



Ag Land Pres Easements

(P788911)

Category	Conservation of Natural Resources	Date Last Modified	05/06/22
SubCategory	Ag Land Preservation	Administering Agency	Agriculture
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	3,934	1,831	1,205	898	356	102	105	108	112	115	-
Land	16,551	8,695	5,053	2,803	670	427	427	427	426	426	-
Other	37	37	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	20,522	10,563	6,258	3,701	1,026	529	532	535	538	541	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Agricultural Transfer Tax	3,821	1,244	1,377	1,200	200	200	200	200	200	200	-
Contributions	1,499	-	953	546	-	42	332	172	-	-	-
Current Revenue: General	500	-	-	500	500	-	-	-	-	-	-
Developer Payments	6,359	4,982	535	842	-	-	-	163	338	341	-
Federal Aid	545	479	43	23	23	-	-	-	-	-	-
G.O. Bonds	308	308	-	-	-	-	-	-	-	-	-
Investment Income	1,275	392	395	488	201	287	-	-	-	-	-
State Aid	6,215	3,158	2,955	102	102	-	-	-	-	-	-
TOTAL FUNDING SOURCES	20,522	10,563	6,258	3,701	1,026	529	532	535	538	541	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	1,026	Year First Appropriation	FY89
Appropriation FY 24 Request	529	Last FY's Cost Estimate	15,351
Cumulative Appropriation	16,821		
Expenditure / Encumbrances	10,611		
Unencumbered Balance	6,210		

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 FY27 and FY28 have been added to the project, as well as FY22 funds related to a \$2,722,761 Rural Legacy Program State grant, and contributions from Maryland National Capital Park and Planning Commission of \$953,055, and additional funding for FY23 easement purchases.

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

FY23 estimated Planning, Design and Supervision expenditures are \$356,000, 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; 1.0 FTE assigned to the University of Maryland Extension; 0.25 FTE Public Administration Associate; \$25,000 for the Deer Donation Program; \$15,000 for the Montgomery Weed Control Program; and \$75,000 for the Cooperative Extension Partnership. The Council approved eliminating expenditures not related to agricultural easement purchases for FY24-28, which includes 1.0 FTE assigned to the University of Maryland Extension; 0.25 FTE Public Administration Associate; \$25,000 for the Deer Donation Program; \$15,000 for the Montgomery Weed Control Program; and \$75,000 for the Cooperative Extension Partnership. These expenditures will be included in the operating budget beginning in FY24. 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. 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). The Office of Agriculture was able to settle easements from the Rural Legacy State grant received in FY21, of which, \$2,497,047.65 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 (\$953,055), as well as a Rural Legacy Program grant (State Aide) for the amount of \$2,722,761. The Council added \$500,000 in general fund current revenue in FY23 to support agricultural easement purchases.

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.