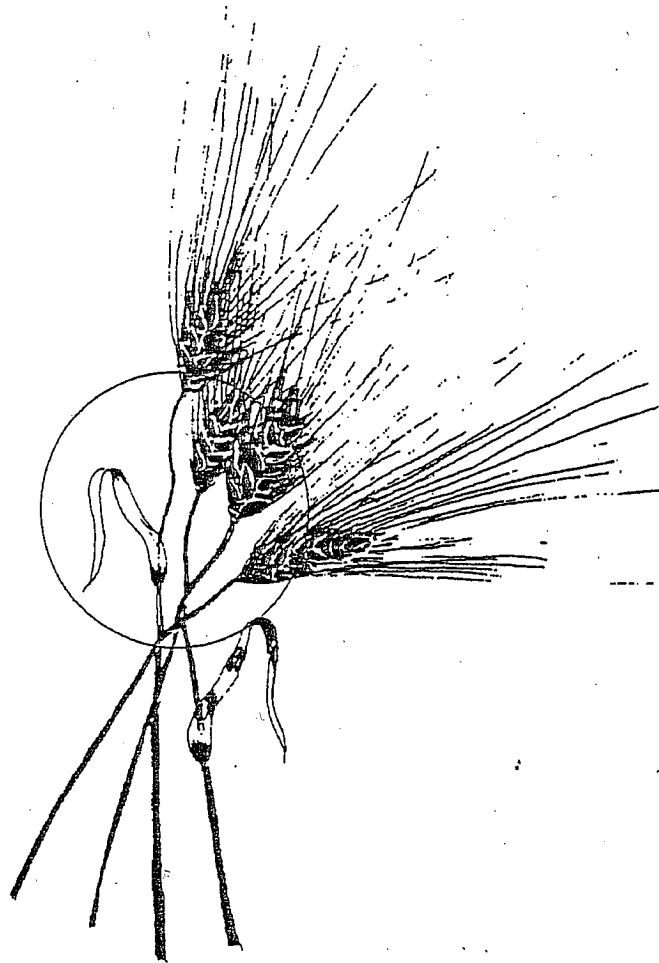


Maryland
Agricultural Land
Preservation Foundation

Annual Report
1995



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

ANNUAL REPORT

FOR

FISCAL YEAR 1995

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

Daniel Shortall, Chairman
Paul W. Scheidt, Executive Director

**MARYLAND
DEPARTMENT OF AGRICULTURE**

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STATE OF MARYLAND
DEPARTMENT OF AGRICULTURE

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

November 1, 1995

The Honorable Parris N. Glendening, Governor
The Honorable Thomas V. Miller, Jr., President of the Senate
The Honorable Casper R. Taylor, Speaker of the House

Gentlemen:

We are pleased to present the 1995 Annual Report of the Maryland Agricultural Land Preservation Foundation and are proud to announce that this year marks the eighteenth 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 the past year, an additional 16,549 acres were placed in new agricultural land preservation districts. At the close of FY '95, after acreage adjustments due to lot exclusions and terminations, there was a grand total of 2,067 individual farms consisting of 277,693 acres enrolled in our program.

Of those acres, and as of June 30, 1995, the Maryland Agricultural Land Preservation Foundation purchased or has acquired contracts to purchase perpetual preservation easements on a grand total of 117,319 acres. Previously, the Foundation operated two easement offer cycles per year. Since the last annual report, it has acquired 27 new easements in Cycle Two of FY '94 covering 3,720 acres and 24 new easements in Cycle One of FY '95 covering 3,708 acres. The passage of House Bill 778, during the 1995 Legislative Session, eliminates the two cycle easement acquisition program and reinstates only one (1) easement cycle per year. (See Page 15 of the Annual Report).

Although our progress continues to show 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.

Handwritten signature of Daniel Shortall in black ink.

Daniel Shortall, Chairman
Board of Trustees

Handwritten signature of Lewis R. Riley in black ink.

Lewis R. Riley
Secretary of Agriculture

Handwritten signature of Paul W. Scheidt in black ink.

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.

Calvert County modified the membership requirements of the Calvert County Agricultural Preservation Advisory Board through HB 574 which was passed during the 1994 General Assembly. It eliminated the requirement that three of the five Board members be owner/operators of commercial farms and earn 50% or more of their income from farming. Instead, at least 3 of the 5 members must be actively involved in an ongoing, commercial, and for profit farming operation.

The advisory board in each county assists 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 3), whichever is lower. Of course, any offer made is subject to available funds and Board of Public Works approval. The time it takes to sell an

easement varies with each property but generally takes 9 - 14 months from the application deadline to actual settlement. In some cases, it may take longer if a survey is required or there is a problem with the title to the property.

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. In addition, the plan should list solutions to the soil erosion problems and include a schedule of implementation which the landowner will be required to follow and is included as a condition in the Deed of Easement. 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.

<p>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)</p>	-	<p>Agricultural Value (determined by a formula based on land rents and soil productivity)</p>	=	<p>Easement Value</p>
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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 comprised entirely by special funds which are mainly derived from two sources, (1) a portion of the State's property transfer tax, which is assessed on all transfers of real property, and (2) the Agricultural Land Transfer Tax, which is imposed on an instrument of writing that transfers title to agricultural land.

Other sources of funds may be obtained from Capital Bond Appropriations, donations and from county jurisdictions who wish to provide "matching funds" for easement purchases in their county.

During the 1995 Legislative Session, Senate Bill 6 passed legislation, which alters the distribution formula for revenues from the State Transfer Tax. It increases the Foundation's allocation from 13.2% to 14.5% and changes the Department of Natural Resources' (Program Open Space) allocation to 85.5% of which \$1.5 million will be allocated to the Heritage Fund. The passage of this bill should provide approximately \$1 million of additional funding to MALPF.

The Agricultural Transfer Tax Law requires that the tax collecting authorities of the various subdivisions collect taxes due from the transfer of title on agricultural land. According to Section 13-306 of the Tax Property Article, Annotated Code of Maryland, certain funds collected by the county must be remitted to the State. Generally, two thirds of the amount collected shall be remitted to the Comptroller to be placed in the Maryland Agricultural Land Preservation Fund. The remaining amount of collected transfer tax may be retained by the County to be used for an approved agricultural land preservation program or for matching funds. Counties are permitted to retain the funds

collected for a period of three years to be used for approved purposes. However, if the funds retained by the County are not expended or committed within three (3) years from the date they were collected, the funds must be reverted to the Maryland Agricultural Land Preservation Fund.

Section 2, Ch. 65, Acts of 1990, provides that "during the fiscal year commencing July 1, 1990, a county that demonstrates to the MALPF and the Office of Planning that it has established an effective program to encourage participation by farmers in agricultural land preservation efforts, shall be "certified" by the Foundation and the Office of Planning under Section 5-408 of the State Finance and Procurement Article without following the process required under Section 5-408. Any county applying for certification of a "newly created program" (after July 1, 1990) for preserving farmland must meet the criteria established in Section 5-408 stated above.

Certification of a county agricultural land preservation program in accordance with the section shall remain effective for two (2) years and shall make the county eligible for additional funds available under Section 2-508.1 of the Agriculture Article and Section 13-306 of the Tax-Property Article. This includes the retention of a greater local share amount of the Agricultural Transfer Taxes collected in a certified county. A certified county may retain 75% of the Agricultural Transfer Tax it collects as opposed to the 33.3% permitted if it does not have a certified county agricultural land preservation program. If these funds are not utilized at the county level for agricultural land preservation purposes within three (3) years from the date of collection, they will be remitted to the Comptroller and placed in the Maryland Agricultural Land Preservation Fund.

To date, the following counties have been certified by the Maryland Agricultural Land Preservation Foundation and the Office of Planning as having an effective and potentially successful local farmland preservation program:

Anne Arundel	Howard
Baltimore	Frederick
Calvert	Montgomery
Carroll	Washington
Harford	

Section 2-512 of the Agricultural Article of the Annotated Code of Maryland, provides for optional local matching fund programs which involve a financial commitment on the part of local governments to purchase agricultural land preservation easements. The contribution of a matching funds commitment for the acquisition of agricultural land preservation easements in any one (1) county is based on a 60% State and a 40% County match basis. The state's share is allocated from the State Matching Funds portion of the available funds, which is equal to 1/2 of the total funds allocated to a particular cycle divided by the number of counties that have been approved as a matching county and require state matching funds for easement purchases.

A county must receive approval each fiscal year from the Foundation's Board of Trustees in order to be eligible for State Matching Funds to be applied to county applicants. The total amount of the state's share of matching funds may not exceed \$1 million in Round One of any fiscal year. State matching funds are allocated from one-half of the Certified Fund balance plus one-half of Montgomery County's Three Year Account and are equally distributed among matching counties.

There is a statewide general allocation to each county, whether they provide matching funds or not, to provide an equal opportunity to purchase easements 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 known as General Allotted Funds and are equal to 1/23 of one half of the total funds available for a particular cycle. During FY '95 Cycle One and Two, the General Allotted amount for each county was \$93,784.77.

Remaining or unused State funds from either the General Allotted Funds or the State Matching Funds after Round One Offers are made are carried over into Round Two and offers are made based on Statewide ranking criteria. If any funds remain after all offers are made, the Foundation's unencumbered funds will remain in a revolving account and are used for the next year's easement acquisitions. Remaining funds do not revert to the State's general fund at the end of the fiscal year.

EASEMENT APPLICATIONS

The Foundation received 225 easement applications for Cycle One and received 200 easement applications for Cycle Two. The grand total of 425 easement sale applications exceeds the previous record of 401 set in the FY '91 by 6%. The total acreage represented in the applications received for easement sale during FY '95 is 52,613 acres!

Knowing that the State could not possibly purchase easements on all properties, the Foundation developed a plan so that they would not spend money on appraising all properties. Money saved would be used for actual easement purchases.

During the last five offer cycles, the Foundation exercised their authority to place a cap on the number of easement applications to accept. This action kept appraisal costs to a minimum and helped to maintain a manageable number of applications to review, appraise and prepare for offers. As a result, it reduced appraisal time and eliminated false hope to some of the applicants as only a small fraction of applicants would receive an offer.

The illustration below shows how the counties were asked to prioritize the properties. The Foundation's Board of Trustees requested counties to prioritize and approve a certain number of applications equal to the specified allowance or the percent limitation shown below:

Offer Cycle	Percent Limitation	Allowance	Total Approved
FY '93 Cycle Two	33%	2	80
FY '94 Cycle One	50%	3	99
FY '94 Cycle Two	50%	3	80
FY '95 Cycle One	50%	3	104
FY '95 Cycle Two	50%	*	106

* plus additional properties if appraised in a previous cycle but not to exceed 65% of total submitted

The Board approved an 80% cap on the number of easement applications received for the FY '96 Easement Acquisition Program, requiring the counties to prioritize and approve up to an allowance of three (3) properties per county, or, if greater, 80% of the total applications received.

A criticism of the Program from landowners is the lack of selectivity in allowing the less quality farms to under bid highly productive farms for an easement sale.

There is a wide variety of methods used by the counties in prioritizing and approving properties for easement sale. Some methods are very complicated and evaluate the soils, location, farm operation, zoning and even require an on-site visit by the local agricultural land preservation advisory board. Another method is simply the date on which the application was received - first come-first served.

In any event, the counties have discretion in the method they choose to prioritize properties and can be helpful in meeting their goals and efforts in preserving farmland.

During FY '95, the Foundation received the highest number of easement applications ever during the history of the program!

ADMINISTRATIVE POLICY CHANGES

Purchasing Easements on Lands Adjacent to Permanently Preserved Property in Other State, Federal, Local or Private Preservation Programs

At the September 27, 1994 Board of Trustees meeting, the Foundation staff suggested properties containing less than 100 acres should be able to apply to sell an easement if the property is adjacent to permanently preserved farmland under another preservation program with similar or more stringent restrictions. After all, those same properties would qualify if they were adjacent to an approved Agricultural Land Preservation District or district property on which an easement has been purchased by the Foundation. Since Certified Counties are now able to purchase easements on their own, and since there are many holdings of easements held by the Maryland Environmental Trust and other preservation programs, perhaps this change will help increase the overall total Preservation area.

The Foundation staff compared easement restrictions of several land conservation organizations including The Nature Conservancy, Maryland Environmental Trust (MET), Howard and Montgomery Counties, and the Chesapeake Bay Foundation. All of these conservation organizations have restrictions and/or prohibited uses at least as stringent or more restrictive than MALPF. The local land trusts, as well as the Trust for Public Lands use the MET conservation easement as a base to their easements which is then customized to fit their individual needs. However, these additional restrictions do not generally vary from the basic guidelines and restrictions. Legal counsel of the Foundation has indicated that acceptance of this proposal would not require a law change but could be accomplished by Regulation.

There were discussions on whether this change could be applied only for easement sale

or for district establishment as well. The general feeling of the Board was that the exception should be applied for district establishment and easement sale on a case-by-case basis.

Ultimately, the Board approved the proposal to accept applications for the sale of easement on properties containing less than 100 acres which are adjacent to permanently preserved farmland/open space land with the same, similar, or more stringent restrictions than MALPF not to interfere with normal agricultural operations and good husbandry practices. They will be reviewed on a case-by-case basis and accepted only after review and approval of the Deed of Easement covering the adjoining property. Regulations will be drafted and submitted to the Maryland Register in the fall of 1995.

Recording Fees for Release Documents

It was reported last year that House Bill 1501 created a two stage release process for excluding lots for the purpose of constructing dwellings on easement property. This became effective October 1, 1994.

As was reported in the 1994 Annual Report, once the requested lot exclusion is approved by the Foundation, a Preliminary Release will be recorded in the land records outlining conditions of the release. The second (Final) Release will also be recorded releasing the lot of all easement restrictions once a non-transferrable building permit is presented to the Foundation.

One of the concerns dealing with the two-stage release was that the recording fees of releasing a lot basically doubled. In addition, it sometimes would take considerable time before the Preliminary Release was signed and ultimately prepared for recordation and often times was returned with a non-transferable

building permit. At that time, both releases were being recorded, virtually at the same time and many questioned its purpose. The Foundation required the landowner to pay the recording fees for both the documents.

However, at the June 27, 1995 Board of Trustees meeting, the Board adopted a new policy with regard to releasing lots whereby the Foundation will pay for the recordation of the Preliminary Release and the landowner will pay for the recordation of the Final Release.

With the Foundation paying for the recordation of the Preliminary Release, Foundation staff can record the document in a more timely manner, supervise more closely the tracking process and avoid any delays in issuing and recording the Final Release which may cause frustration and undue hardships on the landowners.

The Preliminary Release is prepared for the benefit of the Foundation and the Final Release is prepared for the benefit of the landowner. Therefore, the Foundation will continue the current requirement of having the landowner pay for the recordation of the final release.

The 1994 Annual Report showed that one of the reasons for creating a two-stage release process for lot exclusions was as a result of a landowner seeking to transfer or sell their previously approved owner's lot to a third party as a buildable lot.

The Court found the approval of the lot exclusion to be a personal covenant and that the landowner's right to build a dwelling on a specific property was not transferrable.

More recently, it is important to note that an opinion regarding the development rights of a landowner under Section 2-513(b) of the Agriculture Article, Annotated Code of Maryland was requested from the Attorney

General of the State of Maryland who supported the Foundation's position and the court ruling that the right to exclude lots for owners or children are personal covenants and are not intended to run with the land.

Owner's and Children's Lot Rights

During FY '95, a subsequent owner of an easement property requested a child's lot as they believed they were entitled to this request. These landowners had a sales contract to buy the land in question but was subject to the sale of an easement to the Foundation by the landowner. The successor landowners who requested the lot exclusion were not parties to the sale of the easement and are not listed on the Deed of Easement.

The landowners believed they had the right to construct a dwelling for their child's use on their land as they held an equitable interest in the property. The Foundation did not approve the request for the lot exclusion and requested a legal opinion on the matter. The Attorney General of the State of Maryland provided a legal opinion stating that the only persons entitled to construct a dwelling for a child on the land are the ones who actually sold the easement to the Foundation. Successor landowners have no such right, even if they had an equitable interest in the land at the time that the easement was sold.

Tenant Houses vs. Pre-Existing Dwellings

A new policy was adopted by the Foundation which allows the Board of Trustees, under certain circumstances, to direct the Department of General Services (DGS) not to consider a 1.0 acre parcel surrounding a pre-existing dwelling as a utilized development right in relation to the overall development potential of the property. Such a directive would only occur if (1) the

existing dwelling is designated by the landowner and the county as a "Tenant House" defined by the Foundations regulations; (2) the landowner waives his/her right to ever subdivide the house and 1.00 acre surrounding it from the original parcel; and (3) the County confirms that it does not generally consider a tenant house to utilize a development right and is outlined in their zoning regulations. This policy went into effect on January 1, 1995 for the FY '95 Cycle Two Easement Applicants.

By law, the appraisers must appraise the entire contiguous acreage within the district less 1.00 acre surrounding each existing dwelling (regardless of its use) in order to determine the value of the easement.

However, under certain conditions, a designated tenant house will not count against the total density rights used for development when determining the fair market value of the farm.

The Foundation feels that a designated tenant house must qualify under the Foundation's criteria as being occupied by someone who is fully engaged in the agricultural operation of the farm. The Foundation must enforce the conditions that were placed on its approval to maintain the continued use as a tenant house.

Landowners participating in the FY '95 Cycle One Easement Acquisition Program were given the opportunity to declare any pre-existing dwelling as a tenant house. If an existing dwelling was to be designated, the landowners had to separately describe it in advance of ordering the appraisal. This information would be given to the appraiser in order for him/her to have knowledge of the tenant house and to understand, consider and evaluate it within county zoning regulations to determine the development potential and the value of the property.

Prior to settlement, the tenant house will be defined through a locational survey at the landowner's expense to document where the tenant house is located.

Language will be incorporated into the Deed of Easement with regard to tenant houses that would be signed by the landowner clearly stating all restrictions placed on the tenant house, i.e. the designated tenant house must be used for an agricultural purpose for a tenant fully engaged in the agricultural operation of the farm; neither the designated tenant house nor the land on which the house exists shall be released, subdivided, or conveyed separately from the original land, and the designated tenant house, as described, shall count against the current landowner's right or any future landowner's right to construct a tenant house as provided under Agriculture Article Section 2-513, Annotated Code of Maryland, of 1 tenant house per 100 acres.

Spending Sequence of Available Funds for Easement Purchases

Prior to FY'95 the Foundation utilized available funds to purchase easements by first using the allocated general allotted funds in a particular county *before* using any of the committed county or state matching funds. During FY'95, the Foundation approved a new policy to first use the matching fund commitments of the counties along with the state matching funds before using the general allotted funds.

The change in spending sequence does not alter the total combined funds available for easement offers but provides several benefits. The new method fully utilizes the funds that matching counties have committed for the purchase of preservation easements. For most counties, their matching fund commitments are derived from their share of the collected agricultural land transfer tax on land being

transferred out of agricultural use in their county. Each county has the ability to use those funds for preservation purposes. However, if the funds are not expended or committed within three years from the date of collection, they are lost and must be remitted to the state where they are placed in the general fund of the Foundation for easement purchases statewide.

The new spending sequence of funds approved by the Foundation helps to ensure, in cases when the county matching funds commitment involve agricultural transfer tax revenue, that those funds collected as a result of the disappearance of farmland is spent in the county where the farmland was lost.

In addition, the new spending sequence of funds may benefit counties that have a certified agricultural land preservation program. The utilization of the matching funds committed by the county will help document qualifying expenditures for easement purchases; a requirement for certification. Coupled with other creative tools for preservation, this new spending sequence may also help other counties create a local preservation program that may also become certified.

The most significant benefit to the state by using the new spending sequence of funds is the increased potential of purchasing additional easements without any additional cost. The new spending sequence of funds maximizes the use of state funds and fully utilizes the funds that the counties have committed for easement purchases.

In the past, during round one of any easement offer cycle, general allotted funds were used first. In some cases, that amount was enough to make a full offer to a landowner. As a result, although the county was willing to provide matching funds to purchase easements in their county, those funds were not used. The county in some instances lost the ability to utilize those

funds in the county and ran the risk of losing the funds to the state if they were not committed or expended within three years of collection. This of course is only if the county matching funds were made up of agricultural transfer tax revenues.

Nevertheless, in this example, the county was willing to provide local funds for the purchase of an easement but under the old spending sequence, the state would not use any of the county funds being offered. Instead, the easement would be purchased with 100% state funds from the general allotted account. This would reduce the total amount of state funds that would be carried over into round two where the state typically purchases easements at the greatest discounts.

During FY'95 the average discounted value being offered by the landowners who received offers in Round Two was 50% of the easement value. Several properties were being offered in the 30-35% range. It is opportunities like this that the state should use to evaluate the best ways to maximize the use of available funds. The new spending sequence of funds approved by the Foundation provides that opportunity, but not without criticism.

Some concerns have been raised by at least two or three counties regarding the new spending sequence of funds. They believe it takes away state funds that the county is entitled to and requires them to utilize the county funds that have been committed. It requires that the state and the county share the cost of purchasing easements until one of the two matching amounts are expended.

Although all funds are available to the applicants in both round one and round two, they believe that their ability to leverage their funds are lost and reduces the amount that might be available for the next cycle.

During the October 24, 1995 Board of Trustees meeting, the Foundation's Trustees discussed this issue and listened to the concerns of the counties. After considerable discussion, the board decided (with the support of the county administrators) to continue to use the new spending sequence for both cycles of FY'95. They agreed to evaluate the spending sequence of the old and new method. They believe that by using the new spending sequence for two full offer cycles, a more concise comparison can be made.

Foundation staff and several county administrators have begun the evaluation of the

two methods of spending sequence. This will be presented to the Foundation's Board of Trustees after all the responses to Cycle Two easement offers have been received. At that time, the Foundation will compare the effects of both methods and make a determination as to which method should be followed in future easement offer cycles.

The 1996 Annual Report of the Maryland Agricultural Land Preservation Foundation should address this comparison when it is published next fall.

PROPOSED REGULATIONS

One Easement Offer Cycle Vs. Two

House Bill 778 eliminated the two-cycle Easement Acquisition Program, which was introduced during Fiscal Year 1990. As a result of the 1995 legislation, the Foundation will return to its traditional program, operating only one easement offer cycle per year instead of two.

Tenant Houses vs. Pre-Existing Dwellings

As was reported in the FY '94 Annual Report, the Foundation adopted a policy that allowed the Board of Trustees to direct the Department of General Services (DGS) not to consider the 1.0 acre parcel surrounding a particular existing dwelling as a utilized development right in relation to the overall development potential of the property if certain circumstances applied (See Page 8 - Tenant Houses vs. Pre-Existing Dwellings). Regulations are currently in the process addressing this policy.

Purchasing Easements on Lands Adjacent to County Easement Properties

During FY '95, the Foundation's Board of Trustees agreed to consider allowing a landowner to submit an easement sale application on a property that contained less than 100 acres if it is located adjacent to a permanently preserved farmland/open space easement with the same, similar, or more stringent restrictions as that of the Maryland Agricultural Land Preservation Foundation with each property being considered on a case-by-case basis. The proposed regulations addressing this will be sent to the Administrative, Executive and Legislative Review Committee for review and to the Maryland Register with opportunity for public comment. Copies have been sent to the local advisory boards, program administrators and various agricultural organizations.

1995 LEGISLATION

- ***House Bill 778 - Agricultural Land Preservation Program - Easement Offers (Passed)***

This bill eliminates the two cycle easement acquisition program and creates only one cycle each fiscal year. The bill in its original form also proposed to eliminate the Foundation's authority to set a cap on the number of applications to consider in any one cycle. It also proposed that appraisals will be good with a fixed value for a period of two years, unless the Foundation would require it to be reappraised. The bill also dealt with a time frame in which the Foundation is required to make offers.

House Bill 778 passed with amendments and only dealt with the Two Cycle issue. As passed, HB 778 eliminated the Two-Cycle Easement Acquisition Program and reinstates only one (1) easement offer cycle per year.

- ***House Joint Resolution # 4 - Transfer Taxes - POS/MALPF (Did Not Pass)***

House Joint Resolution # 4 was introduced for the purpose of requesting the Governor to appoint a task force to study use of certain transfer taxes to fund Program Open Space (POS) and the Maryland Agricultural Land Preservation Foundation (MALPF).

The bill did not include a representative of the Department of Agriculture or an agricultural representative. The Department of Agriculture and the Foundation introduced an amendment to include a representative from the Department of Agriculture, and the Maryland Farm Bureau.

- ***Senate Bill 6 - Transfer Tax - Distribution of Revenue (Passed)***

The purpose of this bill alters the distribution formula for revenues from the State Transfer Tax on all real estate transactions. It increases MALPF's allocation from 13.2% to 14.5% and changes the Department of Natural Resources (POS) allocation to 85.5%.

The Heritage Fund will be funded by allocations made to POS and will have a floor of at least \$1.5 million.

- ***House Bill 99/Senate Bill 102 - State Transfer Tax Exemption (Did Not Pass)***

The purpose of this bill is to increase the amount of exemptions from the State Transfer Tax for the consideration payable for an instrument of writing for certain residentially improved owner-occupied real property.

- ***Senate Bill 101 - State Transfer Tax Exemptions for First-Time Maryland Home Buyers (Did Not Pass)***

The purpose of this bill is for exempting the State Transfer Tax on certain instruments of writing if the grantee is a first time Maryland home buyer.

- **House Bill 416 - Charles County - Agricultural Districts - Commercial Sales (Did Not Pass)**

The purpose of this bill was to allow landowners of district and easement properties in Charles County to operate commercial businesses to sell certain commercial items on the farm which may be related to or incidental to agricultural products.

If passed, this would have allowed landowners in Charles County to operate certain commercial ventures on district and easement property that would have been prohibited in other counties due to the nature of commercial activities.

- **House Bill 129 - Calvert County - Agricultural Land Preservation Program (Passed)**

The purpose for this bill is to repeal certain provisions contained in the Public Local Laws of Calvert County; granting the County Commissioners enabling authority to enact an ordinance concerning agricultural land preservation and transfer of development rights; authorizing the County Commissioners to appoint an Agricultural Land Preservation Advisory Board; and generally relating to authority for an agricultural land preservation program in Calvert County.

CERTIFICATION OF COUNTY AGRICULTURAL LAND PRESERVATION PROGRAMS

The Certification of Local Agricultural Land Preservation Programs was created by the General Assembly in 1990 and is jointly administered by the Maryland Agricultural Land Preservation Foundation (MALPF) and the Maryland Office of Planning. Participation in the program by interested counties is completely voluntary. Counties that have an effective agricultural land preservation program and wish to be certified must apply to both MALPF and the Maryland Office of Planning for certification.

The Certification Program allows counties to retain greater portions of the agriculture transfer tax if they are able to demonstrate that they have an effective program to preserve agriculturally viable farmland.

Non-certified counties keep one-third of the Agriculture Transfer Tax they collect; these funds are to be used for agricultural land preservation purposes. Certified counties are allowed to keep 75% of the Agricultural Land Transfer Tax revenue. The increase in a county's share of Agriculture Transfer Tax helps counties to support an agricultural land preservation program.

Certification allows counties to create a preservation program that best meets local goals and local needs. In combination with easement purchases, counties use other preservation tools such as agricultural zoning, transfer of development rights, right-to-farm policies, and the establishment of agriculture as the best use of land. Other important aspects of local programs include defined areas for preservation and set acreage goals.

Currently, nine (9) counties have been certified as having an effective program of their own and appear likely to be successful in supporting viable agricultural operations and preserving agricultural land in perpetuity. A brief summary follows:

Anne Arundel County

In addition to the State preservation program, Anne Arundel County purchases perpetual easements on agricultural land and woodland and provides tax credits to landowners who participate. Anne Arundel County has a goal of preserving 20,000 acres of agricultural land and 20,000 acres of woodland to be purchased through State and County Programs.

The County's General Development Plan identifies the areas zoned residential agricultural as priority areas for agricultural preservation. The most recent figures provided indicate that the County has 25 State Easements, totalling 2,890 acres and 19 County Easements, totalling 1,429 acres; 82 State Districts, totalling 7,996 acres and 29 County Districts, totalling 1,395 acres. The County also has 67 enrollments in their local Tax Credit Program, totalling 6,335 acres.

Baltimore County

Baltimore County operates a supplemental preservation program and provides additional funds (not matched) for easement purchases. They have the ability to purchase easements on their own but have not yet done so as of the time of this printing. Tax credits are also offered.

Baltimore County does not have a specific number of agricultural acres they wish to preserve, but they are evaluating the possibility of setting a target number of easement acres to be protected.

Baltimore County is in the process of updating its Master Plan, due by the end of 1995. The new update calls for the creation of agricultural protection areas (APA) which will include 132,000 acres out of a total of 385,096 acres.

The most recent figures provided indicate that the County has 102 State Easements, totalling 11,125 acres; 244 State Districts, totalling 21,787 acres.

Calvert County

Calvert County purchases preservation easements on their own and they also participate in the State preservation program. In addition, they operate a transfer of development rights program whereby the County acts as a broker between buyer and seller of TDR's.

Calvert County has a goal to preserve at least 80% of the 45,000 acres in Farm Communities or Resource Preservation District through clustering. The County does not have specific goals for its Purchase and Retirement Program. The strategy is to preserve whole farm communities, rather than isolated farms.

The County has mapped 22,000 acres in designated agricultural areas. TDR's and Agricultural Land Preservation Districts are encouraged in these areas. All designated Agricultural Areas are in farm communities.

The most recent figures provided indicate that the County has 24 State Easements totalling 3,455 acres and 48 State Districts totalling 6,302 acres. Overall the County has 9,000 acres in County Agricultural Preservation Districts and 4,000 acres saved via TDR's.

Calvert County reported that it has submitted 1995 right to farm legislation.

Carroll County

In addition to consistently providing matching funds to the State preservation program, Carroll County's local program focuses on its Critical Farms Program, which works by purchase options to acquire easements on farms which are being transferred or have recently (within 6 months) been transferred. The option price is 75% of the appraised easement value. Properties must meet all MALPF requirements.

The County continues to work in reaffirming and implementing the Master Plan to make improvements to the existing agricultural land preservation program to maintain a level of participation consistent with the recognized goal of 100,000 acres.

The County's designated agricultural preservation area is all of its agricultural zone. Carroll County has established agriculture as the preferred use in the agricultural district, through its comprehensive rezoning in 1978.

Carroll County government acknowledges the importance of agriculture to the County. The County is looking towards developing a TDR program and a local purchase of development rights program.

The most recent figures provided indicate that the County has 171 State Easements, totalling 22,199 acres; 340 State Districts, totalling 41,945 acres. In addition, the County's Critical Farms program has secured 4 easements on 430 acres. Carroll County has also reported that they have drafted a Right-to-Farm ordinance.

Frederick County

Frederick County operates a supplemental preservation program and have the ability to purchase easements on their own. Frederick County also operates a Critical Farms Program,

which works by purchase options to acquire easements on farms which are being transferred or have recently (within 6 months) been transferred. The option price is 75% of the appraised easement value. Properties must meet all MALPF requirements.

The goal of the Frederick County Comprehensive Plan clearly states that the best agricultural lands should be preserved for future agricultural use.

The County has not determined acreage goals for the preservation program. However, Frederick County's Master Plan designates 50% of the 215,192 acres in the County to remain in agriculture. The County is working on determining an agricultural preservation acreage goal.

The most recent figures provided indicate that the County has 111 State Districts, totalling 17,884 acres; 50 State Easements, totalling 8,855 acres.

The County's Critical Farms program received County funding in FY '95 and has purchased one option on 104 acres.

Harford County

Harford County operates a separate purchase of development rights program, but also participates heavily in the State preservation program and also provides tax credits to landowners as incentives for participation. The County consistently provides matching funds to the State Program.

The County's goal is to preserve 15,000 - 20,000 acres of prime agricultural land through the direct purchase of development rights over the next ten years through local programs and MALPF.

Harford County's Rural Plan targets the preservation of 60,000 acres of agricultural land through the County PDR program. The acres the County has targeted for agricultural preservation are located in the County's Northern and Western Regions, and are primarily zoned agricultural.

Harford County plans to submit the Conservation Development Standards and a TDR program proposal to the County Council sometime in 1995.

The most recent figures provided indicate that the County has 64 State Easements, totalling 7,431 acres; 193 State Districts, totalling 21,516 acres. Recent reports show that in FY '94, Harford County's local program purchased easements on 930 acres.

The County encourages the support for agriculture as the preferred use within the County's agriculturally zoned areas.

Right to farm legislation was passed by the Harford County Council in March, 1994.

Howard County

Howard County operates a separate purchase of development rights program and offers an alternative payment plan which is tax free over 30 years.

Howard County has recently adopted its 1990 County General Plan, which increases their preservation program goal from 20,000 to 30,000 acres. Howard County's focus is on 27,000 acres in Western Howard County, which is the area identified as the established priority area in the County for agricultural preservation.

The most recent figures provided indicate that the County has 27 State Easements, totalling 3,956 acres and 49 State District properties,

totalling 6,282 acres. The latest figures also show that the County has 125 County easement properties totalling 13,954 acres.

Montgomery County

Montgomery County purchases easements on their own through a separate easement purchase program but recently has participated in the State Program. The County operates a TDR program and highlights other programs used to preserve agricultural land.

Montgomery County has 97,383 acres of farmland today. Most of it is in the agricultural reserve (identified as the "Agricultural Wedge") located in the western portion of the County and is zoned "rural density transfer".

Montgomery County's Agricultural Land Preservation Advisory Board has set a goal to protect all 70,000 acres of farmland in the agricultural reserve by the year 2005.

The County will continue to focus on agriculture as the preferred use in the "Agricultural Wedge".

The County has recommended maintaining agriculture as the preferred land use and will continue its TDR Program as well as the County and State easement purchase program as important elements of preserving farmland and directing development away from the wedge.

Since 1989, the Montgomery County Easement Program has purchased rights to 4,218 acres. The most recent figures indicate that the County has 9 State Easements totalling 1,677 acres and 17 State Districts, totalling 2,911 acres.

Washington County

Washington County operates a supplemental preservation program and has the ability to purchase easements on their own. The County gives a tax credit for those landowners who sign up in a district for a ten year period.

Washington County has a goal of 50,000 acres to be placed under permanent protection.

Eighty per cent of the County is zoned and designated as Rural-Agricultural and is targeted for agricultural preservation efforts. The County's Comprehensive Plan identifies urban growth areas and small towns where growth will be emphasized and allowed in 20% of the County.

The County has identified and established priority areas in the County for agricultural land preservation as those properties having agricultural or conservation zoning classification. Washington County Commissioners are looking into creating Right to Farm laws.

The most recent figures indicate that the County has 162 District Properties totalling 22,387 acres and 18 Easement Properties, totalling 4,146 acres. To date, Washington County has purchased two County Easements, totalling 316 acres.

INCREASED PARTICIPATION FROM RURAL COUNTIES

It is evident from the program's history that the greatest program activity is occurring in those counties with the greatest development pressure and local priorities, funding and leadership.

Notable community commitments to farmland preservation exist in the Lisbon area of Howard County, the Uniontown-Taneytown area of Carroll County, the Whitehall area of Baltimore County, the St. Augustine area of Cecil County and the Lothian-Greenock area of Anne Arundel County.

Anne Arundel, Baltimore, Calvert, Carroll, Frederick, Harford, Howard and Montgomery Counties all fall within large metropolitan areas. All of these counties have a strong viable agricultural land base and are committed to preserving their threatened farmland. It is in this area of the State that the majority of the program's preservation activity has taken place

largely due to the county's supplemental and separate preservation programs, participation of matching funds in the State Program and local promotion of farmland preservation in general.

Large concentrations of preservation district/easement sales are evident in Anne Arundel, Carroll, Howard and Baltimore Counties. These areas contain contiguous land under District Agreement. The greater the "critical mass" of preserved land, the greater the insulation against development pressure. Some counties have as much as 4,000 - 6,000 acres of contiguous farmland mass.

As indicated on Page 7 of this report, other organizations are playing a key role in land preservation. Since some Certified Counties are now able to purchase easements on their own, and since there are many holdings of easements by other preservation organizations, the total preservation area is increasing.

The report is titled the: "Second Report on the Use of the Agricultural Formula" and is available by contacting the office of the Maryland Agricultural Land Preservation Foundation. The report is full of statistical information comparing the average values of properties preserved, highest and lowest average per acre agricultural values, and statewide averages.

The report also includes average fair market values and easement values over certain periods of time. Prior to the use of the agricultural formula, during the period of FY'86 through FY'90, the average of average agricultural values was determined to be \$1,320 per acre. However, after the formula was implemented and during FY'91 through FY'94, the average of average agricultural values was determined to be \$670 per acre, a decrease of approximately 49%.

During the same time period, the average fair market values increased from \$2,533 per acre to \$3,515 per acre or 41%. With the increase in fair market value and a decrease in agricultural value, easement values more than doubled and rose from an average of \$1,205 per acre to \$2,759 per acre. However the cost to acquire the easements only increased by \$408 per acre, or 41.8% due to competitive bidding. The average acquisition cost increased from \$1,108 per acre to \$1,516 per acre.

Although the agricultural formula calculates a value based on the productive capabilities of the land, a modification to the formula may be needed. There are factors that should be taken into consideration when calculating the agricultural value of a farm that are not included in the present formula. For example, the main component in calculating an agricultural value is the classification of soils as printed in the USDA Soil Survey Book for each county. These soils are mainly classified by their potential for erosion and their physical make up and depth to bedrock or the water table.

Therefore, if a property has 0-2% slopes under proper management, the potential for erosion or soil loss will be very low or non-existent. As a result, they will be classified as a Class I soil which is the highest ranking. In many cases on Maryland's Eastern Shore, the only limitation on the productive nature of the soils is a very high water table which may prevent a landowner from getting his crops in on time. They consist largely of deep sandy loam, and on paper, they are ideal for production. Therefore, they are classified as the best soils in the state. However, these same soils can be the worst soils if the weather does not cooperate or they are not irrigated as they tend not to hold moisture.

Another example for a potential modification may be the valuation for woodland. The USDA Soil Survey classifies woodland and places them in woodland groups. These woodland groups provide yields that are much different than field crops and are more suitable to varying slopes. The agricultural formula does not differentiate between land use. Therefore, when calculating an agricultural value, the wooded acreage would be valued by their capability classes (not woodland groups) as if it were cleared for field crops. This may not be an accurate assessment.

The higher elevations in Western Maryland provide a shorter growing season than that which is provided on the lower Eastern Shore. Although this may be a minor consideration, it may be worthwhile to consider its inclusion in future applications of the agricultural formula.

The Foundation and County Program administrators have met several times to evaluate and compare the use of the agricultural formula. The evaluation will continue throughout FY'96. Recommendations for modifications to the way agricultural values are determined are will be presented to the Foundation's Board of Trustees. Any recommendations, evaluations or changes received will be reflected in next year's Annual Report.

ACREAGE ADJUSTMENTS

A total of 13.50 acres were released from district restrictions and a total of 18.00 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 to 2.00 acres in size. The table on the opposite page shows acreage reductions in district and easement properties recorded from July 1, 1994 through June 30, 1995. The table is comprised of five (5) factors that would result in an adjustment of the Program's acreage base and include approved lot exclusions for owners or children, exclusions by county for public benefit, early termination due to severe economic hardship, district terminations and acreage adjustments from deeds. Since the program began, a total of 171.1860 easement acres were excluded for building lots, of which 18.00 acres were excluded during FY '95.

The landowner is required to pay back 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. No pay back is involved for lots excluded from the program while the property is in district status. In FY '95, the total payback amount for lot exclusions in easement properties equalled \$11,324.14. To date, the total payback amount for lot exclusions since 1982 is \$97,555.44. It is important to note that easement restrictions are placed on the total property acreage within the district; 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. Future 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. There were no acres excluded for public benefit during FY '95. Since the program began, 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. Seventeen (17) districts were terminated during FY '95 after meeting the minimum five (5) year commitment along with a few partial terminations. Together, 2,709 acres were deducted from the program's acreage base.

Since the program began, 164 districts covering 26,993 acres have been terminated but some of these 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 and decreases in acreage. During FY '95, there was a net decrease of 112.7719 acres due to adjustments from deeds. The total net loss from such adjustments to date, since the program first began, totals 569.2800 acres.

The total acreage reductions from all sources recorded between July 1, 1994 and June 30, 1995, total 2,860.2772 acres.

ACREAGE REDUCTIONS IN DISTRICTS OR EASEMENT PROPERTIES

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

RECORDED FROM JULY 1, 1994 TO JUNE 30, 1995

(*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
	Easement Acreage	Payback Amount	District Acreage	Dist/Ease Acreage	Payback Amount	Number	Acreage	Number	Acreage		
ALLEGANY											
ANNE ARUNDEL	-1.00	\$1,496.00						-1	-108.0000		-109.0000
BALTIMORE	-2.00	792.08	-1.00					-2	-159.6680	-3.5300	-166.1980
CALVERT											
CAROLINE	-2.00	1,000.00	-2.00					-3	-453.6520	-12.5100	-470.1620
CARROLL	-3.00	2,200.94	-1.00					-2	-313.1359	-2.1335	-319.2694
CECIL			-1.50					-1	-384.0000	-20.0630	-405.5630
CHARLES			-3.00					-2	-71.3800		-74.3800
DORCHESTER	-3.00	1,867.00						-1	-145.5920	-10.6900	-13.6900
FREDERICK										-15.9760	-161.5680
GARRETT										-38.8790	-38.8790
HARFORD	-1.00	N/A	-2.00					-2	-173.0600	-5.7929	-189.3113
HOWARD											
KENT	-3.00	1,483.18						-2	-278.3390	-2.0400	-283.3790
MONTGOMERY											
PRINCE GEORGE'S											
QUEEN ANNE'S	-1.00	889.70	-2.00					*	-439.6200		-442.6200
ST. MARY'S								*	-70.0000		-70.0000
SOMERSET										-3.5310	-3.5310
TALBOT										+3.9450	+3.9450
WASHINGTON								-1	-112.1000		-112.1000
WICOMICO	-2.00	1,595.24	-1.00							-1.5715	-4.5715
WORCESTER											
TOTAL	-18.00	\$11,324.14	-13.50				-7.4584	-17	-2,708.5469	-112.7719	-2,860.2772

FY '95 DISTRICT PARTICIPATION

In FY '95 the Foundation approved the establishment of 112 new agricultural land preservation districts protecting 16,549 acres.

There were 17 district terminations totalling 2,716 acres during FY '95. Acreage adjustments from deeds resulted in a decrease of 112,771.9 acres in the program's acreage base on properties pending easement sale after verifying acreage within the district.

After adding acreage of the newly established districts to last year's total acreage base (263,986 acres) and then subtracting the total acreage adjustments from full and partial terminations, district lot exclusions and acreage adjustments from deeds during FY '95 (2,860,277.2), the total acreage base of recorded and approved district properties as of June 30, 1995 covered 277,693 acres, which is a collective total 2,067 individual district properties.

During FY '95, Worcester County enrolled the most district acreage in the Program with fourteen (14) new districts being established for a total of 2,570 additional acres. This represents a County growth rate of 16% over the past year. Kent County ranked second, adding 2,234 acres to the program's acreage base in FY '95. Close behind was Talbot County adding thirteen (13) new districts for a total of 2,228 acres.

On a regional perspective, the Upper Shore constituted the most growth by adding 7,186 acres, with the majority of the acreage located in Kent County. The region with the second highest growth rate in terms of preserved land in districts was the Lower Shore with 3,456 acres, followed by the Western Region with 1,373 acres. Central Maryland enrolled 1,224 new agricultural acres. The Southern Region had a moderate increase of 481 acres.

It is hoped that with the Foundation making approximately 25-30 easement offers each easement offer cycle and 50-60 offers per year that the increase in participation will continue each year.

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 '95 DISTRICT PARTICIPATION

COUNTY	Recorded Districts As Of June 30, 1995		Approved During FY '95		District Terminations *includes partial terminations		Acreage Adjustments		Total Recorded and Approved Districts As Of June 30, 1995		Percent- age Of Total
	No. of Districts	District Acreage	No. of Districts	District Acreage	No. of Districts	District Acreage	District Lot Exclusion Acreage	Acreage Adjustments From Deeds	No. of Districts	District Acreage	
ALLEGANY	3	335.1980							3	335.1980	0.1%
ANNE ARUNDEL	82	7,883.7634	1	220.0000	-1	-108.0000			82	7,995.7634	2.9%
BALTIMORE	240	21,424.6003	6	526.0880	-2	-159.6680	-1.0000	-3.5300	244	21,786.4903	7.8%
CALVERT	46	6,052.6492	2	249.0000					48	6,301.6492	2.3%
CAROLINE	248	33,521.3721	5	1,021.2045	-3	-453.6520	-2.0000	-12.5100	250	34,074.4146	12.3%
CARROLL	339	41,788.3779	3	471.5488	-2	-313.1359	-1.0000	-2.1335	340	41,943.6573	15.1%
CBCIL	70	11,544.6161	11	1,352.1068	-1	-384.0000	-1.5000	-20.0630	80	12,491.1599	4.5%
CHARLES	48	7,570.5333	2	261.0297	-2	-71.3800	-3.0000		48	7,757.1830	2.8%
DORCHESTER	29	4,951.8490	2	308.6000				-10.6900	31	5,249.7590	1.9%
FREDERICK	108	17,323.5218	4	722.1023	-1	-145.5920		-15.976	111	17,884.0561	6.4%
GARRETT	36	5,460.1448						-38.8790	36	5,421.2658	2.0%
HARFORD	186	20,811.2010	9	890.9017	-2	-180.5184	-2.0000	-5.7929	193	21,513.7914	7.7%
HOWARD	49	6,281.8034							49	6,281.8034	2.3%
KENT	44	8,187.8422	11	2,233.5040	-2	-278.3390		-2.0400	53	10,140.9672	3.7%
MONTGOMERY	17	2,911.5380							17	2,911.5380	1.0%
PRINCE GEORGE'S	0	0							0	0	0
QUEEN ANNE'S	118	22,223.5276	14	1,937.9780	*	-439.6200	-2.0000		132	23,719.8856	8.9%
ST. MARY'S	26	3,988.2813			*	-70.0000			26	3,918.2813	1.4%
SOMERSET	25	4,076.4760	5	389.1600				-3.5310	30	4,462.1050	1.6%
TALBOT	41	7,228.9250	13	2,227.9370				+3.9450	54	9,460.8070	3.4%
WASHINGTON	155	21,535.1440	8	964.1900	-1	-112.1000			162	22,387.2340	8.1%
WICOMICO	53	7,786.6520	2	203.7700				-1.5715	55	7,987.8505	2.9%
WORCHESTER	9	1,097.5300	14	2,570.2745					23	3,667.8045	1.3%
TOTAL	1,972	263,985.5450	112	16,549.3953	-17	-2,716.0053	-13.5000	-112.7719	2,067	277,692.6645	100%

* Indicates partial termination of District Acreage

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

REGIONS	FY '93	FY '94	FY '95
WESTERN:			
Garrett	17.4%	17.0%	16.6%
Allegany			
Washington	44,467 acres	44,639 acres	46,012 acres
Frederick			
CENTRAL:			
Carroll	35.7%	35.3%	34.0%
Baltimore			
Harford	91,135 acres	93,199 acres	94,419 acres
Montgomery			
Howard			
SOUTHERN:			
Anne Arundel			
St. Mary's	8.9%	9.6%	9.4%
Calvert	22,693 acres	25,502 acres	25,980 acres
Charles			
Prince George's			
UPPER SHORE:			
Queen Anne's			
Talbot	31.5%	31.3%	32.0%
Cecil	80,207 acres	82,714 acres	89,895 acres
Kent			
Caroline			
LOWER SHORE:			
Dorchester			
Wicomico	6.5%	6.8%	8.0%
Worcester	16,569 acres	17,932 acres	21,387 acres
Somerset			
TOTAL ACREAGE	255,071 acres	263,986 acres	277,693 acres

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

REGION	FY '93	FY '94	FY '95*
WESTERN:			
Garrett			
Allegany	13.6%	13.7%	14.0%
Washington	14,541 acres	15,552 acres	16,485 acres
Frederick			
CENTRAL:			
Carroll			
Baltimore	39.7%	39.5%	39.5%
Harford	42,403 acres	44,906 acres	46,387 acres
Montgomery			
Howard			
SOUTHERN:			
Anne Arundel			
St. Mary's	7.8%	7.4%	7.0%
Calvert	8,366 acres	8,466 acres	8,466 acres
Charles			
Prince George's			
UPPER SHORE:			
Queen Anne's			
Talbot	33.9%	33.7%	33.5%
Cecil	36,220 acres	38,243 acres	39,276 acres
Kent			
Caroline			
LOWER SHORE:			
Dorchester			
Wicomico	5.0%	5.7%	6.0%
Worcester	5,297 acres	6,461 acres	6,704 acres
Somerset			
TOTAL ACREAGE	106,827 acres	113,628 acres	117,318 acres

*Cycle One FY '95 Information Only

EASEMENT ACQUISITION PROGRAM

FY '94 Cycle Two Easement Acquisition

Average values of all accepted offers during Cycle Two of FY '94 are analyzed in the facing table by county and for the entire State. After settlement, a total of 3,720 acres will be placed under perpetual easement. The values listed in the table reflect average asking prices and average appraised values of properties within each county during Cycle Two of FY '94. 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 average farm size of the 27 properties on which an easement offer was made by the Foundation and accepted by the landowner during FY '94 Cycle Two is 137 acres. The average asking price was \$1,841 per acre while the average easement value was \$2,683 per acre.

The FY '94 Cycle Two average acquisition cost was \$1,428 per acre. The acceptance of 27 out of 28 easement offers made during this cycle shows a total acquisition cost of \$5,313,523 of which \$4,003,465 or 75% were State Funds and \$1,310,058 or 25% were County Matching Funds plus any additional funds committed by the counties.

During FY '94 Cycle Two 27 out of 28 easement offers were accepted, representing an acceptance rate of 96%.

A total savings of \$4,422,093 in FY '94 Cycle Two was 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 better ranking, which increases their chance of receiving an easement offer.

Using the \$1,428 average acquisition cost per acre as a unit of measure for FY '94 Cycle Two, the Foundation was able to purchase an additional 3,097 acres. This competitive bidding component, more than any other, allows the Maryland program to be one of the most effective programs in the country.

In some instances, offers were made based on remaining funds that were insufficient to equal the landowner's asking price or the appraised easement value. Such offers are called Insufficient Funds Offers, but represent the most the Foundation can offer at the time. If accepted, the Foundation will purchase the easement at a great discount. If rejected, the applications will still be considered in Round Two and will be re-ranked with all statewide applications.

During FY '94 Cycle Two, the Foundation made six (6) insufficient funds offers, which were accepted, representing a discount of \$2,336,918.67!

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FY '94 CYCLE TWO EASEMENT ACQUISITION PROGRAM

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										
ANNE ARUNDEL										
BALTIMORE	3	235.5640	78	3,733	6,165	678	5,487	3,733	950,213	190,546
CALVERT										
CAROLINE	1	140.5600	139	800	1,703	1,230	473	473	65,571	
CARROLL	3	403.4935	133	1,533	3,334	859	2,475	1,533	648,806	382,131
CECIL	3	428.9090	143	1,133	3,468	932	2,536	1,133	538,709	522,351
CHARLES	1	100.0000	98	3,200	2,200	670	1,530	1,530	149,961	
DORCHESTER	1	199.1000	199	700	3,998	657	3,341	700	139,370	525,858
FREDERICK	2	304.8200	150	2,048	3,532	782	2,750	1,479	462,136	377,374
GARRETT										
HARFORD	5	485.4000	96	2,120	3,411	548	2,863	1,932	823,060	504,721
HOWARD										
KENT	1	205.0000	203	1,500	3,000	884	2,116	1,144	232,261	197,350
MONTGOMERY										
PRINCE GEORGE'S										
QUEEN ANNE'S	2	316.4200	158	1,968	5,752	761	4,991	1,968	756,670	1,225,182
ST. MARY'S										
SOMERSET	1	167.2800	165	600	1,301	1,044	256	256	42,379	
TALBOT	1	252.2500	251	1,250	2,400	791	1,609	783	196,840	207,464
WASHINGTON	1	172.1200	171	1,800	3,214	953	2,261	590	100,885	286,042
WICOMICO	2	308.7300	153	1,150	1,224	507	717	709	206,663	3,072
WORCESTER										
TOTAL	27	3,719.6465	137	1,841	3,459	776	2,683	1,428	5,313,523	4,422,093

FY '95 Cycle One Easement Acquisition

Average values of all accepted offers during Cycle One of FY '95 are analyzed in the facing table by county and for the entire State. For FY '95 Cycle One, after settlement, a total of 3,708 acres will be placed under perpetual easement. The values listed in the table reflect average asking prices and average appraised values of properties within each county during Cycle One of FY '95. 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 average farm size of the 24 properties approved for easement sale and accepted by the landowner during FY '95 Cycle One is 155 acres, up from 137 acres in the previous cycle. The average asking price was \$1,650 per acre, while the average easement value was \$2,292 per acre.

The FY '95 Cycle One average acquisition cost was \$1,505 per acre. The acceptance of 24 out of 32 easement offers made during this cycle shows a total acquisition cost of \$5,581,213 of which \$4,065,713 or 73% were State Funds and \$1,515,500 or 27% were County Matching Funds plus any additional funds committed by the counties.

A total savings of \$2,918,222 in FY '95 Cycle One 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 better ranking, which increases their chance of receiving an easement offer.

Using the \$1,505 average acquisition cost per acre as a unit of measure for FY '95 Cycle One, the Foundation was able to purchase an additional 1,939 acres due to the competitive bidding component of the program.

During FY '95 Cycle One, the Foundation made two (2) insufficient funds offers that were accepted, which provided a discount of \$134,419.46 to the Foundation.

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

During FY '95 Cycle One, a total of 3,708 acres will be placed under perpetual easement and two (2) insufficient funds offers were made and accepted providing a discount of \$134,419.46 to the Foundation.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FY '95 CYCLE ONE EASEMENT ACQUISITION PROGRAM

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										
ANNE ARUNDEL										
BALTIMORE	4	234.0200	59	4,000	7,283	770	6,535	4,000	876,335	622,426
CALVERT										
CAROLINE	1	158.5000	159	1,000	1,751	1,302	449	449	70,301	
CARROLL	4	722.3130	181	1,763	3,239	794	2,445	1,763	1,099,361	428,928
CECIL	2	193.7900	97	2,600	4,577	1,097	3,479	2,097	417,787	266,880
CHARLES										
DORCHESTER	1	105.9400	106	700	1,650	811	839	700	72,758	14,414
FREDERICK	2	387.9100	194	1,600	2,650	738	1,912	1,600	573,129	157,785
GARRETT	2	312.8700	156	800	1,204	583	621	621	172,448	987,321
HARFORD	4	530.952	133	2,100	3,836	503	3,334	1,783	1,092,708	
HOWARD										
KENT	1	457.8630	458	1,500	3,000	692	2,308	1,500	683,795	
MONTGOMERY										
PRINCE GEORGE'S										
QUEEN ANNE'S	1	229.3180	229	1,200	2,716	856	1,859	1,200	273,982	150,508
ST. MARY'S										
SOMERSET	1	142.2900	142	2,000	1,253	982	271	271	38,314	
TALBOT										
WASHINGTON	1	232.44	232	1,493	2,788	617	2,171	913	210,297	289,960
WICOMICO										
WORCESTER										
TOTAL	24	3,708.2060	155	1,650	3,037	744	2,292	1,505	5,581,213	2,918,222

EASEMENT PARTICIPATION

FY '94 Cycle Two Easement Participation

The easement participation chart on the opposite page reflects the easements which were acquired during FY '94 Cycle Two and FY '95 Cycle One.

During FY '94, Cycle Two, the Foundation received accepted offers on 27 properties of the 28 offers made, consisting of 3,720 acres.

In comparing individual county progress for FY '94 Cycle Two, Harford County had the most acreage preserved, spread over five properties adding 485 acres to last year's total of 6,416 acres permanently preserved acres.

Last year's forerunner, Cecil County has added the second largest acreage increase with 429 acres, preserving three (3) new properties.

Carroll County was the third county with the most newly preserved acreage. Carroll County preserved three (3) new properties during FY '94 Cycle Two totalling 403 acres and still holds the title for the most acreage preserved in the State.

FY '95 Cycle One Easement Participation

During FY '95 Cycle One, the Foundation received accepted offers on 24 out of 32 offers made, consisting of 3,708 acres.

In comparing individual county progress for FY '95 Cycle One, Carroll County had the most acreage preserved, spread over four properties, adding 722 new acres.

Harford County has added the second largest number of acres at 531 acres with four (4) new properties.

Significant activity also occurred in Frederick, Kent and Garrett Counties adding to their permanently preserved acreage base as a result of FY '95 Cycle One Easement Offers.

Although these increases during FY '94 Cycle Two and FY '95 Cycle One are modest, it reflects a strong commitment to preserve farmland on behalf of the landowners, the counties and the State during tight financial times. FY '95 Cycle Two easement offers will be reflected in next year's annual report.

EASEMENT PARTICIPATION

County	Easement Acquired Or w/ Contract Status As Of June 30, 1994		Easements Offered & Accepted FY '94 Cycle Two		Easements Offered & Accepted FY '95 Cycle One		Less Recorded Lot Exclusions from Easements		Total Easements Acquired Or w/ Contract Status As Of June 30, 1995		% Of Total
	Number	Acreage	Number	Acreage	Number	Acreage	Acreage	Number	Acreage		
Allegany	1	183.2920							1	183.2920	0.2%
Anne Arundel	25	2,890.6947					-1.0000		25	2,889.6947	2.5%
Baltimore	95	10,657.7804	3	235.5640	4	234.0200	-2.0000		102	11,125.3644	9.5%
Calvert	24	3,455.9193							24	3,455.9193	2.9%
Caroline	127	17,843.2839	1	140.5600	1	158.5000	-2.0000		129	18,140.3439	15.5%
Carroll	164	21,075.9476	3	403.4935	4	722.3130	-3.0000		171	22,198.7541	18.9%
Cecil	22	3,914.7589	3	428.9090	2	193.7900			27	4,537.4579	3.9%
Charles	1	221.7500	1	100.0000					2	321.7500	0.3%
Dorchester	9	1,964.5420	1	199.1000	1	105.9400	-3.0000		11	2,266.5820	1.9%
Frederick	46	8,162.4285	2	304.8200	2	387.9100			50	8,855.1585	7.5%
Garrett	19	2,986.1540			2	312.8700			21	3,299.0240	2.8%
Harford	55	6,415.7945	5	485.4000	4	530.9520	-1.0000		64	7,431.1465	6.3%
Howard	27	3,955.7802							27	3,955.7802	3.4%
Kent	25	4,100.6062	1	205.0000	1	457.8630	-3.0000		27	4,760.4692	4.1%
Montgomery	9	1,677.2078							9	1,677.2078	1.4%
Prince George's	0								0	0	0.0%
Queen Anne's	47	8,868.9830	2	316.4200	1	229.3180	-1.0000		50	9,413.7210	8.0%
St. Mary's	12	1,797.9610							12	1,797.9610	1.5%
Somerset	8	1,187.2580	1	167.2800	1	142.2900			10	1,496.8280	1.3%
Talbot	8	2,170.6420	1	252.2500					9	2,422.8920	2.1%
Washington	16	3,741.3355	1	172.1200	1	232.4400			18	4,145.8955	3.5%
Wicomico	17	2,395.5580	2	308.7300			-2.0000		19	2,702.2880	2.3%
Worcester	1	241.0000							1	241.0000	0.2%
Total	758	109,908.6775	27	3,719.6465	24	3,708.2060	-18.00		809	117,318.5300	100.0%

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. Any adjustments made due to deeds and/or surveys are reflected in the acreage adjustment chart shown on the opposite page. 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 and other adjustments from deeds to date are shown at the bottom of the acquisition cost column.

Over the past 17 years, a total of 809 applicants of the 1,270 easement applicants have accepted easement offers made by the Foundation representing a 64% acceptance rate. The land contained on the 809 farms that have accepted the Foundation's easement offer total 117,319 acres. This adjusted figure takes into consideration a total reduction of 18.00 acres from lot exclusions in both FY '94 Cycle Two and FY '95 Cycle One. Historically, the average farm size continues to be 145 acres. However, the average farm size ranged from 137 acres in FY '94 Cycle Two to 155 acres in Cycle One of FY '95.

The appraised easement value is the difference between the fair market value and the agricultural value of any particular farm.

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 \$1,278 per acre. Historically, the average easement value has been \$1,323 per acre. However, the average historic acquisition cost increased \$25 or 2.4% to \$1,066 per acre from last year's historic average of \$1,041 per acre. Landowners may discount their asking price as a form of a competitive bid to improve their ranking and perhaps to obtain 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 lower 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 purchase easements at a discount with a savings of \$28,764,394. This allowed the State to purchase 17,648.50 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 1988	470 of 833 56%	69,549.2725	143 acres	\$934/acre \$64,947,117	\$2302/acre \$160,126,250	\$1381/acre \$96,048,646	\$921/acre \$64,077,604	\$804/acre \$55,926,564	7,432.89 acres \$7,213,765
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 and 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	\$3083/acre \$10,512,281	\$770/acre \$2,626,202	\$2,313/acre \$7,886,080	\$1,522/acre \$5,191,335	790.27 acres 2,694,746
1993 Cycle Two	29 of 33 88%	4,947.5488	169 acres	\$1375/acre \$6,800,926	\$1692/acre \$8,370,800	\$489/acre \$2,420,904	\$2014/acre \$9,966,619	\$1269/acre \$6,281,425	780.34 acres \$3,860,789
1994 Cycle One	22 of 26 85%	3,085.3619	139 acres	\$2011/acre \$6,204,831	\$3853/acre \$11,895,050	\$647/acre \$1,996,538	\$3208/acre \$9,898,511	\$1843/acre \$5,686,788	1,175.58 acres \$3,627,095
1994 Cycle Two	27 of 28 96%	3,719.6465	137 acres	\$1840/acre \$6,847,498	\$3459/acre \$12,865,700	\$776/acre \$2,887,787	\$2682/acre \$9,977,913	\$1428/acre \$5,313,523	3,096.70 acres 4,422,093
1995 Cycle One	24 of 32 75%	3,708.2060	155 acres	\$1650/acre \$6,119,937	\$3037/acre \$11,260,350	\$745/acre \$2,760,910	\$2292/acre \$8,499,429	\$1443/acre 5,352,330	2,022.33 acres 2,918,222
TOTAL	809 of 1,270 64%	117,489.7160 LESS: 171.1860 117,318.5300	145 acres	\$1278/acre \$149,955,555	\$2551/acre \$299,233,756	\$1262/acre \$148,088,808	\$1323/acre \$155,162,186	\$125,193,558 1066/acre LESS: 94,659 \$125,098,899	17,648.50 acres 28,764,394

PRESERVATION VERSUS CONVERSION

The graph and table on the opposite page reflect a comparison of preservation versus conversion and covers the period 1987 - 1995. 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 27 new easement offers made in Cycle Two of FY '94 and 24 in Cycle One of FY '95. This represents an increase of 3,720 acres preserved in FY '94 Cycle Two and 3,708 acres in FY '95 Cycle One.

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 35% of the farmland lost during the past ten years. The amount of farmland being converted to other uses slowed drastically in the late 80's and early 90's. However, since 1988 the trend is increasing again.

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.

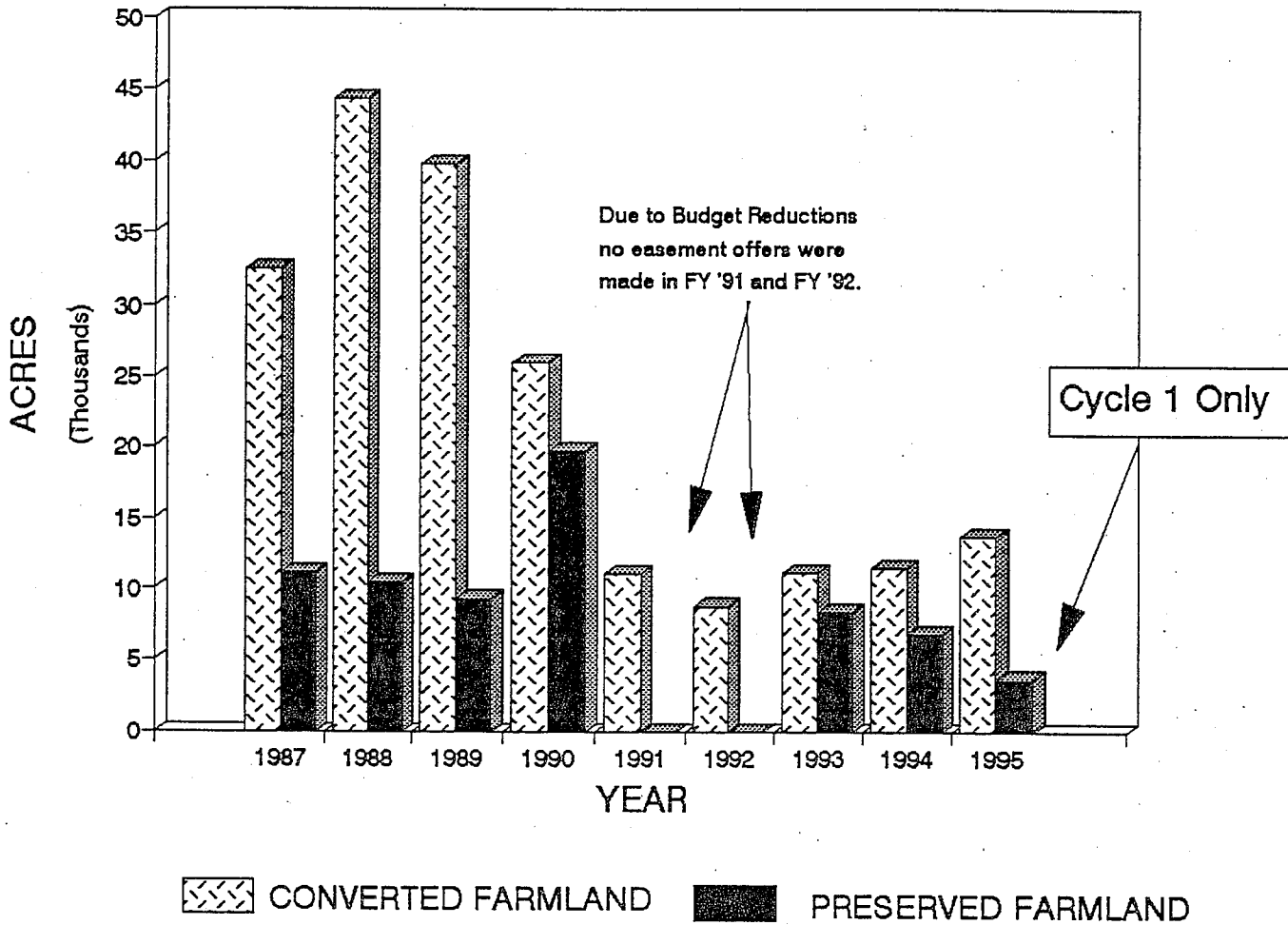
The Foundation is proud of its past accomplishments. However, in spite of being the most successful program of its kind in the country, Maryland's efforts have not been keeping pace with conversion, such that lost farmland far exceeds the amount which has been preserved.

Over the last nine years, Maryland has been losing an average of 22,085 acres per year. The Maryland Agricultural Land Preservation Foundation has been able to preserve an average of only 7,711 acres per year.

In order to preserve more farmland and to 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 for preservation 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.

	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTAL
CONVERTED FARMLAND	32524	44269	39801	26079	11070	8719	11132	11430	13743	198767
PRESERVED FARMLAND	11091	10366	9301	19768	0	0	8358	6805	* 3708	69397
DIFFERENCE	-21433	-33903	-30500	-6311	-11070	-8719	-2774	-4625	-10035	-129370

* Cycle One only

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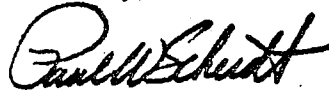
FOUNDATION STAFF:

Paul W. Scheidt, Executive Director
Iva L. Frantz, Administrative Specialist
Carol S. Council, Administrative Specialist
Sue Simmerer, Secretary
Angela Allen, Fiscal Clerk

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

