# Ag Land Pres Easements -- No. 788911

| | | | |
|---|---|---|---|
| Category | Conservation of Natural Resources | Date Last Modified | January 09, 2008 |
| Subcategory | Ag Land Preservation | Required Adequate Public Facility | No |
| Administering Agency | Economic Development | Relocation Impact | None. |
| Planning Area | Countywide | Status | On-going |

## EXPENDITURE SCHEDULE ($000)

| Cost Element | Total | Thru FY07 | Est. FY08 | Total 6 Years | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | Beyond 6 Years |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Planning, Design, and Supervision | 2,107 | 0 | 234 | 1,873 | 280 | 292 | 305 | 318 | 332 | 346 | 0 |
| Land | 24,234 | 0 | 17,961 | 6,273 | 1,723 | 600 | 750 | 1,000 | 1,000 | 1,200 | 0 |
| Site Improvements and Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **26,341** | **0** | **18,195** | **8,146** | **2,003** | **892** | **1,055** | **1,318** | **1,332** | **1,546** | **0** |

## FUNDING SCHEDULE ($000)

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Aid | 393 | 0 | 393 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | 2,224 | 0 | 351 | 1,873 | 280 | 292 | 305 | 318 | 332 | 346 | 0 |
| State Aid | 4,047 | 0 | 4,047 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agricultural Transfer Tax | 19,677 | 0 | 13,404 | 6,273 | 1,723 | 600 | 750 | 1,000 | 1,000 | 1,200 | 0 |
| **Total** | **26,341** | **0** | **18,195** | **8,146** | **2,003** | **892** | **1,055** | **1,318** | **1,332** | **1,546** | **0** |

### DESCRIPTION

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective May 26, 1988, for local participation in Maryland's agricultural and conservation programs. 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 already protected by Transferable Development Rights (TDRs) 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 proposed voluntarily by the farmland owner. Project funding comes primarily from the Agricultural Land 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. Beginning in FY08, a new Building Lot Termination (BLT) program will be initiated that represents a new and enhanced farmland perservation program tool to further protect land where development rights have been retained in the Rural Density Transfer Zone (RDT). This program will use Agricultural Transfer Tax revenue to purchase the development rights and corresponding TDRs retained on these properties.

### COST CHANGE

Agricultural Transfer Tax collection was reduced to reflect the slowing economy therefore reducing the total project cost.

### JUSTIFICATION

Annotated Code of Maryland 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation.

### OTHER

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 Land Transfer Tax funds and State Aid to purchase agricultural easements. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses and purchase easements. 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 3 percent for direct administrative costs such as appraisals, title searches, surveys and legal fees.
Given changes to the Federal Program, Federal Aid funds are no longer programmed in this project.

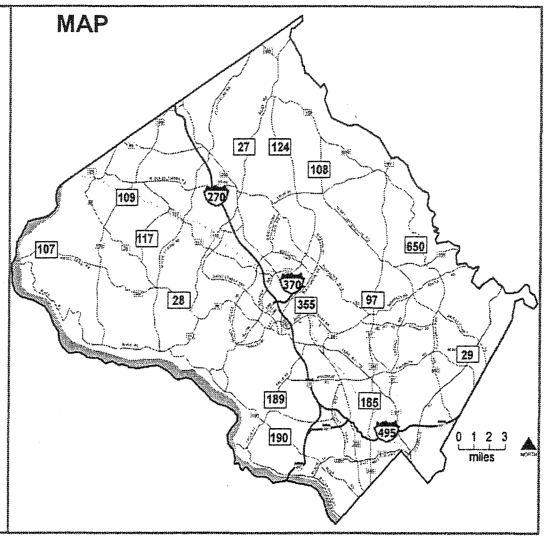
### APPROPRIATION AND EXPENDITURE DATA

| | | |
|---|---|---|
| Date First Appropriation | FY89 | ($000) |
| First Cost Estimate Current Scope | FY09 | 26,341 |
| Last FY's Cost Estimate | | 28,564 |
| Appropriation Request | FY09 | 2,003 |
| Appropriation Request Est. | FY10 | 892 |
| Supplemental Appropriation Request | | 0 |
| Transfer | | 0 |
| Cumulative Appropriation | | 18,195 |
| Expenditures / Encumbrances | | 4,287 |
| Unencumbered Balance | | 13,908 |
| Partial Closeout Thru | FY06 | 43,648 |
| New Partial Closeout | FY07 | 768 |
| Total Partial Closeout | | 44,416 |

### COORDINATION

State of Maryland Agricultural Land Preservation Foundation
State of Maryland Department of Natural Resources
Maryland-National Capital Park and Planning Commission
Landowners

### MAP



**FISCAL NOTE**
Expenditures do not reflect additional, authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners.

**OTHER DISCLOSURES**
- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.