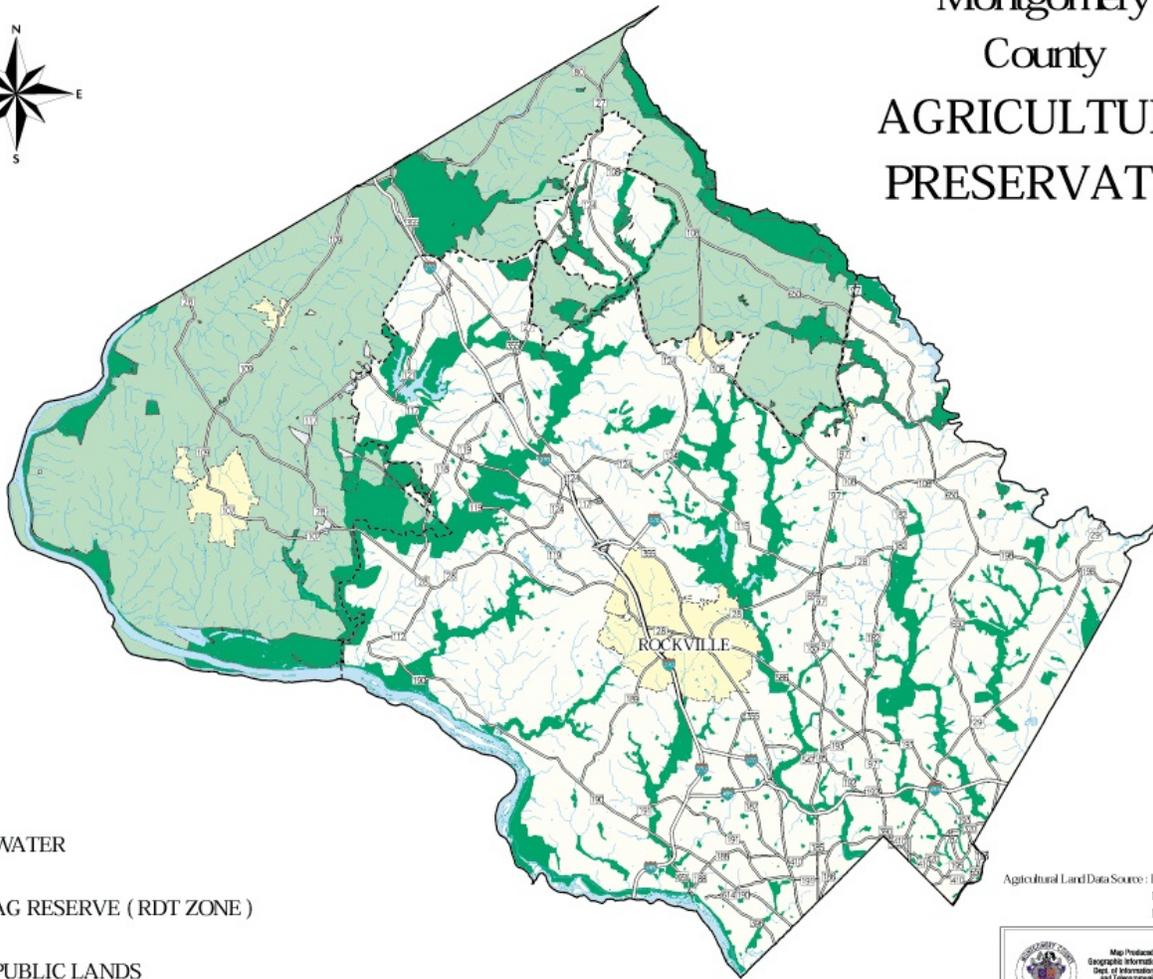
DISCLOSURES

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

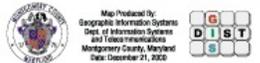
Montgomery County Office of Agriculture, State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, Landowners.

Montgomery County AGRICULTURAL PRESERVATION



-  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 21, 2008