



Ag Land Pres Easements

(P788911)

Category	Conservation of Natural Resources	Date Last Modified	01/07/24
SubCategory	Ag Land Preservation	Administering Agency	Agriculture
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Planning, Design and Supervision	3,194	2,144	150	900	150	150	150	150	150	150	-
Land	20,505	14,232	3,000	3,273	1,322	1,111	210	210	210	210	-
Other	174	37	137	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	23,873	16,413	3,287	4,173	1,472	1,261	360	360	360	360	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Agricultural Transfer Tax	4,864	2,362	800	1,702	702	200	200	200	200	200	-
Contributions	1,499	966	533	-	-	-	-	-	-	-	-
Current Revenue: General	500	500	-	-	-	-	-	-	-	-	-
Developer Payments	7,537	5,196	350	1,991	550	841	150	150	150	150	-
Federal Aid	545	511	34	-	-	-	-	-	-	-	-
G.O. Bonds	308	308	-	-	-	-	-	-	-	-	-
Investment Income	1,099	609	10	480	220	220	10	10	10	10	-
State Aid	7,521	5,961	1,560	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	23,873	16,413	3,287	4,173	1,472	1,261	360	360	360	360	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 25 Request	1,085	Year First Appropriation	FY89
Appropriation FY 26 Request	330	Last FY's Cost Estimate	23,164
Cumulative Appropriation	21,018		
Expenditure / Encumbrances	16,441		
Unencumbered Balance	4,577		

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

Reflects Developer Payments, Contributions, Investment Income, and Agriculture Transfer Tax adjustments.

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

FY25 estimated Planning, Design and Supervision expenditures are \$150,000. This amount includes funding for 1.0 FTE Business Development Specialist. Appropriations are based upon a projection of Montgomery County's 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, 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 basis 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. An FY23 supplemental appropriation was approved to recognize the availability of additional Agricultural Transfer Tax revenue (\$1,336,000) and a Rural Legacy Program grant (State Aid) for the amount of \$1,306,000.

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.