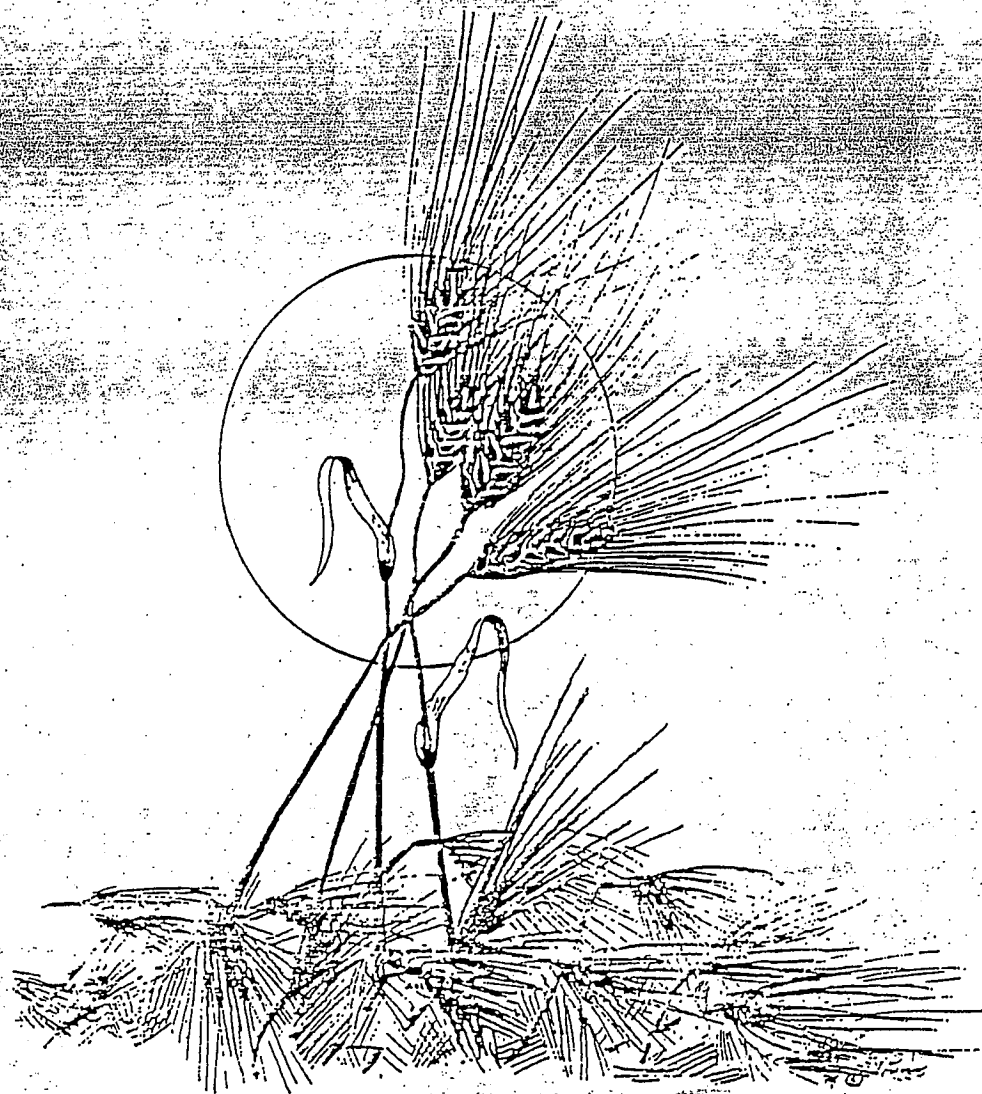


Maryland
Agricultural Land
Preservation Foundation
Annual Report
1993



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

ANNUAL REPORT

FOR

FISCAL YEAR 1993

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

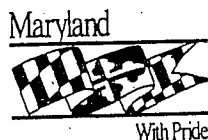
Daniel Shortall, Chairman

Paul W. Scheidt, Executive Director

MARYLAND
DEPARTMENT OF AGRICULTURE
1973-1993

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STATE OF MARYLAND
DEPARTMENT OF AGRICULTURE
MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
November 1, 1993

The Honorable William Donald Schaefer, Governor
The Honorable Thomas V. Miller, Jr., President of the Senate
The Honorable R. Clayton Mitchell, Jr., Speaker of the House

Gentlemen:

We are pleased to present the 1993 Annual Report of the Maryland Agricultural Land Preservation Foundation and are proud to announce that this year marks the sixteenth year of the program's operations. The information in this report summarizes the activity that the Foundation has experienced during the past fiscal year. The Maryland Agricultural Land Preservation Foundation has permanently preserved more farmland acres than any other state in the nation. With the strong support of the legislature and the agricultural community, we hope to protect and preserve much more of Maryland's prime and productive farmland in the future.

During Cycle One of FY '93, an additional 6,819 acres were placed in agricultural land preservation districts representing a 3% increase over last year's total. At the close of FY '93, there was a grand total of 1,905 individual farms enrolled in our program consisting of 255,071 acres. Of those acres, and as of July 1, 1993, the Maryland Agricultural Land Preservation Foundation purchased perpetual preservation easements on a total of 101,898 acres. This represents an increase of 3.5% to the permanently preserved acreage base, as the Foundation acquired 30 new easements in Cycle One of FY '93 covering 3,409 acres. Cycle Two totals will be shown in next year's Annual Report as they were not yet available. However, a similar acreage amount is expected to be added as Cycle Two figures become available.

Although our progress has shown substantial increases each year, Maryland still is losing farmland at an alarming rate. Our mission is to preserve enough of Maryland's productive farmland to perpetually maintain a viable agricultural industry and to help curb the spread of random urban development. Your continued support allows us to challenge the future as land use issues grow ever more critical.

Daniel Shortall, Chairman
Board of Trustees

Robert L. Walker
Secretary of Agriculture

Paul W. Scheidt
Executive Director

WHAT IS THE PURPOSE OF THE MARYLAND AGRICULTURAL LAND PRESERVATION PROGRAM?

The Maryland Agricultural Land Preservation Program was created by the Maryland General Assembly to preserve productive agricultural land and woodland which provides for the continued production of food and fiber for all citizens of the State. The preservation of agricultural lands will help curb the expansion of urban development and protect agricultural land and woodland as open space land.

By preserving agricultural land, the Foundation also protects the quality of life that makes Maryland so special. The Maryland Agricultural Land Preservation Program is the most successful program of its kind in the nation and has perpetually preserved more farmland than any other State. Maryland's effort to preserve agricultural land also leads to the protection of wildlife and increases the environmental quality of the Chesapeake Bay and its many valuable tributaries.



HOW DOES THE PROGRAM OPERATE?

Program Administration

The Maryland Agricultural Land Preservation Foundation is governed by the Agricultural Article, Sections 2-501 through 2-515 of the Annotated Code of Maryland. The Foundation is administered by a 12-member Board of Trustees which include the State Comptroller, Treasurer, and Secretary of Agriculture who serve as ex-officio members. The other nine members serve at-large from various regions of the State. All members are appointed by the Governor and serve a term of four years. At least five of the at-large members are farmer representatives of which three represent the Maryland Agricultural Commission, the Maryland Farm Bureau and the Maryland State Grange.

Responsibilities of the Foundation's Board of Trustees as they relate to the implementation of the Program include: disseminating information to farmland owners and other citizens of the State; providing assistance and coordination to 23 Agricultural Land Preservation Advisory Boards; promulgating program rules, regulations and procedures; reviewing and approving local agricultural restrictive use District Agreements and acquiring, by purchase or donation, development rights easements on productive agricultural land within the State of Maryland.

Participation in the Maryland Agricultural Land Preservation program is voluntary on the part of landowners and is dependent upon the cooperation of local governments. This program requires local governments to appoint agricultural land preservation

advisory boards which consist of five members, at least three of whom are owner/operators of commercial farms and earn 50% or more of their income from farming. These advisory boards assist in the dispersal of information, creation of program rules, regulations and procedures and in the creation of agricultural land preservation "districts". As a district, the subdivision and development of the land is restricted by a recorded agreement between the landowner and the Maryland Agricultural Land Preservation Foundation whereby agricultural land and woodland production activities are encouraged and protected.

Qualifications and Benefits

If a landowner requests that their property be included in a district, they must be willing to maintain the land in agricultural use for a minimum of five years, and the property must meet the minimum criteria established by the Foundation. To be eligible for district status, a property must have at least 100 contiguous acres with at least 50% of the total soils classified as USDA soil capability Class I, II, or III and/or woodland group 1 or 2. These soils are classified as being prime or productive and are capable of successfully producing viable agricultural commodities with reasonable yield and returns.

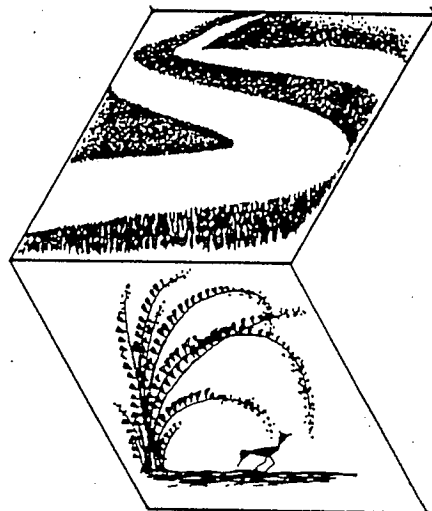
A landowner who includes their land within a district will receive the following benefits:

-
- Direct and indirect support of agriculture
 - Recognition from the county and the state by a recorded document in the land records of the county, that the preferred use of the property is agriculture
 - Insulation of normal agricultural activities from nuisance complaints
 - Possible tax credits (if the county, where the property is located, has developed a tax credit program)
 - Eligibility to make application to sell a development rights easement to the Foundation
-

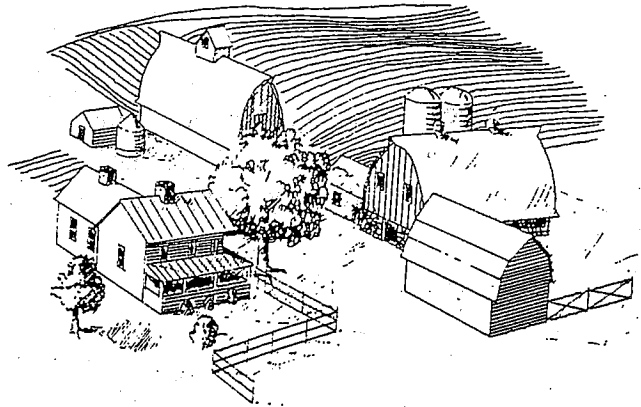
Protection of the land and its surrounding environment is a key element in participating in the Maryland Agricultural Land Preservation Foundation's program. Once the Agricultural Land Preservation District is established, the landowner is eligible to apply to sell a development rights easement to the Foundation. However, there is no guarantee that an offer will be made by the Foundation. The application submitted by the landowner shall include the asking price of any easement offered.

The maximum price that the Foundation may pay for an easement is the landowner's asking price or the easement value (determined by a statutory formula shown in figure 1 on page 4), whichever is lower.

The Foundation requires a soil conservation and water quality plan for each property that is submitted for easement sale. The requirement for having a soil conservation and water quality plan began in 1985 and is intended to outline certain necessary best management practices to be installed and/or maintained. The purpose of the plan is to protect the land from erosion, increase potential yield production and reduce and/or eliminate the flow of sediment entering into neighboring streams, rivers and ultimately the Chesapeake Bay. In addition, a Forest Management Plan is required on properties with 50% or more of the land dedicated to woodland.



Once a development rights easement has been sold, the property is perpetually protected from further development with certain rights available only to the landowner who originally sold the easement. These rights refer to the construction of a dwelling house intended for that owner and his children, subject to certain restrictions and density requirements.



Appraised Fair Market Value (determined by the better of at least two appraisals conducted by the state and by the appraisal submitted by landowner if included with the application)	-	Agricultural Value (determined by a formula based on land rents and soil productivity)	=	Easement Value
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Note: The Foundation's offer to purchase a development rights easement on any property will be dependent upon the county's approval of the sale of development rights, available funds and Board of Public Works approval.

Figure 1. Easement Value Formula

Program Funding

Funding for the Maryland Agricultural Land Preservation Foundation is operated entirely by special funds which are mainly derived from two sources:

- (1) 13.2% of the funds allocated to Program Open Space from the State's share of the property transfer tax; and
- (2) the Agricultural Land Transfer Tax which is assessed in all real property transferred out of agricultural use. Other sources of funds may be obtained from county jurisdictions who wish to provide "matching funds" for easement purchases in their county.

Recently, the General Assembly appropriated bonds to the program to help compensate for the reduction of revenues used to balance the State's budget over the last couple of years. However, this may only be a temporary measure and cannot be expected each year.

There is a very complex method used in dividing the funds and allocating them to different aspects of the program and to each of the counties. This process is even more diverse as a result of the creation of the "Two Cycle Easement Acquisition Program" and the "Certification of County Programs" portion of our program.

Easement applications are accepted twice a year instead of only once and the deadlines are July 1 and January 1 of each fiscal year. Therefore, the total fund allocation is divided equally between the two cycles. There is a general allocation to all counties to provide an equal opportunity to purchase easements in all

counties in round one so that the state does not limit its purchase of easements to only one area of the state at a time. This initial allocation is equal to 1/23 of 1/2 of the funds available for that particular easement offer cycle. During round two, all state funds are combined and offers are made to applicants in priority order. The other half of the total fund allocation is divided equally between counties that have requested to participate in the local matching funds program where the counties will pay 40% of any easement offer while the state pays the remaining 60%. The Foundation's unencumbered funds remain in a revolving account and do not revert to the State's general fund at the end of the fiscal year.

During FY '93, the legislature limited the amount of funds that would normally be contributed to the Maryland Agricultural Land Preservation Foundation from the Program Open Space share of real estate transfer tax revenue to only \$600,000. The program revenue from the agricultural transfer tax, approximately \$1.9 million, was left intact and all was added to the \$3.5 million of unused bond appropriations from FY '91. In addition, a new bond issue was opened which authorized the appropriation of \$5 million approved during FY '92. Therefore, the total working fund for the Foundation during FY '93 was approximately \$11,000,000. After subtracting approximately \$1,000,000 for the necessary administrative costs which include operating costs, appraisals, title fees, attorney fees, and settlement costs, approximately \$10,000,000 was left for the actual purchase of agricultural easements.

HANDLING OF EASEMENT APPLICATIONS

Cycle One • Carryover from FY '91

As was reported and summarized in last year's Annual Report, the Foundation was hit hard with budget reductions during the end of FY '90 through FY '92. The Foundation's ability to purchase easements was greatly affected. Although some of the reductions were replaced by capital bond appropriations, the sale of these bonds, whose proceeds would be used for easement purchases, were delayed due to unfavorable bond market conditions. As a result, no new easement offers were made in FY '92.

In light of having 188 applications and limited funds, the Foundation determined which properties, based on their ranking, were "within reach" of available funds. There were approximately 34 properties that fell within this category. Those that did not rank within reach, were notified and asked to reapply in the next offer cycle. In order to allow them plenty of time to reapply, the Foundation's Board of Trustees voted to extend the application deadline from July 1, 1992 to January 1, 1993 and received a total of 233 applications. In addition, they voted to divide the total funds available for FY '93 into two equal parts, one half of the funds were applied to the 34 properties that were carried over from Cycle One of FY '91. The other half was applied to those who submitted an application by the January 1, 1993 deadline. Meanwhile, the 34 properties that were ranked within available funds were reappraised to ensure that the previously determined easement values were still acceptable under today's economic conditions.

The Foundation made 34 easement offers in Cycle One of FY '93 covering 3,409 acres!

In February and March of 1993, the Foundation made easement offers to all 34 property owners that had applications to sell an easement carried over into FY '93. Offers were accepted on 30 properties representing an 88% acceptance rate.

The Foundation surpassed the 100,000th acre mark for acres under easement protection!

The 30 accepted easement offers helped the Maryland Agricultural Land Preservation Foundation to reach new heights as the total acres preserved surpassed the 100,000th acre mark. During the summer of 1993, the Deputy Secretary of Agriculture, along with the Chairman and the Executive Director of the Maryland Agricultural Land Preservation Foundation presented a certificate of appreciation to Mr. Gerald Redden, who accepted the easement offer that exceeded the 100,000 acre mark. A presentation was made on Mr. Redden's 241 acre farm in Girdletree, Maryland (Worcester County). This farm ironically is the first farm in Worcester County to sell an agricultural land preservation easement to the State.

Cycle Two • January 1, 1993 Applicants

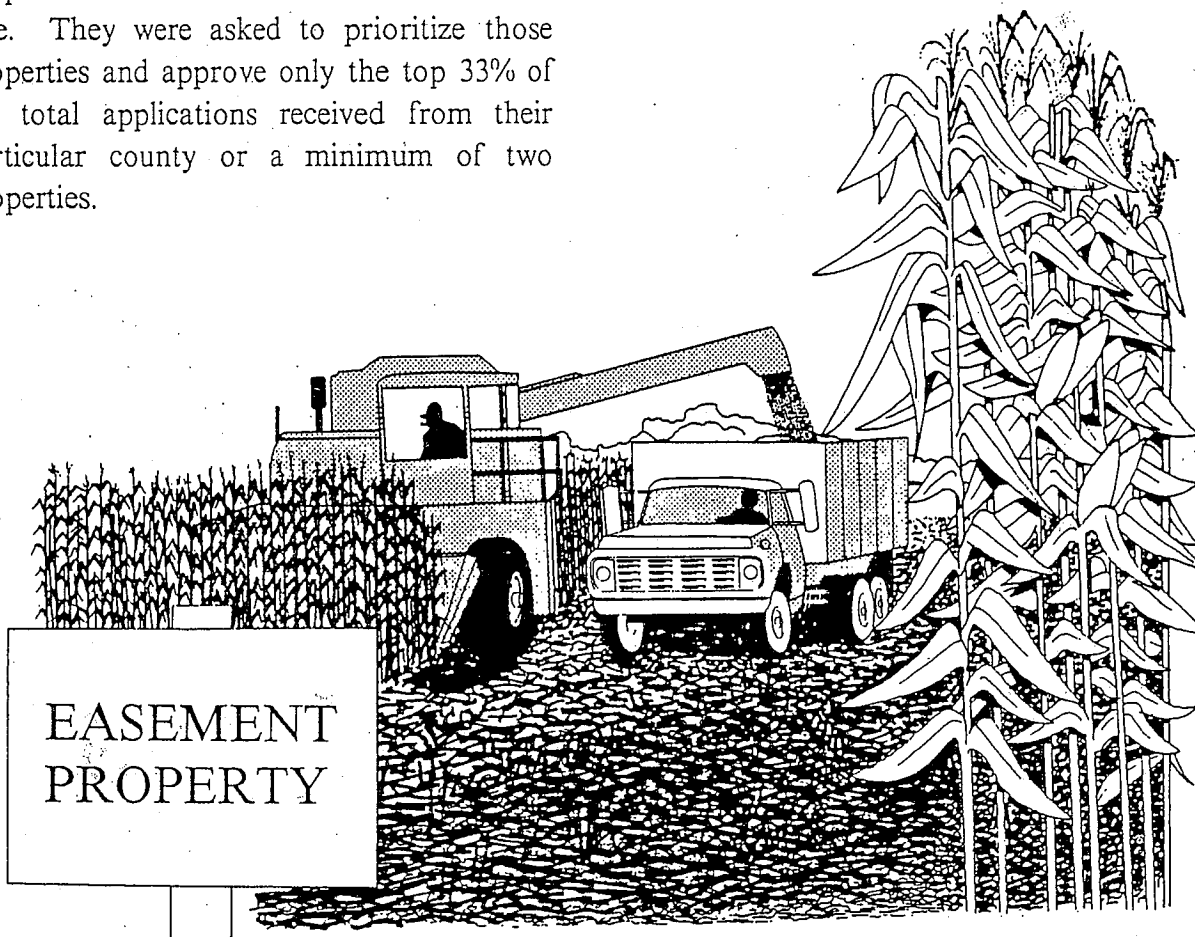
In light of having approximately \$5 million allocated to Cycle Two of FY '93, the Foundation looked at ways to maximize the use of State funds for easement purchases. The Board of Trustees knew that easement offers could not be made to all 233 applicants and felt that appraising all the properties would be an unnecessary expense. Instead, they wanted to focus the use of these funds toward the actual purchase of preservation easements.

Since the Board of Trustees have the authority to set a cap on the number of applications to consider in each cycle, they voted to exercise their right with county involvement. Each county was sent a list of properties that were submitted for easement sale. They were asked to prioritize those properties and approve only the top 33% of the total applications received from their particular county or a minimum of two properties.

Allowing the counties the opportunity to prioritize the properties not only helps limit the Foundation's expenses on future appraisals and maximize the use of funds for direct easement purchases, but helps to allow the counties meet their own preservation goals.

Subject to the county's prioritization, 80 properties were appraised and offers are expected to be made to these landowners in November or December of 1993.

Those offers will be reported in the FY '94 Annual Report of the Maryland Agricultural Land Preservation Foundation.



CHANGES IN POLICY

During FY '93, the Foundation's Board of Trustees granted administrative authority to Foundation staff to process specific landowner requests as they relate to existing dwellings and lot exclusions.

The Foundation takes subject to existing dwellings when a landowner establishes a district and when the Foundation purchases an easement. Although the Foundation does not pay the landowner for 1.00 acre surrounding each existing dwelling, he/she is eligible to exclude these structures from the easement restrictions without counting against their total lot right entitlement. However, before any lot is excluded, county and Foundation approval is required. Since the landowners are permitted to exclude existing dwellings under district or easement status, the Foundation's Board of Trustees granted administrative authority to the Foundation staff to permit the exclusion of these existing dwellings provided that the required information including written recommendations and approvals from the county are obtained. These lot exclusions will be presented to the Board for information and statistical summary of these requests.

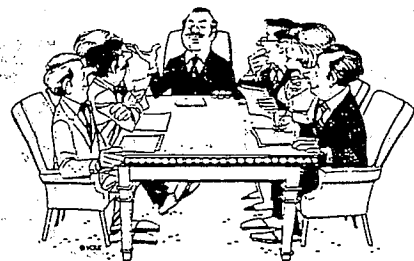
Quite often the Foundation receives requests to agriculturally subdivide the farm or to exclude 1.00 - 2.00 acre lots for the construction of a new home intended for the owner or owner's children.

Sometimes, previously approved requests for such lot exclusions or subdivisions result in minor acreage adjustments after a survey is conducted. Realizing that certain adjustments may be necessary after the survey is

completed, the Foundation's Board of Trustees granted administrative authority to Foundation staff to approve minor adjustments without a re-review of the Board. These adjustments are limited such that no lot exclusion shall be more than 2.00 acres and any adjustment to an agricultural subdivision shall not exceed 2.00 acres or 2% of the acreage to be subdivided, whichever is greater.

Since the Foundation's Board of Trustees do not support the subdivision of properties which tend to create large lot estates, and to be consistent with the total acreage amount required for an agricultural assessment, any proposed subdivision which results in a parcel having less than 20 acres (to be subdivided or retained) will be presented to the Board of Trustees for re-review and consideration.

The Foundation's Board of Trustees also granted administrative authority to approve partial terminations and to amend non-controversial district agreements. These amendments will be granted as long as substantial documentation is provided, necessary county approvals have been obtained and that it remains consistent with the minimum requirements of the program.



These changes were made to reduce the volume of agenda material and reduce the amount of time it takes for the landowner to complete the transaction of their request. Of course, any unique requests will be presented to the Board for review.

In an effort to create a systematic and uniform method for processing landowner requests for amendments to their district or easement property, Foundation staff created specific application forms to be used by landowners. These forms will help provide information necessary to review their requests and will explain what will be needed before the Board of Trustees can act upon them. They will serve as a checklist to determine that all the information is being provided; that all levels of approval are reviewing the same information; and that all parties are aware of the process. Specific application forms include requests for the following:

1. Owner's/children's lots
2. Agricultural Subdivision(s)
3. Construction of a Tenant House
4. Exclusion of 1.00 acre surrounding an "existing" dwelling
5. Partial Termination of District Agreement
6. District Termination due to Severe Economic Hardship

Owner's and Children's Lot Exclusions

There was a considerable amount of discussion regarding owner's and children's lot exclusions during FY '93 that will extend into

FY '94. Discussions revolved around potential loopholes related to exclusion of lots and whether they were being used as intended and released.

The Board of Trustees agreed that there was a need to create, modify and/or clarify existing policy concerning lot exclusions.

The Foundation staff drafted proposed regulations to clarify policy relating to lot exclusions from district and easement properties. The proposed regulations were approved by the Foundation's Board of Trustees and sent to county program administrators and various agricultural organizations to solicit their opinion. In addition, county program administrators and Advisory Board Chairmen were invited to a special meeting to discuss the proposed changes to the regulations.

The proposed changes read as follows:

- 1) Landowner(s) requesting a lot exclusion must be the original owner who established an agricultural land preservation district or, if applicable, the original owner who conveyed an agricultural land preservation easement to the Foundation.
- 2) The landowner(s) requesting the lot exclusion must own the necessary acreage of land pursuant to Agricultural Article 2-513 that qualifies the owner for an owner's lot/child's lot at the time the release is signed by all parties.

- 3) Children must be of legal age before the Foundation will release a lot from District or Easement restrictions for the purpose of constructing a dwelling house intended for their use.

NOTE: For estate planning purposes, the Foundation will approve the concept of a children's lot release but the actual release will not be prepared until the child is at least 18 years of age and the landowner(s) can show evidence they are ready to build within one year. Landowners should document their intention or desire to release lots for minors in the form of a letter to the Foundation, update their Last Will and Testament, etc., in order to provide for lots intended for their children who are not of legal age. This will serve as a protection, in the event the landowner(s) die before requesting Foundation approval for children's lots.

- 4) The landowner(s) and/or child must show documentation to verify that they are in fact ready to begin construction of the proposed dwelling and must begin within one year from the date the release is signed by all parties (subject to any extension approved in writing by the Foundation).
- 5) After the dwelling is ready for occupancy, the landowner(s) or child for whom the lot was approved must live in and use the dwelling as a residence for at least one year, unless otherwise approved by the Foundation.
- 6) If an owner or child fails to meet any of the terms or conditions described in the release, which include the items listed above, the release shall provide that it is null and void and that all of the terms, covenants,

limitations and restrictions in the deed of easement are in full force, operation and effect as if the lot had never been released.

There were some concerns expressed from various farm organizations and some county program administrators regarding these proposed regulations. They all basically agree with the intent and what the Foundation wishes to do. However, they believe that more thought should be given to this matter before implementing these regulations.

Their concerns, along with concerns from several County Program Administrators, were reviewed and discussed at the Foundation's Board of Trustees August 24, 1993 meeting. In order to address the concerns, the Trustees voted to refer the matter to the Joint Subcommittee on Program Open Space and Agricultural Land Preservation for additional review, which may result in a rewrite of these regulations. Although the Foundation wishes to close certain loopholes and prevent the potential abuse of lot right entitlements, they wish to do it in a way that will not adversely affect those already in the program. At the same time, however, they want to control excessive and random development.

The proposed regulations were forwarded to the joint committee for its review and comments. Continuing discussions and review of these regulations are expected throughout FY '94.

PROPOSED REGULATIONS

Agricultural Subdivision Guidelines

The Foundation recently adopted guidelines and is in the process of developing regulations for agricultural subdivisions of district and easement properties. Proposed regulations stipulate that requests for agricultural subdivisions be reviewed on a case by case basis and should not be portrayed as an absolute right to the landowner. In order for the Foundation to approve an agricultural subdivision, the following guidelines must be adhered to:

1. An agricultural subdivision shall be large enough such that all portions of the land conveyed and the land retained will remain in productive agricultural use and be consistent with the general purposes of the Agricultural Land Preservation Program.
2. All parcels (to be subdivided and remaining) shall be at least 20 acres in size and meet the minimum size and soil requirements for district creation.
3. Agricultural use or potential agricultural use of the property will not be diminished by the subdivision.
4. The allowable density for an agricultural subdivision shall be no more than one subdivision per 100 acres.

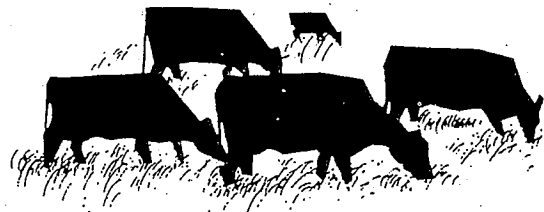
Exceptions to this will include: (a) subdivision of minor acreage for the express purpose of straightening property boundaries or similar reasons; (b) subdivision of minor acreage endorsed by the county if, in the opinion of the Foundation, the subdivision will be consistent with the general purposes of the Program.

5. Subdivisions shall conform with local planning and zoning requirements and/or subdivision regulations.

6. All county approvals shall be obtained prior to Foundation review of the request.

The Foundation recognizes that there may be a need for special exceptions to the proposed regulations and will be addressing these during FY '94. Although these regulations are in draft form, the Foundation expects to pursue the adoption of these or similar criteria to clarify future subdivisions of property within the state farmland preservation program.

Another area that needs to be addressed in current regulations relate to owner's and children's lot exclusions. The Foundation has taken steps to eliminate potential loopholes for abuse of lot entitlements. In doing so, they made certain recommendations and will be studying them during FY '94 (See owner's and children's lot exclusions Page 9).



1993 LEGISLATION

- *House Bill 1152*

This bill was designed for the purpose of authorizing certain local governing bodies to issue bonds to finance the purchase of Program Open Space acquisition projects and development rights on agricultural land. In addition, the Bill proposed a supplemental local transfer tax be collected in order to pay the principal and interest on those bonds. Land in which development rights are purchased must meet the minimum standards of the Maryland Agricultural Land Preservation Foundation with the exception of size, which must be significant enough to promote an agricultural operation.

HB 1152 also proposed a credit against the State transfer tax in the amount of any local supplemental transfer tax imposed.

This bill was found to be unfavorable in the Senate and did not pass.

- *House Bill 593*

This bill delays the phase-in period which completely lifts the cap on State transfer taxes to be allocated to MALPF, Program Open Space and Heritage Conservation Fund. Current laws would lift the cap entirely by July 1, 1995. Proposed bill would not lift the cap until July 1, 1997. However, the percentage of allocation would remain the same.

This bill did not pass.

- *House Bill 1279*

This bill was designed to postpone the reversion of county agriculture transfer tax revenues to the State which were collected and held for three years and remain uncommitted or not expended. Normally, these funds would be due to the State and placed in the general fund of the Foundation for statewide easement purchases. HB 1279 specifies that those funds described above are not required to be remitted until June 30, 1994, thus giving the counties one extra year to utilize their collections within their own county.

The short term effect will mean a slight decrease in the Foundation's revenue for FY '94. However, it is anticipated that these funds will be used by the county to supplement the State program in State and local matching funds. Other uses may include county incentives to protect farmland or county easement purchases. If this revenue has not been expended or committed on or before three years from the date of deposit into the county account, the revenue will be remitted to the Comptroller for deposit in the Maryland Agricultural Land Preservation Fund.

This bill passed and is now Chapter 597.

CERTIFICATION OF COUNTY AGRICULTURAL LAND PRESERVATION PROGRAMS

As reported in the 1991 Annual Report of the Maryland Agricultural Land Preservation Foundation, HB 1280, the Agricultural Land Preservation Act of 1990 was enacted and became effective July 1, 1990. This bill created a system to certify local agricultural land preservation programs and defined responsibilities for the Maryland Agricultural Land Preservation Foundation and the Maryland Office of Planning to jointly administer the program. The purpose of the Bill was to provide a means to recognize, strengthen and enhance agricultural land preservation efforts in the State. If a county is certified as having an effective agricultural land preservation program, it may retain 75% of the Agriculture Transfer Tax collected in that county. Non-certified counties will continue to retain 33.3% of the Agriculture Transfer Tax Revenue collected.

With the creation and addition of the Certification of County Agricultural Land Preservation programs to the normal operations of the Maryland Agricultural Land Preservation Foundation, seven counties were certified as having an effective program of their own. They include: Anne Arundel, Baltimore, Carroll, Frederick, Harford, Howard and Montgomery. These programs, whether separate from and/or supplemental to the State preservation program, provide increased options to the landowner. At the same time, the counties and the State work to achieve a common goal in regard to the preservation of productive agricultural land.

During the past year, the Foundation and the Office of Planning reviewed the annual reports of each local program and application for recertification. See Pages 14 and 15 for a summary of each program. It is anticipated all seven previously approved and certified counties will be recertified for an additional two years pending the receipt of certain required reporting elements. Each county will provide an annual report to ensure that the requirements necessary for certification are being met.

In FY '93 Calvert and Washington counties were certified by the State as having a newly created agricultural land preservation program. Certification will be valid for a period of two years effective December 1, 1992 and January 1, 1993 respectively.

A separate annual report will be prepared by the Foundation and the Office of Planning for the Statewide Certification of Local Agricultural Land Preservation Programs. The report will summarize the status and evaluate the effectiveness of certified county programs. In addition, it will address certain issues that were a major part of certification, program operations and reporting requirements. For a copy of this report, please contact the Maryland Agricultural Land Preservation Foundation (841-5860) or the Maryland Office of Planning (225-4562).

A brief summary of Certified County Programs follows:

ANNE ARUNDEL COUNTY

The 2nd Annual Report and request for recertification submitted by Anne Arundel County reported that its local easement purchase program was extremely active in FY '92 and FY '93. During the two year term of certification, the County purchased 9 easements, covering 567 acres, established 18 County districts, covering 647 acres and granted 9 County tax credits. The County has a point system prioritizing all properties and requires each property to have a soil conservation and water quality plan approved by the soil conservation district. All County easement offers are made under this prioritization system.

BALTIMORE COUNTY

The 2nd Annual Report and request for recertification submitted by Baltimore County reported on a new easement purchase program very similar to the Maryland Agricultural Land Preservation Foundation's program. Land for easement sale must be in an agricultural protection area and must meet certain criteria such as size and soils. Baltimore County has created a specialized ranking formula to prioritize properties and requires each property to have a soil conservation and water quality plan approved by the soil conservation district.

Baltimore County appears to be committed to maintaining the support given to the industry and has identified regions where agriculture is the preferred use of the land.

CARROLL COUNTY

The 2nd Annual Report and request for recertification submitted by Carroll County reported that during FY '91 its local program was restructured. The County incentive funding was discontinued in April, 1991 and the County initiated a Critical Farms purchase program. The County holds an option to purchase an easement on farms entering their supplemental program at a discounted value. However, prior to exercising their option, the landowner must first apply to sell an easement to the Maryland Agricultural Land Preservation Foundation (MALPF). If the State does not make an easement offer on that particular property within 5 years, the County will then exercise their option to purchase an easement on that farm.

Carroll County has also been looking at alternative preservation programs to include a proposed Transfer of Development Rights (TDR) program.

FREDERICK COUNTY

The 2nd Annual Report and request for recertification submitted by Frederick County reported that its local program purchased perpetual development rights on three farms, totalling 345 acres.

Frederick County requires a soil conservation plan for all properties prior to forming a district.

The County has a specialized ranking formula to prioritize properties submitted for easement sale with the County or State. Land for easement sale must meet certain criteria, such as soils, size and farm management.

HARFORD COUNTY

The 2nd Annual Report and request for recertification submitted by Harford County reported that it purchased an easement on 206 acres during FY '92. The County's efforts have been focused on its Purchase of Development Rights (PDR) program. Their tax credit program has attracted a lot of interest in their program and has resulted in increased participation.

Although separate from MALPF program, the County's TDR program works towards the same goals. A minimum size of 50 acres is required for County easement purchase. The County will also require clustering on certain farms within the agricultural zone. The County ranks and prioritizes properties according to an easement priority formula that assigns points to each farm based on certain criteria. One of the criteria requires each property to have a soil conservation and water quality plan, approved by a soil conservation district.

HOWARD COUNTY

The 2nd Annual Report and request for recertification submitted by Howard County indicated the program was being restructured during FY '93. Howard County's local easement purchase program has been in existence for a number of years. Howard County requires each property to have a soil

conservation and water quality plan approved by the soil conservation district prior to entering their program. They are working on getting plans on those properties already in the program. The County has established a priority procedure to identify and preserve priority areas in properties selected for development rights.

MONTGOMERY COUNTY

The 2nd Annual Report and request for recertification submitted by Montgomery County reported that since their program began they had purchased easements on 33 properties totalling 3,072 acres (as of June 30, 1992). During FY '92 the County purchased easements on 9 farms totalling 842 acres. The County operates their own PDR and TDR programs but still offers landowners the opportunity to participate in the statewide agricultural land preservation program. Montgomery County has protected 34,992 acres through their local PDR program, TDR program, MALPF and/or through the Maryland Environmental Trust program.

Montgomery County's local PDR program is similar to MALPF's program but simplified to include a point system to determine ranking and value of each property. The local easement properties must meet certain criteria such as size, soils, location, etc. The minimum size to participate in the Montgomery County program is 10 acres.

CALVERT COUNTY

Calvert County operates a TDR program and acts as a broker for development rights to developers and private citizens. In addition,

the County has an established means to purchase development rights on their own. However, at this time, most of the activity is geared around the TDR aspect since the program has been established for some time.

WASHINGTON COUNTY

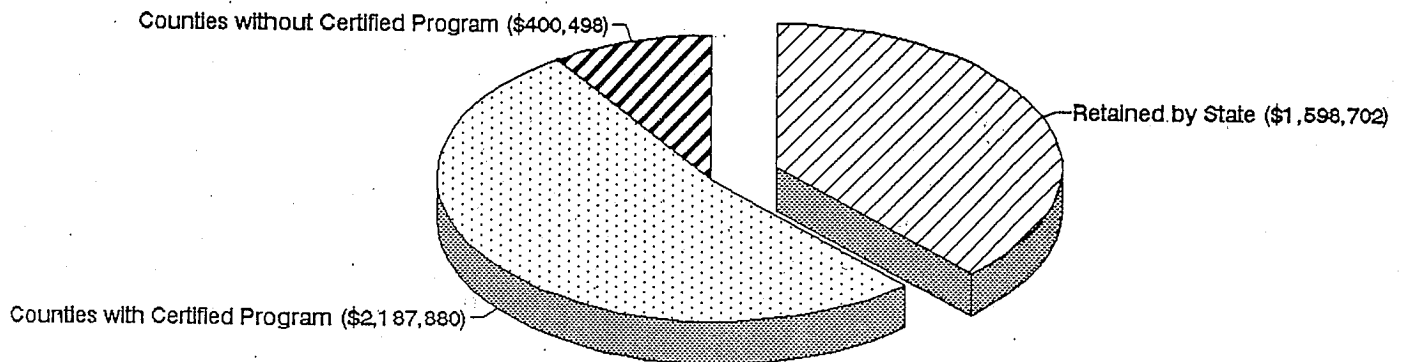
Washington County has a local agricultural transfer tax of 2%. The County will give a tax credit for those landowners who sign up in a district for a ten year period. Washington County has the capability to purchase easements on their own. In FY '93, Washington County purchased an easement on 129.68 acres. Local requirements for participation are the same as MALPF except for size.

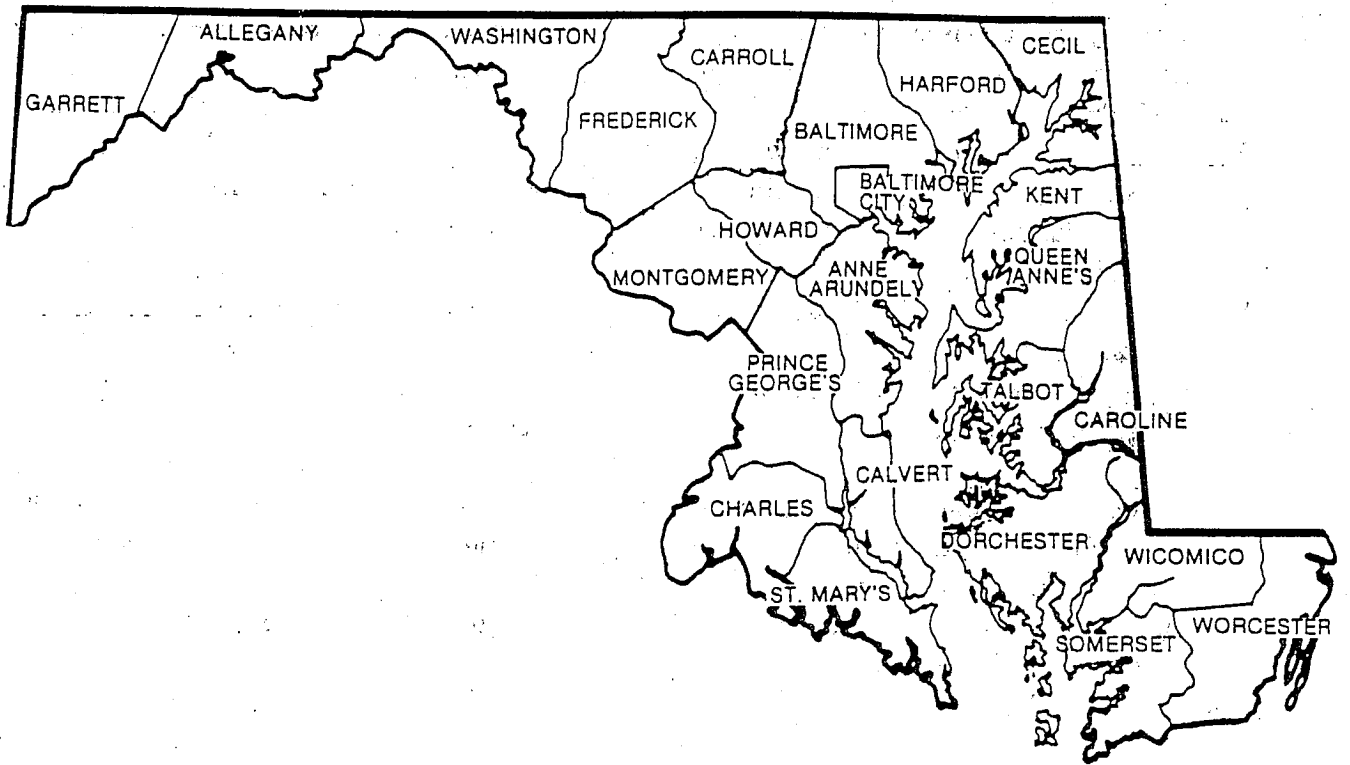
The Foundation, together with the Office of Planning, will monitor the program effectiveness and progress made in each county as far as meeting the objectives and milestones identified in their annual reports.

More information and statistical review of all certified county preservation programs will be discussed in the FY '94 Annual Report.

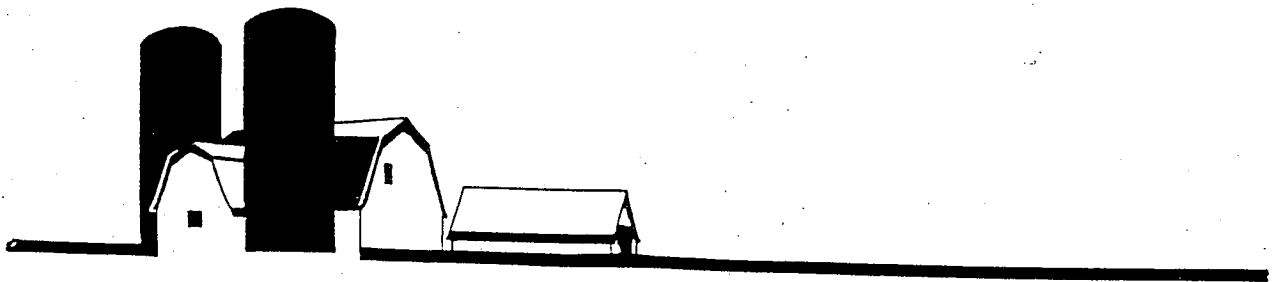
Information showing actual Agricultural Transfer Tax Revenues retained by counties as a result of certification is shown on the pie chart (figure 2) below. Total Agricultural Transfer Tax Revenues retained by certified counties during FY '93 equaled \$2,187,880 or 52 % of the total net transfer tax collected in the State during that period. The State's share amounted to \$1,598,702 or a 38% share of the total. The remaining \$400,498 was retained by non-certified counties.

AGRICULTURAL TRANSFER TAX REVENUES
\$4,187,080 COLLECTED IN 1993





MARYLAND COUNTIES



ACREAGE REDUCTION

A total of 16.00 acres were released from easement restrictions for the purpose of constructing dwelling houses intended for the use of the original owners of an easement and/or their children. These lot exclusions consist of 1.00 - 2.00 acres in size. The table on the opposite page shows acreage reductions in district and easement properties recorded from July 1, 1992 through June 30, 1993. The table is comprised of five factors that would result in an adjustment of the program's acreage base and include permitted lot exclusions, exclusions by county for public benefit, early termination due to severe economic hardship, district termination and adjustments from deeds. To date, a total of 130.75 easement acres were excluded for building lots with 16.00 acres excluded during FY '93.

The landowner is required to payback the per acre value of the easement originally paid to them when new lots are created on lands where the Foundation has purchased development rights easements. This requirement has been in effect since 1982. In FY '93, the total payback amount for lot exclusions in easement properties equalled \$9,081.22. To date, the total payback amount for lot exclusions since 1982 is \$74,527.19. Easements purchased prior to 1982 do not require a payback for lot exclusions. It is important to note that easement restrictions are placed on the total property acreage; however, a landowner is not compensated for the one acre area surrounding each dwelling that was in existence at the time the easement was purchased. Exclusion of these dwellings would not require a payback.

The Foundation may receive requests from county governments to exclude land in district or easement status to be used for public benefit, including improvements such as roads, bridges or culverts. In FY '93, there were no acres excluded for public benefit. To date, a total of 21.469 acres have been excluded for such public improvements

resulting in a total payback of \$2,490.43.

In the past, the most significant acreage reduction factor was the termination of district properties. Eleven districts, totalling 2,132 acres, were terminated during FY '93 after meeting the minimum five year commitment. During FY '93 one district property consisting of 76.7117 acres was terminated prior to meeting the minimum five year commitment due to severe economic hardship. Terminations due to severe economic hardship occur but are not that common. In FY '92, there were 4 terminations due to severe economic hardship, none in FY '91 and 2 in FY '90. These terminations were reported in previous reports, however, the total acreage was not included in the summary text that accompanied the acreage reduction charts. Therefore, including these reductions, a grand total of 140 districts covering 23,478 acres have been terminated but some properties have re-entered the program after adjusting the acreage contained in original districts.

In the easement settlement process, acreage adjustments are often made after a title search is performed. The verification of acreage through research of ownership including out-conveyances and surveys may total a different amount than that shown on the district agreement. There are sometimes increases in acreage. During FY '93 there was an increase of 7.4847 acres due to adjustments from deeds. The total net loss, to date, from such adjustments totals 478.7001 acres.

Acreage reductions from all sources listed on the chart total 2,217.3553 acres for FY '93. To date, total acreage reductions from all sources total 21,954 acres.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
ACREAGE REDUCTIONS IN DISTRICT AND EASEMENT PROPERTIES
 RECORDED FROM JULY 1, 1992 TO JUNE 30, 1993
 (*Partial termination resulting in loss of partial district acreage.)

COUNTY	OWNER'S OR CHILDREN'S LOT EXCLUSIONS		EXCLUSION BY COUNTY FOR PUBLIC BENEFIT			EARLY TERMINATION FOR SEVERE ECONOMIC HARDSHIP		DISTRICT TERMINATION AFTER 5 YEARS		ACREAGE ADJUSTMENTS FROM DEEDS	TOTALS
	Dist./Easement Acreage	Payback Amount	District Acreage	Easement Acreage	Payback Amount	Number	Acreage	Number	Acreage		
ALLEGANY											
ANNE ARUNDEL								+4	-133.00	+0.8288	-132.1712
BALTIMORE								-1	-113.493	+9.50	-180.710
CALVERT								-1	-179.26	-1.058	-180.318
CAROLINE	-2.00	\$ 710.82						-1	-152.81	+ 4.1099	-150.7001
CARROLL	-8.00	\$6,258.88									- 8.00
CECIL											
CHARLES											
DORCHESTER								-1	-148.50	-7.549	-156.049
FREDERICK	-1.00	N/A						-1	-135.00	+1.999	-134.001
GARRETT	-4.00	\$1,711.52							+ 0.02	-4.779	- 8.759
HARFORD	-1.00	\$400.00									- 1.00
HOWARD								-1	-257.67		-257.67
KENT										+13.624	+13.624
MONTGOMERY											
PRINCE GEORGE'S								-1	-124.12	- 1.872	-125.992
QUEEN ANNE'S								-1			
ST. MARY'S											
SOMERSET								-2	-341.00	-0.62	-341.62
TALBOT								-5	-547.29	+2.771	-544.519
WASHINGTON											
WICOMICO											
WORCESTER										-9.47	-9.47
TOTAL	-16.00	\$ 9,081.22	-0-	-0-	-0-	-1	-76.717	-11	-2,132.123	+ 7.4847	-2,217.3553

FY '93 DISTRICT PARTICIPATION

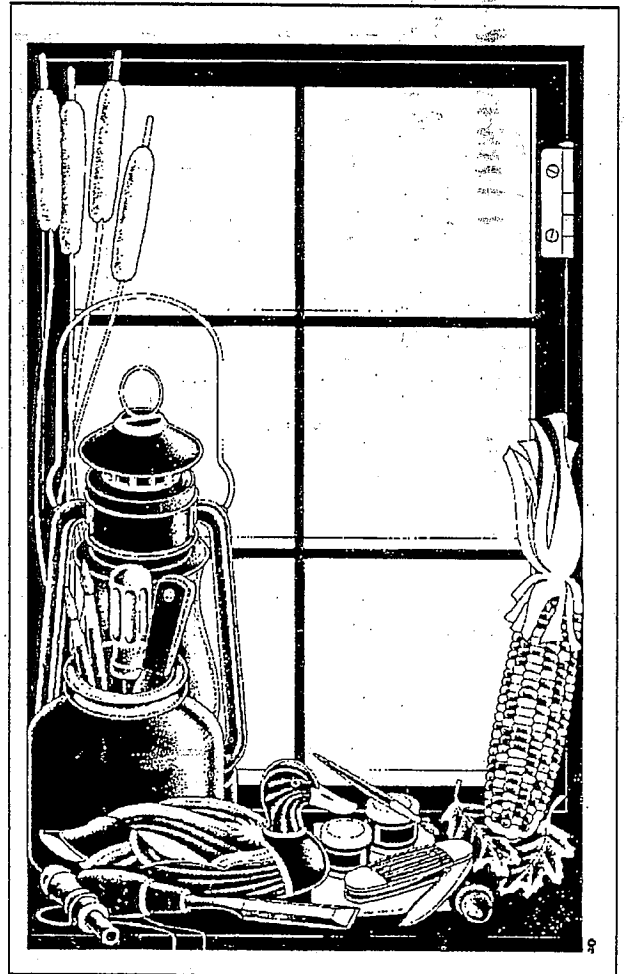
In FY '93 the Foundation approved the establishment of 58 new agricultural land preservation districts protecting 6,819 acres. This amount represents a 3% increase over last year's total acreage base. This increase is the lowest it has been over the last five years and is assumed to be a direct reflection on the recent budget reductions made to the Foundation. This year's increase is down from 8% in FY '92 and 19% in FY '91. It is assumed that participation will pick up again once the landowners realize that easement offers are being made and funding levels are being restored.

After adding acreage of the newly established districts to last year's total acreage base (250,469 acres) and then subtracting the total acreage adjustments during FY '93 (2,217 acres), the total acreage base of recorded and approved district properties as of June 30, 1993 was 255,071 acres. These acres represent 1,905 individual district properties.

During FY '93, Queen Anne's County enrolled the most district acreage in the program with ten new districts being established for a total of 1,641 additional acres. This represents a county growth rate of 8%. The second ranking county in terms of total acreage was Cecil County which added 1,049 acres to the program's acreage base in FY '93. During FY '93 Worcester County enrolled 6 new district properties, totalling 610 acres. This is the first time since 1985 that any activity has occurred in the county and reflects a county growth rate of 248%!!

On a regional perspective, the Upper Shore region constituted the most growth by adding 2,852 acres, with the majority of the acreage located in Queen Anne's and Cecil counties. The Western region added 1,349 acres, while the Central region added 1,287 acres. The Southern and Lower shore areas had moderate increases.

The Maryland Agricultural Land Preservation Foundation program continues to be very successful in preserving quality farmland and is compelled to maintain its success with the coordination and cooperation of local governments



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FY '93 DISTRICT PARTICIPATION

COUNTY	RECORDED DISTRICTS AS OF JUNE 30, 1992		APPROVED DURING FY '93		COUNTY ACREAGE GROWTH RATE	ACREAGE ADJUSTMENTS		TOTAL RECORDED AND APPROVED DISTRICTS AS OF JUNE 30, 1993		PERCENTAGE OF TOTAL
	No. of Districts	District Acreage	No. of Districts	District Acreage		No. of Districts	District Acreage	No. of Districts	District Acreage	
ALLEGANY	3	335,198.0	0	0.00	0%	0	0.00	3	335,198.0	0.1%
ANNE ARUNDEL	77	8,018,694.6	1	105,710.0	1.3%	+4	-132,171.2	82	7,992,233.4	3.1%
BALTIMORE	225	20,442,921.2	4	266,224.0	1.3%	-2	-180,710.0	227	20,528,435.2	8.0%
CALVERT	44	5,959,167.2	0	0.0000	0%	-1	-180,318.0	43	5,778,849.2	2.3%
CAROLINE	242	32,957,151.2	0	0.0000	0%	-1	-150,700.1	241	32,806,451.1	12.9%
CARROLL	330	41,003,838.2	5	453,994.5	0%	0	-8,000.0	335	41,449,832.7	16.3%
CECIL	56	9,408,604.5	8	1,048,764.0	11.1%	0	0.0000	64	10,457,368.5	4.1%
CHARLES	34	4,927,314.3	2	233,750.0	4.7%	0	0.0000	36	5,161,064.3	2.0%
DORCHESTER	27	4,444,078.0	1	170,510.0	3.8%	-1	-156,049.0	27	4,458,539.0	1.8%
FREDERICK	105	16,692,268.6	4	810,480.0	4.9%	-1	-134,001.0	108	17,368,747.6	6.8%
GARRETT	36	5,468,903.8	0	0.0000	0%	0	-8,750.0	36	5,460,144.8	2.1%
HARFORD	167	19,151,905.7	9	566,798.0	3.0%	0	-1,000.0	176	19,717,703.7	7.7%
HOWARD	53	6,785,404.4	0	0.0000	0%	-1	-257,670.0	52	6,527,734.4	2.5%
KENT	41	7,515,661.2	1	161,812.0	2.2%	0	+13,624.0	42	7,691,097.2	3.0%
MONTGOMERY	17	2,911,538.0	0	0.0000	0%	0	0.0000	17	2,911,538.0	1.1%
PRINCE GEORGE'S	0	0.0000	0	0.0000	0%	0	0.0000	0	0.0000	0%
QUEEN ANNE'S	109	20,708,539.6	10	1,640,980.0	7.9%	-1	-125,992.0	118	22,223,527.6	8.7%
ST. MARY'S	24	3,761,091.3	0	0.0000	0%	-1	0.0000	23	3,761,091.3	1.5%
SOMERSET	22	3,476,791.0	0	0.0000	0%	0	0.0000	22	3,476,791.0	1.4%
TALBOT	42	7,370,545.0	0	0.0000	0%	-2	-341,620.0	40	7,028,925.0	2.8%
WASHINGTON	152	21,308,993.0	6	538,460.0	2.5%	-5	-544,519.0	153	21,302,934.0	8.4%
WICOMICO	52	7,574,652.0	-1	212,000.0	2.8%	0	0.0000	53	7,786,652.0	3.1%
WORCESTER	1	246,000.0	6	610,000.0	248%	0	-9,470.0	7	846,530.0	0.3%
TOTAL	*1,859	250,469,260.8	58	6,819,482.5	3%	-12	-2,217,355.3	1,905	255,071,388.0	100%

* Figure corrected from FY '92 Annual Report

**REGIONAL ANALYSIS:
PERCENTAGE OF TOTAL DISTRICT ACREAGE**

REGIONS	FY '90	FY '91	FY '92	FY '93
WESTERN:				
Garrett				
Allegany	13.4%	15.6%	17.7%	17.4%
Washington	26,096 acres	36,052 acres	43,805 acres	44,467 acres
Frederick				
CENTRAL:				
Carroll				
Baltimore	38.3%	36.8%	35.2%	35.7%
Harford	74,515 acres	84,946 acres	90,295 acres	91,135 acres
Montgomery				
Howard				
SOUTHERN:				
Anne Arundel				
St. Mary's	10.0%	9.0%	9.2%	8.9%
Calvert	19,527 acres	20,853 acres	22,666 acres	22,693 acres
Charles				
Prince George's				
UPPER SHORE:				
Queen Anne's				
Talbot	33.2%	31.9%	31.5%	31.5%
Cecil	64,398 acres	73,775 acres	77,962 acres	80,207 acres
Kent				
Caroline				
LOWER SHORE:				
Dorchester				
Wicomico	5.1%	6.7%	6.4%	6.5%
Worcester	9,852 acres	15,315 acres	15,741 acres	16,569 acres
Somerset				
TOTAL ACREAGE	194,388 acres	230,941 acres	250,469 acres	255,071 acres

REGIONAL ANALYSIS: PERCENTAGE OF TOTAL EASEMENT ACREAGE

REGION	FY '90	FY '91*	FY '92*	FY '93**
WESTERN:				
Garrett				
Allegany	14.1%	13.5%	13.5%	13.6%
Washington	13,267 acres	13,267 acres	13,258 acres	13,882 acres
Frederick				
CENTRAL:				
Carroll				
Baltimore	41.8%	41.1%	41.1%	40.4%
Harford	40,555 acres	40,555 acres	40,544 acres	41,198 acres
Montgomery				
Howard				
SOUTHERN:				
Anne Arundel				
St. Mary's	8.3%	8.3%	8.3%	8.2%
Calvert	8,198 acres	8,198 acres	8,198 acres	8,368 acres
Charles				
Prince George's				
UPPER SHORE:				
Queen Anne's				
Talbot	33.1%	33.5%	33.5%	33.4%
Cecil	32,990 acres	32,990 acres	32,983 acres	34,001 acres
Kent				
Caroline				
LOWER SHORE:				
Dorchester				
Wicomico	2.8%	3.6%	3.6%	4.4%
Worcester	3,522 acres	3,522 acres	3,521 acres	4,449 acres
Somerset				
TOTAL ACREAGE	98,532 acres	98,532 acres	98,504 acres	101,898 acres

* No new easement offers were made. Figures denote total easement acreage less easement acreage reductions for lot exclusions.

** Cycle One FY '93 Information Only - Carry-over From FY '91

FY '93 EASEMENT ACQUISITION PROGRAM CYCLE ONE

Average values of all accepted offers during Cycle One FY '93 are analyzed in the facing table by county and for the entire State. After settlement, a total of 3,410 acres will be placed under perpetual easement. These values listed in the table are reflecting average asking prices and citing specific appraised values of properties within each county during Cycle One of FY '93. They pertain exclusively to those properties on which easement offers were accepted and should not be considered as representative values of all farmland in any one county.

The competitive bidding factor is a component of the program which directs the potential offer amount to equal the landowner's asking price or the appraised easement value, whichever is lower. The only other allowable easement value is an "insufficient funds offer" which is less than either the asking price or the appraised easement value but is the total of the remaining funds on hand. Such an offer may be turned down without a penalty, but some are accepted since there is no guarantee of a subsequent full offer.

The FY '93 Cycle One average acquisition cost was \$1,909 per acre. The acceptance of 30 out of 34 easement offers made during this cycle shows a total acquisition cost of \$5,191,335 of which \$4,092,207 or 79% were State Funds and \$1,099,128 or 21% were County Matching Funds. A total savings of \$2,694,746 were realized by the Foundation in making offers that were less than the appraised easement value, but equal to the

landowner's asking price and thus considered a discount to the State. A landowner may be willing to sell an easement at a discounted value to ensure that they will receive a full easement offer. Using the \$1,909 average acquisition cost per acre as a unit of measure, the Foundation was able to purchase an additional 1,412 acres due to the competitive bidding component of the program. This component, more than any other, allows the Maryland program to be one of the most cost effective programs in the country.

A landowner may file for arbitration with the local Property Tax Assessment Appeals Board, if he disagrees with the values estimated by the State appraisal and ultimately, the offer made to him by the Foundation.

During FY '93, there were two new arbitration cases. Four cases have been resolved this year, three which were arbitrated in FY '89 and one in FY '90. The history of the program shows that there have been a total of 38 arbitration cases, including the two arbitration cases filed in FY '93. Overall, only 3% of the 1,151 easement applicants who could have requested arbitration, actually filed an appeal. To date, 24 of the appeals have been found to be in favor of the landowner and 14 have been in favor of the State.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
 FY '93 EASEMENT ACQUISITION PROGRAM
 CYCLE ONE

COUNTY	NUMBER OF EASEMENTS	TOTAL OF ACRES	AVERAGE FARM SIZE	AVERAGE ASKING PRICE PER ACRE	AVERAGE FAIR MARKET VALUE/ACRE	AVERAGE AGRICULTURAL USE/ACRE	AVERAGE EASEMENT VALUE/ACRE	ACQUISITION COST		DISCOUNT
								PER ACRE	TOTAL	
ALLEGANY	0	0	0	0	0	0	0	0	0	0
ANNE ARUNDEL	1	116.935	117	\$6,000	\$3,933	\$417	\$3,517	\$3,517	\$411,275	0
BALTIMORE	4	362.1936	91	\$3,997	\$8,489	\$674	\$7,815	\$3,997	\$1,438,830	\$1,246,111
CALVERT	1	53.125	53	\$14,171	\$6,118	\$989	\$5,128	\$5,128	\$272,424	0
CAROLINE	4	475.084	119	\$3,380	\$1,657	\$970	\$686	\$686	\$323,614	0
CARROLL	5	191.2272	38	\$2,640	\$3,761	\$757	\$3,003	\$2,640	\$425,912	\$88,335
CECIL	3	280.9200	94	\$800	\$3,354	\$1,319	\$2,035	\$800	\$224,736	\$338,144
CHARLES	0	0	0	0	0	0	0	0	0	0
DORCHESTER	1	391.40	391	\$715	\$1,502	\$564	\$938	\$715	\$279,851	\$87,383
FREDERICK	1	327.979	328	\$1,600	\$3,506	\$685	\$2,848	\$1,600	\$524,766	\$409,374
GARRETT	0	0	0	0	0	0	0	0	0	0
HARFORD	2	109.423	55	\$2,137	\$7,572	\$819	\$6,752	\$2,137	\$153,007	\$151,837
HOWARD	0	0	0	0	0	0	0	0	0	0
KENT	1	109.000	109	\$725	\$2,202	\$909	\$1,292	\$725	\$79,025	\$61,843
MONTGOMERY	0	0	0	0	0	0	0	0	0	0
PRINCE GEORGE'S	0	0	0	0	0	0	0	0	0	0
QUEEN ANNE'S	0	0	0	0	0	0	0	0	0	0
ST. MARY'S	0	0	0	0	0	0	0	0	0	0
SOMERSET	2	199.08	99	\$525	\$999	\$441	\$559	\$525	\$106,155	\$9,089
TALBOT	1	154.940	155	\$1,640	\$3,505	\$910	\$2,594	\$1,640	\$254,102	\$147,841
WASHINGTON	2	300.65	150	\$1,475	\$2,644	\$829	\$1,816	\$1,475	\$443,330	\$102,529
WICOMICO	1	97.00	97	\$900	\$2,400	\$961	\$1,439	\$900	\$87,300	\$52,260
WORCESTER	1	241.00	241	\$1,100	\$1,300	\$608	\$693	\$693	\$167,008	0
TOTAL	30	3,409.8848	114	\$2,335	\$3,884	\$784	\$3,061	\$1,909	\$5,191,335	\$2,694,746

EASEMENT PARTICIPATION

The easement participation chart on the opposite page reflects the easements which were acquired during FY '93 Cycle One (carryover from FY '91). During FY '93, the Foundation received accepted offers on 30 properties of the 34 considered, consisting of 3,410 acres. While easement reductions totalled 16 acres, the overall increase was 3.5%, to last year's total of 98,504 acres. To date, there are a total of 707 easements acquired or with contract status protecting 101,898 acres.

This amount is still significantly more than any other program of its kind in the United States of America.

Although there was only a modest increase during FY '93 Cycle One, it reflects a strong commitment to preserve farmland on behalf of the landowners and the State during tight financial times. FY '93 Cycle Two easement offers will be reflected in next year's annual report.

In comparing individual county progress for FY '93 Cycle One, Caroline County had the most acreage preserved, adding 475 acres to last years total of 17,184 permanently preserved acres. After adjustments, the new total of permanently preserved acres in Caroline County is 17,657 acres, which represents 17.3 % of the State's total.

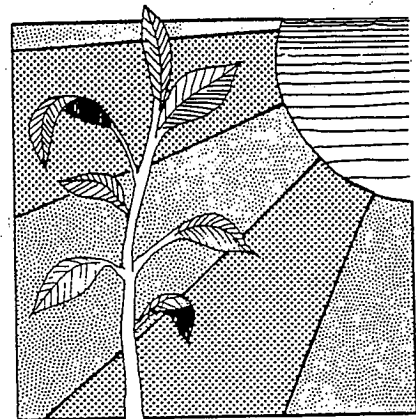
Dorchester County has added the second largest number of acres at 391. Although this represents only 1.7% of the State total, it is an increase of 30.2% from last year's total. Today, Dorchester County has 1,687 acres

under perpetual easement.

Carroll County still holds the title for the most acreage preserved in the State with 20,348 acres, which represents 20% of the State's total.

Honorable mention goes to Worcester County this year as the first easement has been acquired in that county and has helped the Foundation and the State exceed the 100,000th acre mark of permanently preserved farmland.

Significant activity also occurred in Cecil, Somerset and Talbot counties, who all had a county growth rate of at least 10%. Besides Caroline and Dorchester counties, Baltimore, Frederick and Washington counties added at least 300 acres to their permanently preserved acreage base as a result of FY '93 Cycle One Easement offers.



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT PARTICIPATION

COUNTY	EASEMENT ACQUIRED OR W/ CONTRACT STATUS AS OF JUNE 30, 1992		EASEMENTS OFFERED AND ACCEPTED DURING FY '93		COUNTY ACREAGE GROWTH RATE	LESS: EASEMENT REDUCTIONS	TOTAL EASEMENTS ACQUIRED OR W/ CONTRACT STATUS AS OF JUNE 30, 1993		PERCENTAGE OF TOTAL
	Number	Acreage	Number	Acreage			Number	Acreage	
ALLEGANY	1	183.292	0	0	0%	0	1	183.292	0.2%
ANNE ARUNDEL	24	2,773.7597	1	116.935	4.2%	0	25	2,890.6947	2.8%
BALTIMORE	84	9,406.5298	4	362.1936	3.9%	0	88	9,768.7234	9.6%
CALVERT	23	3,404.7943	1	53.12500	1.6%	0	24	3,457.9193	3.4%
CAROLINE	122	17,184.1399	4	475.084	2.8%	-2.0	126	17,657.2239	17.3%
CARROLL	153	20,164.9220	5	191.2272	0.9%	-8.0	158	20,348.1492	20.0%
CECIL	10	1,700.5409	3	280.920	16.5%	0	13	1,981.4609	1.9%
CHARLES	1	221.7500	0	0	0%	0	1	221.7500	0.2%
DORCHESTER	7	1,295.7420	1	391.40	30.2%	0	8	1,687.142	1.7%
FREDERICK	42	7,426.9895	1	327.979	4.4%	-1.0	43	7,753.9685	7.6%
GARRETT	16	2,432.1650	0	0	0%	-4.0	16	2,428.165	2.4%
HARFORD	46	5,337.4246	2	109.423	2.0%	-1.0	48	5,445.8476	5.3%
HOWARD	27	3,957.7802	0	0	0%	0	27	3,957.7802	3.9%
KENT	23	3,696.1062	1	109.00	2.9%	0	24	3,805.1062	3.7%
MONTGOMERY	9	1,677.2078	0	0	0%	0	9	1,677.2078	1.6%
PRINCE GEORGE'S	0	0	0	0	0%	0	0	0	0
QUEEN ANNE'S	47	8,868.983	0	0	0%	0	47	8,868.983	8.7%
ST. MARY'S	12	1,797.9610	0	0	0%	0	12	1,797.961	1.8%
SOMERSET	5	878.5000	2	199.08	22.7%	0	7	1,077.508	1.1%
TALBOT	4	1,533.582	1	154.94	10.1%	0	5	1,688.522	1.7%
WASHINGTON	12	3,215.2955	2	300.650	9.4%	0	14	3,515.9455	3.5%
WICOMICO	9	1,346.6100	1	97.00	7.2%	0	10	1,443.61	1.4%
WORCESTER	0	0	1	241.00	100%	0	1	241.0	0.2%
TOTAL	677	98,504.0754	30	3,409.8848	3.5%	-16.00	707	101,897.9602	100%

EASEMENT ACQUISITION PROGRAM HISTORIC PERSPECTIVE

The Historic Perspective table shows easement acquisitions by year. The table also factors in adjustments from deeds and late rejections of easement offers after initial acceptance, which is noted in the final figure. Total dollar values and average cost per acre by year are based on easement acreage only. The average fair market, agricultural and easement values are based on the appraisals selected by the State and used in making easement offers. However, these figures do not reflect adjustments for acreage as settled. The total acquisition cost and per acre averages reflect final dollar figures. The table also shows the historic total of acreage reductions which resulted from lot exclusions. Adjustments made to reflect the total payback amount associated with lot exclusions to date are shown at the bottom of the acquisition cost column.

Over the past 15 years, a total of 707 applicants of the 1,151 easement applicants have accepted easement offers made by the Foundation representing a 61% acceptance rate. However, since FY '90, the rate of acceptance has been above 80%. The amount of land contained on the 707 farms that have accepted the Foundation's easement offer total 101,898 acres. This adjusted figure takes into consideration a total reduction of 16.00 acres in FY '93. Historically, the average farm size was 145 acres. However, over the years, the average farm size ranged from 153 acres in FY '86 to 114 acres in Cycle One of FY '93. This figure may reflect a trend in agriculture as a whole, focusing on smaller, more intensively managed farms.

The appraised easement value is the difference between the Fair Market value and the agricultural value of any particular farm. The historic average Fair Market value increased \$21 or 0.8% from last year's average while the

agricultural value decreased \$20 per acre or 1.4%.

The cost that is actually paid to the landowner is called the acquisition cost. This cost depicts the lower price between either the asking price or the appraised easement value. For those landowners who accepted the Foundation's easement offer, the historic average asking price was \$1,207 per acre. Historically, the average Easement Value has been \$1,146 per acre. However, due to the lower asking prices in recent years, the average historic acquisition cost was reduced to \$954/acre, down 3% from last year's historic average of \$986 per acre. Landowners may discount their asking price as a form of a competitive bid to improve their ranking and perhaps to maintain a better chance of receiving an offer from the Foundation. This becomes very important during times of limited funds.

The discount value plays an important role to the Foundation in making easement offers. The discount value is the amount the Foundation saves by making easement offers to landowners based on their asking price instead of the appraised easement value. Over the years, due to competitive bidding and the discounted values, the Foundation has been able to save \$12,178,364. This allowed the State to purchase 12,440 additional acres. Therefore, the most cost effective component of the program is distinguished by the nature of the competitive bidding mechanism.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT ACQUISITION PROGRAM - HISTORIC PERSPECTIVE

FISCAL YEAR	ACCEPTED OFFERS % TOTAL APPLICATIONS	TOTAL ACRES	AVERAGE FARM SIZE	ASKING PRICE THAT ACCEPTED AVG. PER ACRE TOTAL AMT.	APPRAISED VALUES			ACQUISITION COST AVG. PER ACRE TOTAL AMT.	DISCOUNT VALUE ADDTL. ACRES TOTAL AMT.
					FAIR MARKET AVG. PER ACRE TOTAL AMT.	AGRICULTURAL AVG. PER ACRE TOTAL AMT.	EASEMENT AVG. PER ACRE TOTAL AMT.		
1977 to 1986	316 of 608 51%	48,092.0585	153 acres	\$935/acre \$44,950,828	\$2303/acre \$110,804,002	\$1372/acre \$66,016,986	\$931/acre \$44,787,016	\$816/acre \$39,250,128	5,312.49 acres \$5,536,528
1987	77 of 121 64%	11,091.0373	144 acres	\$919/acre \$10,197,369	\$2306/acre \$25,580,968	\$1458/acre \$16,165,810	\$849/acre \$9,415,158	\$764/acre \$8,478,243	1,226.33 acres \$936,915
1988	77 of 104 74%	10,366.1767	135 acres	\$945/acre \$ 9,798,920	\$2290/acre \$23,741,280	\$1337/acre \$13,865,850	\$953/acre \$9,875,430	\$792/acre \$8,198,193	2,120.40 acres \$1,677,237
1989	66 of 111 59%	9,300.9209	141 acres	\$1538/acre \$14,306,184	\$2967/acre \$27,600,116	\$1541/acre \$14,333,220	\$1426/acre \$13,266,916	\$1225/acre \$11,399,272	1,523.26 acres \$1,867,644
1990 Cycle One	88 of 110 80%	12,665.1051	144 acres	\$1668/acre \$21,124,232	\$2668/acre \$33,784,742	\$1232/acre \$15,598,253	\$1436/acre \$18,187,091	\$1342/acre \$17,302,484	647.59 acres \$ 884,607
1990 Cycle Two	53 of 63 88%	7,103.7695	134 acres	\$2317/acre \$16,465,131	\$2212/acre \$22,818,467	\$1325/acre \$9,416,347	\$1866/acre \$13,402,023	\$1779/acre \$12,639,837	179.54 acres \$1,275,433
1991	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A
1992	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A
1993 Cycle One	30 of 34 88%	3,409.8848	114 acres	\$1800/acre \$6,139,699	\$3082.88/acre \$10,512,281	\$770/acre \$2,626,202	\$2313/acre \$7,886,080	\$1522/acre \$5,191,335	790.27 acres 2,694,746
TOTAL	707 of 1,151 61%	102,028.9528 LESS: 130,9926 101,897.9602	145 acres	\$1207/acre \$122,982,363	\$2501/acre \$254,841,856	\$1354/acre \$138,019,688	\$1146 \$116,819,714	\$102,459,852 954/acre LESS: 71,631 \$97,196,880	12,439.66 acres \$12,178,364

PRESERVATION VERSUS CONVERSION

The graph and table on the opposite page reflect a comparison of preservation versus conversion and covers the period 1985 - 1993. This illustration shows a comparison between the amount of farmland in Maryland that has been preserved versus farmland converted to other uses. It also depicts the corresponding amount of easement acreage acquired between that period of time.

There were 30 new easement offers made in Cycle One of FY '93 which were carry-over applicants from FY '91 and represent 3,409 acres. Cycle Two offers will be reflected in the FY '94 Annual Report, but similar totals for the 2nd half of FY '93 are expected.

The amount of farmland that is continually being lost to development far surpasses that which is being preserved. Despite the fact that Maryland continues to have the most successful program of its kind in the country, farmland is disappearing at an alarming rate.

To date, preservation efforts of the Maryland Agricultural Land Preservation Foundation have protected only about 34% of the farmland lost during the past ten years. However, the amount of farmland being converted to other uses has slowed drastically during the past few years. The total amount of preserved land in the adjoining graph represents only those areas protected by the Maryland Agricultural Land Preservation Foundation. There are, however, other programs including federal, state, county and private land trusts that help to protect Maryland's farmland. Thus, the total amount of preserved farmland over the past ten years is greater than that shown on the chart.

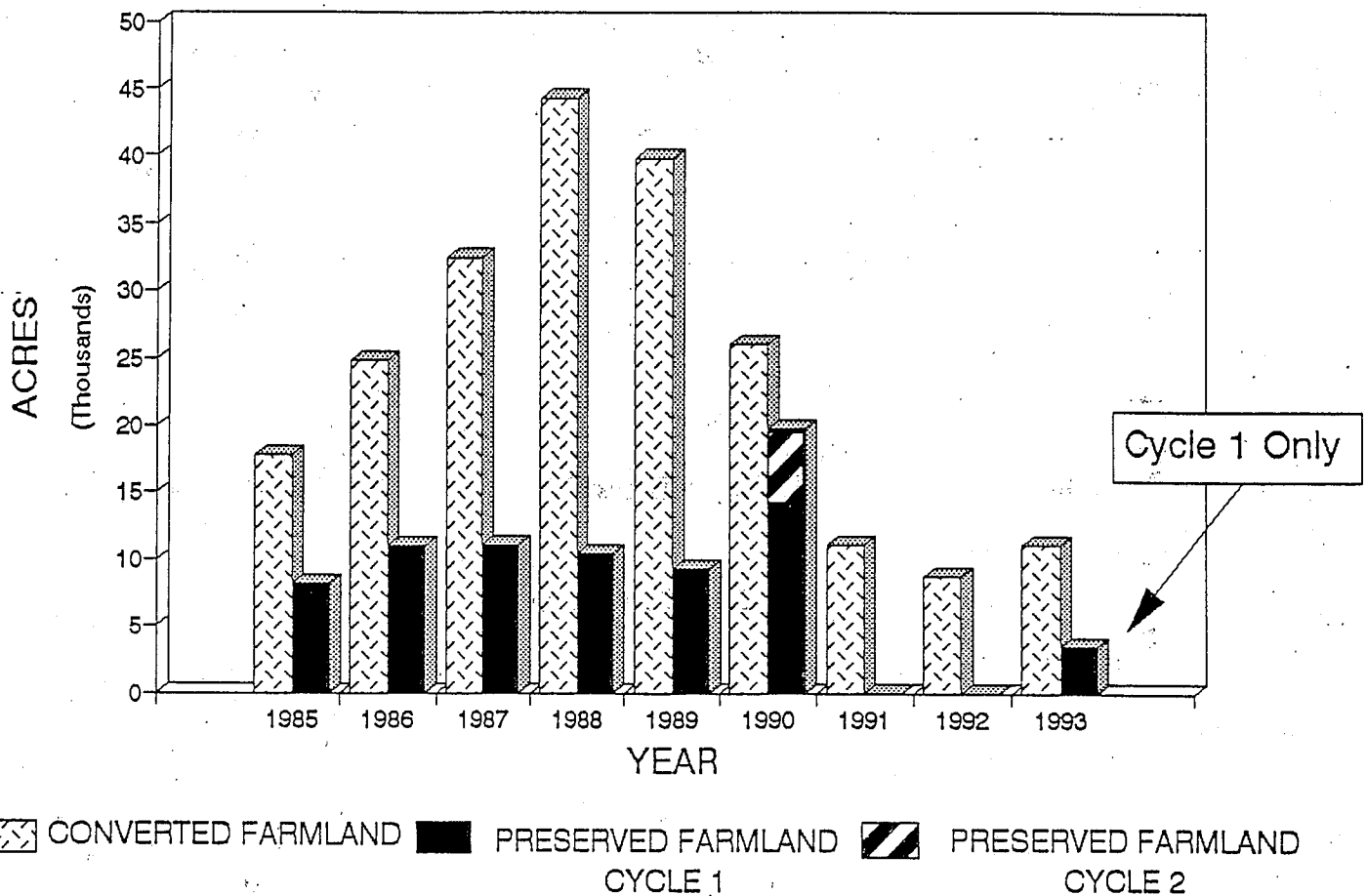
The Foundation is proud of its past accomplishments. However, in spite of being the most successful program of its kind in the country, Maryland's efforts have not been keeping pace with conversion, such that lost farmland far exceeds the amount which has been preserved.

Over the last nine years, Maryland has been losing an average of 24,032 acres per year. The Maryland Agricultural Land Preservation Foundation has been able to preserve an average of only 8,120 acres per year. At this rate, by the year 2000, Maryland can expect to lose an additional 168,224 acres of farmland. If the Foundation continues to preserve 34% of that which is being lost, it will protect 56,840 more acres by the year 2000.

To preserve farmland and work closely with other preservation programs, a more concentrated effort has to be made or we may have to accept the stark reality that our precious farmland may succumb to development. The time to preserve is now, especially in light of the current economy, low interest rates and the future threat of development.

Maryland has shown a lot of support and has been committed to the preservation of farmland but its efforts require the cooperation of local governments and landowners to make it work. Together, we can preserve Maryland and its agricultural resources but NOW is the time to do it.

PRESERVATION VERSUS CONVERSION



NOTE: Acres of preserved farmland in the above chart only reflects that which was preserved by the Maryland Agricultural Land Preservation Foundation. There may have been more farmland acres preserved through various county programs, local land trusts and other state programs.

	1985	1986	1987	1988	1989	1990	1991	1992	1993	TOTAL
CONVERTED FARMLAND	17859	24831	32524	44269	39801	26079	11070	8719	11132	216284
PRESERVED FARMLAND	8158	10991	11091	10366	9301	19768	0	0	3409	73084
DIFFERENCE	-9701	-13840	-21433	-33903	-30500	-6311	-11070	-8719	-7723	-143200

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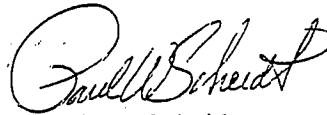
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Thank you to the staff of the Maryland Agricultural Land Preservation Foundation for their dedication, hard work and long hours towards the completion of this report and the successful administration of the program.

Thank you to the Program Administrators in each county for their cooperation, support and administration at the local level and in reaching out to the landowners in protecting some of Maryland's finest farmland.

Sincerely,



Paul W. Scheidt
Executive Director
