

Ag Land Pres Easements -- No. 788911

Category
Subcategory
Administering Agency
Planning Area

Conservation of Natural Resources
Ag Land Preservation
Economic Development
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

May 20, 2010
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	3,498	0	376	3,122	486	499	513	527	541	556	0
Land	22,336	0	13,186	9,150	2,600	2,750	850	950	1,000	1,000	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	25,834	0	13,562	12,272	3,086	3,249	1,363	1,477	1,541	1,556	0

FUNDING SCHEDULE (\$000)

Agricultural Transfer Tax	10,568	0	5,418	5,150	600	750	850	950	1,000	1,000	0
Federal Aid	393	0	393	0	0	0	0	0	0	0	0
G.O. Bonds	4,000	0	0	4,000	2,000	2,000	0	0	0	0	0
Investment Income	3,613	0	491	3,122	486	499	513	527	541	556	0
M-NCPPC Contributions	5,000	0	5,000	0	0	0	0	0	0	0	0
State Aid	2,260	0	2,260	0	0	0	0	0	0	0	0
Total	25,834	0	13,562	12,272	3,086	3,249	1,363	1,477	1,541	1,556	0

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. 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 FY10, a new Building Lot Termination (BLT) program will be initiated that represents an enhanced farmland preservation 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

Due to the addition of GO Bonds in FY11 and FY12 for the purchase of agricultural easements. Agricultural Transfer Tax collection and related expenditures were reduced to reflect the slowing economy. Investment Income was increased in FY11 through FY16 for operating expenses relating to the Cooperative Extension Program.

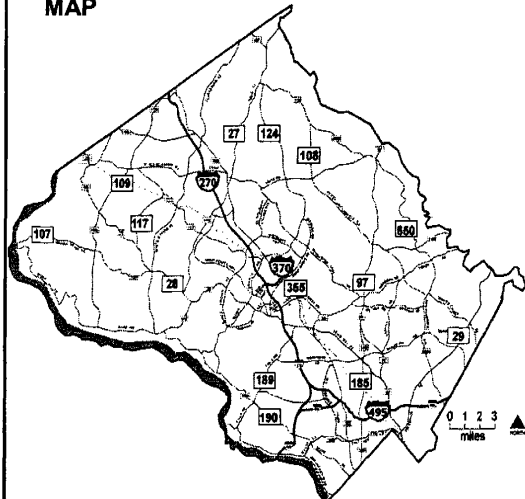
JUSTIFICATION

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

FY11 estimated Investment Income expenditure before partial closeout adjustments is \$486,000 and is made up of \$374,000: 1 workyear Business Development Specialist III, 1 workyear Business Development Specialist I, 1 workyear MLS Manager II; \$30,000 - Deer Donation Program; \$10,000 - Montgomery Weed Control Program; and \$72,000 for 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 Land Transfer Tax

APPROPRIATION AND EXPENDITURE DATA			COORDINATION		MAP
Date First Appropriation	FY89	(\$000)	State of Maryland Agricultural Land Preservation Foundation		
First Cost Estimate	FY11	21,588	State of Maryland Department of Natural Resources		
Current Scope			Maryland-National Capital Park and Planning Commission		
Last FY's Cost Estimate		26,756	Landowners		
Appropriation Request	FY11	3,086			
Appropriation Request Est.	FY12	3,249			
Supplemental Appropriation Request		5,000			
Transfer		0			
Cumulative Appropriation		8,561			
Expenditures / Encumbrances		2,696			
Unencumbered Balance		5,865			
Partial Closeout Thru	FY08	49,702			
New Partial Closeout	FY09	7,383			
Total Partial Closeout		57,085			

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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, the purchase of easements, and other agricultural initiatives carried out by the Agricultural Services Division. 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.

Given changes to the Federal Program, Federal Aid funds are no longer programmed in this project.

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.