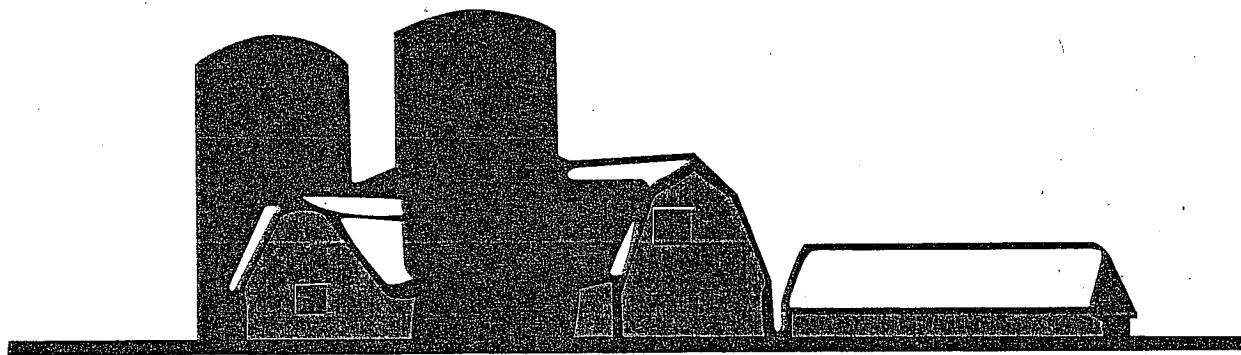


# **Maryland Agricultural Land Preservation Foundation**

## **Annual Report 2001**



# The Maryland Agricultural Land Preservation Foundation

Annual Report for FY 2001

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Maryland Department of Agriculture  
Maryland Agricultural Land Preservation Foundation  
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**Kathleen Kennedy Townsend**  
Lieutenant Governor

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**Bradley H. Powers**  
Deputy Secretary of Agriculture

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**James Conrad**, Administrator  
**Iva Frantz**, Administrative Officer  
**Carol Council**, Administrative Specialist  
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STATE OF MARYLAND  
DEPARTMENT OF AGRICULTURE

Maryland Agricultural Land Preservation Foundation  
November 1, 2001

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 and proud to present the Fiscal Year 2001 Annual Report of the Maryland Agricultural Land Preservation Foundation. This year, the program celebrates its twenty-fourth year of operations. Maryland's program remains one of the nation's leader in farmland preservation. Combining the Foundation's program and the county programs, Maryland has preserved more farmland than any other state in the union.

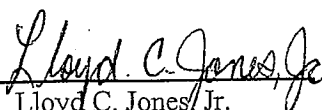
At the close of FY 2001, after accounting for acreage adjustments due to lot exclusions and terminations, the Foundation had 2,927 individual farms enrolled in its program, protecting 382,987 acres. During the past year, the Foundation added 210 farms and 24,498 acres to agricultural land preservation districts.

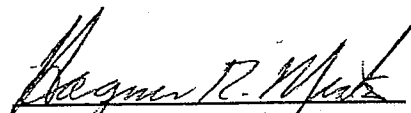
As of June 30, 2001, the Maryland Agricultural Land Preservation Foundation either purchased or acquired options to purchase perpetual preservation easements on 1,395 farms, totaling 198,276 acres. Since last year's annual report, the Foundation acquired 95 options to purchase perpetual preservation easements on 12,987 acres.

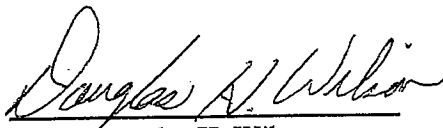
Our mission is to perpetuate a viable agricultural industry and help curb sprawl development by preserving a critical mass of Maryland's productive farmland. With the strong support of the legislature and the agricultural community, we will continue our efforts by focusing on protecting the best quality farms, building on existing preservation areas to increase the size of contiguous blocks of preserved farmland, and continuing to reduce the time to go to settlement on purchased easements. With our county partners, we will work to maintain the agricultural support structure and direct development away from agricultural areas.

Your continued support allows us to protect more of this precious land as development pressures increase. Once farmland and woodland are lost to development, they are unlikely ever to return to productive agricultural use. We thank you for your past support, and we ask for your continued support into the future.

Sincerely,

  
Lloyd C. Jones, Jr.  
Acting Chairman, MALPF

  
Hagner R. Mister  
Secretary of Agriculture

  
Douglas H. Wilson  
Acting Executive Director

***Tribute to Paul Scheidt***  
**(Paul W. Scheidt 1961- 2001)**

Paul Scheidt headed the Maryland Agricultural Land Preservation program for 12 years. Under his leadership, the Maryland Agricultural Land Preservation Foundation maintained its reputation as a model program and as a national leader in farmland protection. Paul worked long and hard on the many issues involved with running the program and with farmland preservation in general.

Paul was blessed with a good heart and a good mind. He loved his farm in Caroline County. He devoted his life to agriculture, his farm and the farming community.

Paul was an easy going guy, with a great sense of humor and a wonderful personality. All those characteristics made him a person you considered as your friend. His demeanor with friends, colleagues and landowners just naturally put you at ease.

Paul had a very loyal, dedicated staff because of his "hands on" approach in the office. Although his staff was always small, that did not deter them from working hard for Paul or stopping him from rolling up his sleeves to help! Under Paul's leadership the Foundation, in concert with the twenty-three Maryland counties, put 382,986 acres in agricultural districts, of which about half are under permanent easement. This is a major accomplishment, one he was proud of, and rightfully so!

Everyone misses you, Paul.

# What is the Maryland Agricultural Land Preservation Foundation?

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The Maryland Agricultural Land Preservation Foundation (MALPF) was created by the Maryland General Assembly to preserve productive farmland and woodland for the continued production of food and fiber for all present and future citizens of the State. The preservation of agricultural land helps to curb the expansion of random urban development, protects wildlife habitat, and enhances the environmental quality of the Chesapeake Bay and its many tributaries. During the Foundation's twenty-four years of existence, more than 2,927 farms totaling 382,987 acres have been preserved by recorded documents which protect the land from commercial, industrial and residential development. As of June 30, 2001, more than 1,395 of these farms, consisting of 198,276 acres, have been permanently protected from development through the purchase of perpetual preservation easements. Today, the Maryland Agricultural Land Preservation Program is one of the most successful programs of its kind in the nation. Maryland has preserved in perpetuity more agricultural land than has any other State in the Union.

## How is the Program Funded?

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The Maryland Agricultural Land Preservation Foundation is funded entirely by special funds. The **State Transfer Tax** is a tax assessed on all real estate property transfers. The Foundation receives 14.5% of the State Transfer Tax remaining after certain funds are set aside by the State for long term obligations and allocations. The Foundation receives additional State Transfer Tax revenue from the creation and funding of the Rural Legacy Program.

The **Agricultural Transfer Tax** is collected when farmland is sold and converted to another land use. The Foundation receives two-thirds of the amount of Agricultural Transfer Tax collected by each county, while one-third is retained by the local jurisdiction for agricultural land preservation purposes. A county with a local agricultural land preservation program certified by the Foundation and the Maryland Department of Planning may retain 75% of the Agricultural Transfer Tax collected for local farmland preservation purposes. Total State Transfer and Agricultural Transfer Tax revenue received in FY 2001 was \$14,300,000.

Many counties provide varying amounts of **Local Matching Funds** to help acquire easements. Most of these funds are derived from the individual county's share of the agricultural transfer tax, but some add other county funds. The total county commitment is used to make easement offers to landowners within that county on a 40% county and 60% State matching fund basis. County matching funds have averaged \$3-5 million over the last several years. Total Local Matching Funds received in FY 2001 were \$6,606,115.

Funds may also be derived from **Special Grants, Donations and the reimbursement for acres released for lot exclusions**. In FY 2001, the Foundation received a federal grant of approximately \$500,000 from the Federal Farmland Protection Program.

# 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 Program is administered by a 12-member Board of Trustees which includes the State's Comptroller, Treasurer, and Secretary of Agriculture, all of whom serve as **ex-officio** members. The other nine members of the Board serve "**At-Large**" and represent 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 include: disseminating information to farmland owners and other Maryland citizens; providing assistance and coordination to the twenty-three Agricultural Land Preservation Advisory Boards; promulgating program rules, regulations and procedures; reviewing and approving District Agreements; and acquiring, by purchase or donation, agricultural land preservation easements on productive agricultural land.

The Program is completely voluntary on the part of the landowner, but depends on the cooperation of local governments. Each local government appoints a five-member agricultural land preservation advisory board to assist the Foundation by providing information about the program; creating program rules, regulations and procedures; and creating agricultural land preservation "**districts.**"

## *Qualifications and Benefits*

To be eligible for district status, a property must have at least 100 contiguous acres with at least 50% of its soils classified as USDA soil capability Class I, II, or III and/or Woodland Group 1 or 2. Soils with these classifications are considered prime and are capable of producing agricultural commodities

with reasonable yields and returns.

A property smaller than 100 acres may qualify under special exceptions, if it meets certain requirements, or if it is adjacent to land already enrolled in the Maryland Agricultural Land Preservation Program. As of October 1, 2001, the minimum property size to be eligible to establish an agricultural preservation district will be reduced from 100 acres to 50 acres.

The owner must be willing to keep the land in agricultural use for a minimum of five years and be willing to have a document recorded in the county land records restricting the subdivision and development of the land and preventing commercial, industrial, or residential use during the term of the District Agreement. Under the agreement, farm and forestry production is encouraged and protected.

For more details about the eligibility of a specific property or the benefits and obligations of a district agreement, contact the Foundation directly or call the program administrator in the county where the property is located.

### **Benefits of Putting Land into an Agricultural Land Preservation District:**

- Direct and indirect support of agriculture.
- Recognition from the county and the State that the preferred use of the property is agriculture which is reflected in a document recorded in the county land records.
- 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 submit an application to sell a permanent agricultural land preservation easement to the Foundation.

## Selling An Easement

Once the Agricultural Land Preservation District is established, the landowner is eligible to apply to sell a permanent easement to the Foundation. With high demand to sell easements and limited State funding, the application process is competitive. Offers cannot be extended to every applicant.

Applications submitted by landowners must include their asking price for any easement offered for sale. The **maximum price** that the Foundation can pay is either the landowner's **Asking Price or the Easement Value, whichever is lower**. A property's Easement Value is determined by subtracting its Agricultural Value from the Fair Market Value. (See Figure 1 below.)

Because of the number of applicants and the limited funding, properties are ranked. As of FY 2000, counties can choose whether to have their applicant pool ranked by a local prioritization method approved by the Foundation or by the traditional ranking methodology used by the Foundation. In FY 2001, nine counties ranked their properties by a local prioritization method – Baltimore, Cecil, Charles, Harford, Talbot, Washington, and Wicomico.

The traditional ranking method used by the Foundation for the remaining counties is a straight ratio method. Properties are ranked by a ratio determined by dividing the landowner's asking price by the appraised easement value. A ratio of less than 1.0 indicates that the landowner is willing to sell an easement for less than the appraised easement value, letting the State purchase the easement at a discount. The landowner who offers the best discount to the State is ranked first. Discounting maximizes the number of easement acres the State can acquire.

Any offer made by the Foundation is subject to available funds and the approval by the State Board of Public Works.

The time it takes to sell an easement varies with each property, but generally takes **9 to 14 months** from the application deadline (July 1<sup>st</sup> of each year) to settlement. Settlement may be longer if survey work is needed, acreage must be verified, additional owner signatures are needed, financial institutions or third party interests are discovered, or unforeseen title problems are identified. The Foundation continues to evaluate ways to shorten the time to settlement.

Appraised Fair Market Value	Agricultural Value	Easement Value
(determined by the better of at least two appraisals conducted by the State and by the appraisal submitted by the landowner if included with the application)	<i>(less)</i> (determined by a formula that calculates a land rent based on the soil productivity <b>OR</b> the five-year average cash rent in the county, whichever is lower)	<i>(equals)</i>

**Note:** The Foundation's offer to purchase an agricultural land preservation easement on any property will be dependent upon the county's approval of the application to sell an easement, available funds and approval from the State Board of Public Works.

Figure 1. Easement Value Formula

Since 1985, the Foundation has required a **Soil Conservation and Water Quality Plan** for each property that is submitted for easement sale. This requirement identifies existing erosion and water quality problems on the land and recommends best management practices or other conservation measures necessary to address them and a schedule for implementation. The landowner is responsible for implementing the plan according to the schedule contained within the plan if an easement is purchased on the property. The implementation responsibility is included in the recorded Deed of Easement as a special condition. Not only is the land protected from erosion, potential yield production is increased, and the flow of sediment into neighboring streams, rivers, and ultimately the Chesapeake Bay is reduced and/or eliminated.

A **Forest Management Plan** is also encouraged on properties having 50% or more of the land in woodland.

Once an agricultural land preservation easement is purchased by the Foundation, the property is protected from further development with certain rights retained by the landowner who originally sold the easement. This landowner can construct a house for his or her personal use and/or the use of the children, subject to certain restrictions, density requirements, and county approval.

### **FY 2001 Easement Offers**

The Foundation received 336 applications to sell an easement for the FY 2001 Easement Acquisition Program. Of the properties submitted for consideration, 248 farms were approved and appraised for possible easement sales.

Each property approved for easement sale was appraised by two independent fee appraisers contracted by the State to estimate the fair market value of the land, not including improvements. Properties with less than 100 acres were appraised as if they were part of a 100-acre parcel.

The Office of Real Estate in the Department of General Services reviews each appraisal and recommends to the Foundation which appraisal, in its opinion, best represents the property and adheres to the appraisal specifications set by the Foundation and included in its contract agreement with the appraiser.

In FY 2001, the Foundation made 110 easement offers to landowners applying in the FY 2001 Easement Acquisition Program. Of those offers, 95 were accepted and are proceeding to settlement to preserve 12,987 acres. This response represents an **86% acceptance rate**, bringing the cumulative total of preserved farmland to **198,276 acres**.

The Foundation acquired these easements at a combined discount of \$13,453,723.00 below the total combined easement values due to competitive bidding for FY 2001. The total acquisition cost for the 95 easement offers was \$25,246,645.



## **COOPERATIVE ARRANGEMENTS WITH OTHER AGENCIES/PROGRAMS**

### ***Rural Legacy Program***

In 1997, the Maryland General Assembly approved the Rural Legacy Program as a major component of Governor Parris N. Glendening's Smart Growth and Neighborhood Conservation Initiative.

Administered by the Rural Legacy Board, made up of the Secretaries of the Maryland Department of Agriculture, Secretary of the Maryland Department of Natural Resources and the Secretary of the Maryland Department of Planning, the program was established to protect natural resources, farms, forests and other sensitive environmental areas while maintaining the viability of resource-based economies and the proper management of tillable and wooded areas. The program provides funds to local governments and land trusts to purchase interests in real property, as well as to purchase property in fee-simple, in designated Rural Legacy Areas (RLA's).

On February 23, 1999, the Maryland Agricultural Land Preservation's Board of Trustees approved the concept of co-holding Rural Legacy easements whose focus is primarily agricultural and generally meets the minimum qualifications of the program. Final approvals are given on a case-by-case basis and are contingent upon the Rural Legacy easements not having any language that could potentially conflict with MALPF program restrictions. Further, the Board requires a Memorandum of Agreement between the Rural Legacy sponsor and MALPF to outline easement monitoring and enforcement responsibilities.

Settlement of Rural Legacy easements is the financial responsibility of the Rural Legacy sponsor. There is no cost to MALPF other than administrative costs associated with monitoring easements. By July 1, 2001, the Foundation voted to co-hold a total of 29 Rural Legacy easements with two sponsors.

Ten of these easements are located in the Piney Run Rural Legacy Area of Baltimore County, covering 1,031 acres, with a total acquisition cost of \$3,394,530. Nineteen other co-held Rural Legacy easements are

located in the Little Pipe Creek Rural Legacy Area of Carroll County, covering 1,716 acres with a total direct acquisition cost of \$3,672,113 (excluding one easement whose acquisition cost is still under negotiation). Since July 1, 2001, the Foundation's Board of Trustees reviewed and approved co-holding one easement for a property located in a new area – the Long Green Valley Rural Legacy Area of Baltimore County. An additional easement from the Little Pipe Creek Rural Legacy Area was also approved.

Governor Parris N. Glendening requested \$38,649,000 in Rural Legacy grant funds for Fiscal Year 2002, including \$25 million in General Obligation Bond funds and \$13,649,000 in Program Open Space transfer tax funds. However, the 2001 General Assembly reduced the Governor's bond request by \$9 million.

Adding this amount to the contingency funds reserved from prior years, Governor Glendening awarded Rural Legacy grants of \$29.6 million on June 28, 2001, to protect 11,000 acres with permanent easements and fee simple acquisition. While concentrating on supporting existing Rural Legacy Areas, the Governor announced the designation of one new Rural Legacy Area this year, the Nanticoke Rural Legacy Area in Dorchester County, which received \$750,000.

The Rural Legacy Board's highest priority for FY 2002 is to fund Rural Legacy Areas that are making substantial progress in land preservation. The Board recommended awarding grants to fifteen of the twenty-three applications. This includes \$28,850,000 for fourteen existing Areas and \$750,000 for one new application.

Of particular concern to the Governor is that sponsors be more aggressive in spending grant funds or risk losing them. Over 14,400 acres of land have been preserved across the State, but the Governor insisted more should be protected. If progress is not made in a timely manner, money allocated to the counties as Rural Legacy Program grants that have not been used may be taken back by the State and reallocated.

The goal of the Rural Legacy Program is to preserve 225,000 acres of land during a fifteen-year period, at an estimated cost of \$600 million. This would preserve an additional 5% of unprotected agricultural and forested lands in Maryland, resulting in 20.5% of the undeveloped land being protected.

The three Rural Legacy Areas for which the Foundation's Board has approved co-holding easements are the Little Pipe Creek Rural Legacy Area in Carroll County, the Piney Run Rural Legacy Area in Baltimore County, and the Long Green Valley Rural Legacy Area in Baltimore County.

#### **Little Pipe Creek (Carroll County)**

The plan for this nearly 12,000 acre RLA is to form a greenbelt around the town of New Windsor, a National Register Historic District, and to provide a buffer for other preserved farmland. Thousands of acres of dairy farmland and cropland with high quality soils dot the landscape within and outside of the RLA boundaries.

#### **Piney Run (Baltimore County)**

Containing farms, forests and historic sites, the nearly 20,000 acre Piney Run Rural Legacy Area features some of the strongest agricultural preservation zoning in Maryland (1:50). Consequently, 94% of the RLA remains undeveloped. Piney Run includes one of the largest, contiguous blocks of easement land supporting agriculture and natural resources in the eastern United States. Additionally, as the RLA is located upstream from the Loch Raven Reservoir, it will help protect the region's water supply and important trout streams.

#### **Long Green Valley (Baltimore County)**

Located just north of Baltimore City in the Long Green Creek watershed, this scenic valley of pastures, farms, and rolling hills is nestled between Gunpowder and Little Gunpowder Falls. Although the RLA is located within a county designated Resource Conservation Area (RCA), natural assets are fragmenting under intense, outside development pressures. The Long Green Valley Conservancy, the local Rural Legacy sponsor, is focusing on the protection of several priority properties located within or contiguous to a National Register Historic District, all of which are active farm operations.

### ***GreenPrint Program***

In May 2001, Governor Glendening signed into law a new \$35 million program designed to protect lands critical to long-term ecological health. As the State's most recent Smart Growth initiative, GreenPrint will support efforts to steer growth to appropriate areas while preserving the more environmentally-sensitive areas.

These lands, referred to as Maryland's "green infrastructure," provide the natural foundation needed to support a diverse plant and animal population and enable valuable natural processes like filtering water and cleaning the air to occur.

The Department of Natural Resources has identified over two million acres of green infrastructure lands. This new program is expected to boost the State's land conservation capacity by about 13,000 acres per year for the next five years. State officials hope to leverage other resources and plan to work with citizens, land trusts, and conservation groups to stimulate a variety of actions to protect these important lands.

For FY 2002, the GreenPrint program authorizes two state agencies to undertake activities to conserve targeted lands: the Department of Natural Resources (DNR) and the Maryland Agricultural Land Preservation Foundation.

MALPF has the authority to spend 25% of the funds allocated for FY 2002 on green infrastructure land acquisitions and easements (\$8.75 million) to protect properties within MALPF-approved agricultural districts that contain green infrastructure lands.

These easement purchases will follow the normal administrative procedures by which landowners apply to sell their easements to the Foundation. Currently, \$625,000 of the \$8.75 million is embargoed until the revenue projections are more certain. MALPF has used \$8,045,000 to make offers.

The first set of offers drew on the existing pool of applicants to sell easements to MALPF for FY 2001. Applicants who did not receive standard MALPF easement offers had their properties ranked by the Department of Natural Resources based on: (1) the number of acres of green infrastructure; (2) the percent of the

property containing green infrastructure; (3) the position of the property relative to other protected lands; (4) the ecological value of the resources contained on the property and within the larger green infrastructure in which the property is located; and (5) the vulnerability of the property to development pressures.

The first GreenPrint offers were made on August 24, 2001, with the first accepted offers on GreenPrint properties going to the Board of Public Works on October 24, 2001. A complete report of the results from the first year of GreenPrint funding for MALPF properties will be provided in next year's annual report.

GreenPrint funding is expected to be renewed in FY 2003, with MALPF receiving over \$6 million. The administrative procedures for processing GreenPrint funded easements through MALPF are under evaluation and will likely change before FY 2003 offers are extended to landowners.

## ***PROPOSAL REQUEST FOR FEDERAL FUNDS***

### ***Joint Application for Federal Funds***

Fifteen Counties joined with the Maryland Agricultural Land Preservation Foundation to apply for \$13,716,948 of the \$30,000,000 of Federal Farmland Protection Program funds for FY 2001. A requirement of such applications is that any awards are matched with State and local funds.

Available Federal Farmland Protection Program funds were cut from \$30 million to \$17.4 million. Maryland's joint application was awarded \$689,400.00. The Federal Program granted three awards to non-governmental organizations in Maryland, reducing Maryland's joint award to \$503,262.00.

These federal funds were divided equally among Caroline, Carroll, Cecil, Dorchester, Frederick, Kent, Montgomery, Queen Anne's, St. Mary's, and Washington Counties. Montgomery County elected to use its share for its local easement program. As a result, MALPF was able to supplement State and local money in making easement offers to landowners in these nine Counties in the amount of \$452,936.00 for the FY 2001 Easement Acquisition Program. These Federal Farmland Protection funds used by MALPF will protect an estimated 266 acres and used in conjunction with matching funds to protect 1,227.51 overall district acres.

Although Montgomery County elected to use its share of Federal funds for its local agricultural preservation and Rural Legacy programs, its program staff was instrumental in producing and submitting this successful statewide grant application.

**FY 2001 CO-HELD RURAL LEGACY EASEMENTS**  
(Status as of July 1, 2001)

	Number of Easements	Total Acreage	Average Farm Size (acres)	Direct Cost of Easement Acquisition	Average Cost of Easement Acquisition per Property	Average Easement Acquisition Cost per Acre
<b>Little Pipe Creek Rural Legacy Area (Carroll County)</b>						
FY 2001 approved	6	611.5372	101.9229	1092024.50*	182004.08*	2296.79*
FY 2001 settled	6	408.6939	68.1156	1019274.50	169879.08	2493.98
Total approved	19	1715.5494	90.2921	3672113.00*	204006.28*	2324.90*
Total settled	13	1104.0122	84.9240	2580088.50	198468.35	2337.01
<b>Piney Run Rural Legacy Area (Baltimore County)</b>						
FY 2001 approved	2	296.882	148.4410	1118912.00	559456.00	3768.88
FY 2001 settled	5	470.257	94.0514	1418379.00	283675.80	3016.18
Total approved	10	1031.329	103.1329	3394530.00	339453.00	3291.41
Total settled	6	535.807	89.3011	1620782.00	270130.33	3024.94
<b>TOTALS – both Rural Legacy Areas</b>						
FY 2001 approved	8	908.4192	113.5524	2210936.50*	315848.07*	2862.65*
FY 2001 settled	11	878.9509	79.9046	2437653.50	221604.86	2773.37
Total approved	29	2746.8784	94.7199	7066643.00*	252380.11*	2706.70*
Total settled	19	1639.8192	86.3094	4200870.50	221098.45	2561.79

\* These figures exclude one property because the acquisition cost is still under negotiation.

# PROPOSED REGULATIONS AND POLICY CHANGE

## *Agricultural Subdivisions*

After many months of discussions, comments and revisions, the Foundation's Policy Review Committee recommended new guidelines for agricultural subdivisions to the Board of Trustees. This new policy further limits a landowner's ability to receive approval to agriculturally subdivide district and easement properties.

The Maryland Agricultural Land Preservation Foundation Task Force, created by House Bill 740 in the 2000 Session of the General Assembly to study MALPF's Program, also endorsed these changes in its report to the Governor in August, 2001.

The Foundation's Regulations (COMAR 15.15.01.17.H) now reflect the changes, effective August 16, 2001. The new guidelines on agricultural subdivisions read as follows.

### General Perspective:

*No district or easement property may be subdivided without the written approval of the Foundation. All requests for agricultural subdivisions shall be reviewed on a case-by-case basis. An approval for an agricultural subdivision should not be portrayed as an absolute right to the landowner. Each request will be reviewed to determine if the proposed subdivided parcel and remaining parcel will continue to be able to sustain long-term agricultural production. The boundaries of the proposed agricultural subdivision should follow physical characteristics of the farm such as the end of a field or hedge row, edge of woodland, a stream, road or farm lane, or some other physical feature of the farm.*

### Criteria:

A. A request for an agricultural subdivision will not be considered for any property that contains less than 100.00 acres unless it is an easement property. (See Special Exception 1 below.)

B. No more than one agricultural subdivision per full 100 acres will be considered for any property (i.e., 1 for 100.00 acres, 2 for 200 acres, 3 for 300, etc.).

C. The size of any requested agricultural subdivision must be at least 50.0 acres in size. (See Special Exceptions 2 and 3 below.)

D. The parcel remaining after any agricultural subdivision must be at least 50.0 acres in size.

E. The proposed agricultural subdivision and the remaining parcel must both meet the Foundation's minimum soils criteria in COMAR 15.15.01.03D(1)(b). ( See Special Exceptions 4 below.)

F. The parcel to be agriculturally subdivided and the remaining parcel must both continue to qualify for agricultural use assessment under Tax Property Article, Section 8-209, Annotated Code of Maryland. NOTE: This may require the agriculturally subdivided parcel to be incorporated into the receiving parcel by new deed.

G. A request for an agricultural subdivision must conform with local planning and zoning requirements and/or regulations.

### Special Exceptions to Criteria:

1. If an easement property contains less than 100 acres, a request for an agricultural subdivision may be considered on a case-by-case basis ONLY if the parcel to be subdivided is conveyed to an adjoining easement property and the remaining parcel consists of at least 50.0 acres. (If the adjoining easement property is not a MALPF easement, it must be restricted by a recorded instrument that permits agricultural activities and contains restrictions that are the same as or more stringent than those found in the MALPF deed of easement.) This exception will not be available for district properties.

2. A request for an agricultural subdivision of minor acreage of district or easement property may be considered by the Foundation on a case-by-case basis for the express purpose of straightening boundary lines.

3. A request for an agricultural subdivision of less than 50.0 acres from easement property may be considered on a case-by-case basis ONLY if the parcel to be subdivided is conveyed to an adjoining easement property and the remaining parcel consists of at least 50.0 acres. *(If the adjoining easement property is not a MALPF easement, it must be restricted by a recorded instrument that permits agricultural activities and contains restrictions that are the same as or more stringent than those found in the MALPF deed of easement.)* This exception will not be available for district properties.

4. A proposed agricultural subdivision of easement property, when conveyed to an adjoining easement, does not have to meet the minimum soils criteria as described in COMAR 15.15.01.03D.(1)(b). However, the remaining parcel WILL have to meet the minimum soils criteria as described in COMAR 15.15.01.03.D.(1)(b).

As reported in last year's Annual Report, the subdivision of State-preserved farmland has been very controversial. After much discussion and the input of agricultural organizations, local agricultural land preservation advisory boards, and program administrators, the Foundation's Policy Review Committee, supported by the Board, decided not to consolidate all types of subdivision into one legislative proposal addressing all subdivision on easement properties.

The subdivision issue was separated into two parts: (1) lot exclusions and (2) agricultural subdivision. General consensus could only be achieved on the issue of lot exclusions. The discussion of further agricultural subdivision policy changes continues.

The Board of Trustees agreed on several items to be incorporated into proposed legislation on lot exclusions, including:

1. Maintain the policy of allowing lots to be excluded only for the landowner who sold the easement, which could be used as an owner's lot

or children's lots.

2. Reduce the density of allowable lot exclusions to one lot per full 50 acres, instead of the existing policy of one lot per 20 acres.

3. Limit the number of allowable lot exclusions to no more than four lots per district, instead of the current cap of ten lots per district.

## ***Sand and Gravel Pilot Project***

During the 1999 Maryland General Assembly, the legislature passed SB 572 which began a five-year project to study the effects of mining sand and gravel on agricultural land and permits up to three district properties to serve as study sites.

Current policy and regulations of the program do not allow the mining of sand and gravel on lands protected by an agricultural land preservation easement. The restrictions contained in the Deed of Easement prohibit landowners from using their land for residential, commercial and industrial uses.

Several Sand and Gravel Pilot Project Steering Committee meetings were held throughout Fiscal Year 2001. The Steering Committee continues to study the effects of sand and gravel mining on agricultural land. In particular, the Committee is studying three selected properties in different stages of the mining process, to evaluate the land's productive capability after reclamation has occurred.

Agreeing to participate in the pilot project is a non-district property located in Caroline County as well as a district property and a non-district property located in Charles County. Production records were not available on the sites agreeing to participate. Staff is working to get complete pre-mining soils information to estimate pre-mining productive capability.

The Committee will submit a status report to the sponsors of the bill January 1, 2002. The final report is due January 1, 2004. The report will outline the site visits and discuss the costs and benefits of reclamation for agriculture, though the distribution of costs and benefits will vary by location. The report will also examine other impacts of mining on agricultural production, including

how long land is out of production, etc.

Staff is charged with making recommendations on the extent to which sand and gravel mining should be allowed on district and easement property and whether previously mined property should be allowed to enter the program.

### ***Change in the Minimum Acreage Size for District Establishment***

During last year's legislative session, HB 131 (*Inclusion of Smaller Farms in Certain Counties*) passed. This bill changes the longstanding requirement that a minimum of 100 acres is necessary for a property to qualify for district status and to sell easements to the Foundation as a standalone property.

The Foundation's long-term objective has been to preserve the minimum number of acres in a given district which may reasonably be expected to promote the continued availability of agricultural suppliers and markets for agricultural goods.

Though the Foundation's focus has always been on farms greater than 100 acres, farms smaller than 100 acres have always had the ability under certain conditions to take part in the MALPF program.

The intent of the original legislation was to permit preservation areas to grow in size, which helps support local agricultural industries, suppliers and farmers. To this end, since the inception of the program, the Foundation's law allowed the inclusion of farms less than 100 acres if they were adjacent to existing agricultural land preservation districts or other preserved areas that permit agricultural activities or if they were part of a total preservation area totaling more than 100 acres of contiguous farmland.

The Foundation has always recognized that specialty products can be produced profitably on farms smaller than 100 acres. Intensive specialty farming, however, can be a management decision that may not necessarily reflect the long term productive capability of the land or economic viability of the farming operation.

Farms smaller than 100 acres that could be documented to have extraordinary productive capability or

have other unusual or unique characteristics that justify preservation have always been able to come into the program as standalone properties. Few such farms have come into the program, because most local programs have given priority to larger farms in their ranking systems.

One of the objectives of the certification of local preservation programs, co-administered by the Foundation and Department of Planning, was to allow county programs to acquire easements on land that does not meet the minimum criteria of the Foundation, such as these smaller specialty farms.

HB 131 was a direct result of the Master Tobacco Settlement. Because of concern about the fate of land in Southern Maryland devoted to tobacco production, the Tobacco Crop Conversion Program provided incentives for farmers accepting the buyout to put their land into long-term preservation. The Program will provide a 10% bonus above the offer price for easements for farmers accepting the tobacco buyout. The Program will also provide funds to the Southern Maryland counties specifically for agricultural land preservation activities.

The average size of farms in Southern Maryland is smaller than statewide averages. The average Maryland farm was 169 acres in 1997. By comparison, the average farm size in Southern Maryland for the same year was 84 acres for Anne Arundel County, 96 acres for Calvert County, 136 acres for Charles County, 101 acres for Prince George's County, and 116 acres for St. Mary's County. The average size of tobacco farms is even smaller, raising concerns about the ability of these farms participating in the buyout to qualify for preservation programs.

The original bill proposed to change the minimum size for District establishment from 100 acres to 50 acres, but only for properties located in these five Southern Maryland counties affected by the tobacco buyout. The final version of this bill extended the reduced 50-acre minimum for participation in the MALPF program to all of Maryland. The lower acreage minimum goes into effect on October 1, 2001.

The staff expects the number of applications for properties smaller than 100 acres to increase in FY 2003, particularly in Southern Maryland. The policy on appraising these properties has been that they should be appraised as if they are part of a 100-acre parcel. Nonetheless, an interpretation of the trends of appraisals

done for MALPF for smaller properties show that they generally result in higher per acre values.

With higher per acre values for smaller properties, the same administrative costs for processing smaller properties compared to processing larger properties, and a larger pool of applicants, the staff anticipates preserving somewhat less acreage than before at the same level of funding.

### ***Task Force Created to Study The Maryland Agricultural Land Preservation Program***

During the 2000 Maryland General Assembly, HB 740 created a Task Force to study the Maryland Agricultural Land Preservation Foundation.

The charge of the Task Force is to make recommendations to improve program policy, practices, and the financial standing of the Maryland Agricultural Land Preservation Foundation. The Task Force met once a month and submitted an interim report of its findings and recommendations to the Governor and to the General Assembly, on December 1, 2000, and a final report to the Governor and to the General Assembly on July 31, 2001.

#### ***Achieving the Goals of the Program***

The Task Force concluded that, despite the Foundation's impressive accomplishments in terms of acres preserved, in the long run the Foundation is not likely to achieve its legislative goals without action from the Governor and the legislature to increase funding and ensure that easements are purchased primarily in preservation areas better protected from development through local zoning and land use management.

#### ***Recommendations:***

- Increase funding for the MALPF Program to approximately \$1 billion over the next twenty years.
- Once the comprehensive changes recommended by the Task Force have been enacted, appropriate 60% of that \$1 billion in the first decade (\$60 million per year) to accelerate easement acquisition before land values increase further.
- During the first four years following enactment, set aside an increasing percentage of funds to acquire easements in priority preservation areas designated by each county: 50% the first year and 60%, 70% and 80% in years two, three and four respectively, remaining at 80% thereafter. In counties wishing to do so, authorize the Foundation to spend the balance of funds in each year to purchase easements on properties outside designated priority areas.
- If the Governor and legislature do not increase funding for the Program, the Task Force believes that the recommendations to target an increasing share of funds to County-designated Priority Preservation Areas should go forward. It is a necessary prerequisite to achieving Program goals, whatever the level of funding.
- Establish a preliminary statewide goal to preserve 1.1 million acres by the year 2020.
- Use \$20 million per year during the second through fifth years following enactment of these recommendations to fund an installment purchase program.
- Use these funds to further accelerate easement acquisition in designated areas. Engage the Department of Management and Budget to ensure that the fiscal strategy for this mechanism is sound and that it will not compromise debt affordability or the State's bond rating.
- Create new revenue sources to support the recommended funding.
- Examine the potential sources identified by the Task Force for the necessary additional revenue and identify additional potential sources if necessary.
- Do not assign funds from other preservation Programs to MALPF.
- Evaluate the establishment of a State Critical Farms Program administered through a flexible revolving fund, such as the Land Trust Grant Fund of the MET, and encourage Counties to establish their own Critical Farms Programs with a share of their MALPF funds and County funds.



### ***Allowed and Restricted Uses of District and Easement Properties***

The Annotated Code prohibits "commercial or industrial" operations on MALPF easements. MALPF's regulations allow the sale of items raised on the farm, plus limited items raised on other local farms. The Task Force believes that it would benefit farms and the goals of agricultural land preservation if limited, non-agricultural commercial uses were allowed on MALPF easement and district properties.

The Task Force also reviewed a variety of problems associated with current State law and policies governing the subdivision of easement land and recommended policies to reduce excessive development on and around easement properties.

#### ***Recommendations:***

- During the 2002 Legislative Session, change the law to allow limited, non-agricultural, commercial uses that will supplement farmer income, while ensuring that allowed activities will not compromise production or rural character of easement properties. Draft Legislation is being developed by the Task Force.
- Revise the Foundation's enabling legislation to solve the problems identified by the Task Force pertaining to lot exclusions and land withheld prior to enrollment in the Program. Among such changes include a prohibition on further subdivision except for agricultural or forestry use; reserved development rights for residential construction must be excluded prior to enrollment; and existing residences on easement property are not allowed to be subdivided.
- Support a new MALPF agricultural subdivision policy that the Task Force endorses.

#### ***Current Procedures of the Program***

The Task Force discussed sources of delays in the settlement process. The three primary sources of delay were identified as: (1) an excessive number of steps in the process; (2) inadequate staff support; and (3) the amount of time necessary to complete appraisals and derive easement values.

#### ***Recommendations:***

- The legislature should support the Foundation's proposed procedural changes to reduce time to settlement. The proposed changes include making offers by individual county as appraisals are completed and allocations are known; spread application and offer period over the year; and hiring more staff.
- The Task Force believes that it would be to the State's advantage to consider alternative approaches to the easement valuation formula currently used by the Foundation. The Task Force suggests a point system or easement valuation system. If the Task Force is extended, the Governor and General Assembly should include the task of developing a final recommendation regarding easement valuation for consideration during the 2003 Session of the General Assembly. At minimum, a point system or easement valuation system, such as those now used by some counties for their own easement programs and by most sponsors under the Rural Legacy Program, should be evaluated.
- Extend the Declaration of Intent that buyers file pledging them to keep the land in agricultural use in exchange for an agricultural use assessment from the current five years to a ten years binding contract.

The Task Force recommended that many of these changes to the Program be implemented immediately or in the short term through legislative action by the General Assembly during the 2002 Session or through administrative actions of the Foundation. Other recommendations will clearly require additional research. The Task Force will seek to extend its own existence to pursue research and recommendations that are not yet ready for legislative or administrative implementation.

A copy of the *Report of the Maryland Agricultural Land Preservation Foundation Task Force* (August 21, 2001) may be obtained by contacting the Maryland Department of Planning at (410) 767-4500 or (800) 767-6272.

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**LEGISLATION 2001**  
Relating to Agricultural Land Preservation Issues

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- ***House Bill 131 - Maryland Agricultural Preservation Program - Inclusion of Smaller Farms in Certain Counties (Passed)***  
Requires regulations and criteria developed by the Maryland Agricultural Land Preservation Foundation to provide that farmland in certain counties that is at least a certain number of acres in size shall qualify for inclusion in an agricultural district, and generally relating the Maryland Agricultural Land Preservation Program. The original bill proposed to change the minimum size for District Establishment from 100 acres to 50 acres, but only for properties located in Anne Arundel, Calvert, Charles, Prince George's and St. Mary's Counties. The final version applies the 50-acre minimum to all counties.
  
- ***House Bill 297 (Companion to SB 18) - Recordation and Transfer Tax - Transfer tax from Real Estate Enterprise to Limited Liability Company (Passed)***  
Adds an exemption to the recordation tax and State transfer tax for certain instruments of writing that transfer title to real property from certain real estate enterprises to a limited liability company under certain circumstances, defines "real estate enterprise"; and generally relating to a recordation tax exemption and State transfer tax exemption for an instrument of writing that transfers real property from certain real estate enterprises to a limited liability company.
  
- ***House Bill 353 (Companion to SB 661) - Recordation Tax and State and County Transfer Taxes - Exemption for Transfer to Subsidiary Limited Liability Company (Unfavorable)***  
Provides an exemption from recordation tax and State and county transfer taxes for an instrument of writing that transfers real property from certain parent entities to a subsidiary limited liability company under certain circumstances; and generally relating to an exemption from recordation tax and State and county transfer taxes for an instrument of writing that transfer real property from certain parent entities to a subsidiary limited liability company under certain circumstances.
  
- ***House Bill 376 - Maryland Agricultural Land Preservation Foundation - Gas and Mineral Rights (Governor Vetoed - Policy)***  
Prohibits regulations and procedures adopted by the Maryland Agricultural Land Preservation Foundation for the establishment and monitoring of agricultural districts from requiring, in Garret County, a natural gas company or other mineral rights owner or lessee to subordinate its interest to the Foundation's interest.
  
- ***House Bill 404 - Program Open Space - Attainment of Acquisition Goals - Increase in Development Allocation (Passed)***  
Increases the amount a local government can spend on development projects after it has attained its acquisition goals under Program Open Space; and generally relating to apportionment of local government funds for Program Open Space after the acquisition goals have been obtained.

- ***House Bill 413 (Companion to SB 337)- Agriculture - Land Preservation Grants Act of 2001 (Withdrawn)***  
 Establishes an Agricultural Land Preservation Supplementary Grants Fund; requiring the Maryland Agricultural Land Preservation Foundation to administer the fund and establish certain application procedures; requiring the State to provide certain agricultural land preservation grants to certain counties; limiting use of funds to certain purposes; providing that certain moneys in the Fund not spent by a certain date shall be transferred to the Maryland Agricultural Land Preservation Fund to be used for certain purposes; providing for the termination of this Act; and generally relating to agricultural land preservation programs.
- ***House Bill 616 - Maryland Agricultural Land Preservation - Termination of Easement (Withdrawn)***  
 Provides that a landowner may not terminate an agricultural land preservation easement after July 1, 2002.
- ***House Bill 646 - Income Tax - Gain Recognized on Sale of Preservation or Conservation Easements (Unfavorable)***  
 Provides a subtraction modification under the Maryland income tax for gain recognized on the sale or other disposition of a perpetual easement or other perpetual interest in land to specified preservation or conservation programs established by the State or a county; and applying the Act to tax years after 2000.
- ***House Bill 681 (Companion to SB 459) - Income Tax - Credit for Preservation and Conservation Easements (Passed)***  
 Allows an individual a credit against the State income tax for the donation of a perpetual easement in land to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation for the purpose of preserving open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds, or historic properties, subject to specified limitations, allowing unused credit to be carried forward and used for 15 succeeding taxable years.
- ***House Bill 748 - Maryland Agricultural Land Preservation Fund - Income Tax Checkoff (Unfavorable)***  
 Requires the Comptroller to include a checkoff on individual income tax return forms for voluntary contributions to the Maryland Agricultural Land Preservation Fund and to include certain information in each individual income tax return package; requiring the Comptroller to collect and account for contributions made through the checkoff system and to credit the proceeds to the Fund after deducting the amount necessary to administer the checkoff; providing for the application of this Act; and generally relating to the income tax checkoff for contributions to the Maryland Agricultural Land Preservation Fund.
- ***House Bill 988 - Agriculture Land Preservation - Termination of Easement (Unfavorable)***  
 Removes a certain time limit that landowner is required to wait before requesting review for possible termination of an easement; authorizing the Maryland Agricultural Land Preservation Foundation to conduct an inquiry to determine whether to terminate an easement upon the request of the landowner within a certain time limit; and generally relating to the termination of land preservation easements.

• ***Senate Bill 303 - Political Subdivisions - Property Tax - State Grants (Unfavorable)***

Provides an annual State grant of \$500,000 to Baltimore City and a certain amount to the counties based on the proportion of agricultural land in the State that is in each county; providing that the grants may be used only for agricultural land preservation and for the acquisition and development of land for recreation and open space purposes; requiring the Department of Assessments and Taxation to certify certain information to the State Comptroller; defining certain terms; providing for the application of this Act; and generally relating to certain annual State grants to Baltimore City and the counties to be used for agricultural land preservation and open space purposes.

• ***Senate Bill 459 (Companion Bill - HB 681) - Income Tax for Preservation and Conservation Easements- (Governor Vetoed - Cross filed bill was signed)***

Allows an individual a credit against the State income tax for the donation of a perpetual easement in land to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation for the purpose of preserving open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds, or historic properties, subject to specified limitations, allowing unused credit to be carried forward and used for 15 succeeding taxable years.

## ***CERTIFICATION OF COUNTY AGRICULTURAL LAND PRESERVATION PROGRAMS***

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

The Certification Program allows counties to retain greater portions of the Agricultural 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 Agricultural 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 Transfer Tax revenue. The increase in a county's share of Agriculture Transfer Tax helps support its agricultural land preservation program.

Certification allows counties to create a preservation program that best meets local goals and 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 the land. Other important aspects of local programs include defined areas for preservation and established acreage goals.

The Maryland Agricultural Land Preservation Foundation and the Maryland Department of Planning have certified a total of fifteen (15) counties.

A brief status report on each County program follows.

### ***Anne Arundel County***

As of June 30, 2000, agricultural districts totaled 7,297 acres, with 5,466 acres under the MALPF program and 1,831 acres in the County Program. A total of 6,788 acres are permanently protected, with 3,765 acres preserved by MALPF and 3,023 acres preserved by the County program.

The County Rural Legacy Area, containing 17,960 acres, lies within the West River, Herring Bay, Patuxent and Rhode River watersheds. Grant awards in excess of \$3.2 million will be utilized for the permanent protection of 800 acres of prime agricultural lands and woodlands.

In Fiscal Years 1999 and 2000, Anne Arundel County dedicated \$2.2 million and \$3 million respectively to finance the agricultural and woodland preservation programs that included the development of the Installment Purchase Agreement (IPA) Program and matching funds for various State easement purchases.

Twenty-five applications with approximately 2,100 acres were received in the first year of the IPA program. The County anticipates that settlements will occur to protect permanently 1,900 acres of agricultural land and woodland during FY 2001.

County and State District formation totaled 1,370 acres during FY 1999 and FY 2000. This total includes 13 County and three State districts. Two State/County match easement offers were made during the same time frame totaling 248 acres. The County's easement acquisition program during FY 1999 and FY 2000 preserved 822 acres.

Anne Arundel County and the Smithsonian Environmental Research Center (SERC) joined in partnership to expand the established Anne Arundel County Rural Legacy Area to protect large blocks of contiguous rural lands in the heart of the County's agricultural area, which consist of approximately 18,000 acres.

During FY 1999 and FY 2000, the County expended a total of \$90,000 in capital funds to develop a Geographic Information System (GIS). All participating properties have been digitized and corresponding data files have been linked to these properties.

Legislation was passed and administrative enhancements were made to the County's local program:

- County Council Bill Number 56-99 established the ability of a landowner to request a deferred payment rather than a lump sum payment for the purchase of development rights. The Installment Purchase Agreement Program, adopted by the County Council in October 1999, generated 25 applications during the first year.
- County program regulations dated August, 1999, state that "An easement purchase by the county shall be given in perpetuity and may not be terminated." Prior to that the County Program was modeled after the MALPF program and included a twenty-five year request for termination clause.

### ***Baltimore County***

In FY 2000, the County preserved 3,134 acres; 1,840 through MALPF, 432 through local PDRs, 558 through the Maryland Environmental Trust (MET) and local land trusts, and 404 through Rural Legacy. The County has more MET easements than any other county. Eleven MALPF districts totaling 1,143 acres were established. The County has a goal of preserving 80,000 acres and has preserved over 29,000 acres.

The Baltimore County Master Plan 2010 expanded the designated Agricultural Preservation Areas from what was indicated in the 1989-2000 Master Plan. The expanded area includes farms from both the eastern portion and the northeastern part of the county.

Presently, the County uses the Maryland Agricultural Land Preservation Foundation and local PDRs. The County continues to explore a TDR program. The County Master Plan 2010 proposes to adopt a TDR

program. County representatives have met with State officials to investigate adopting a TDR program as part of the Rural Legacy Program.

The County will continue to develop additional tools to preserve land to meet its 80,000 acre preservation goal and has outlined other actions to take to improve its program.

The County should use the local programs to expedite some purchases or acquire priority farms. Local programs can:

- Encourage easement donations.
- Support the development of local land trusts that can provide outreach to more landowners.
- Develop alternative funding sources or more creative funding mechanisms so as to rely less on Agricultural Transfer Tax revenues.
- Continue the work of the TDR/Rural Village workshop created last spring to devise new means for removing development rights from agricultural land.
- Possibly "downzone" lands that are at a density inconsistent with preservation.
- Review uses permitted within the agricultural zone and seek to eliminate uses that conflict with protection of agricultural land.
- Reduce the impact of development on even the restrictive RC-2-zoned properties by implementing Prime and Productive Soil policies.
- Revise cluster regulations better to protect agricultural easements and agricultural lands, or rezone RC-4 properties in the middle of RC-2 zones.

### ***Calvert County***

In FY 2000, 1,800 acres were preserved: 111 through MALPF, 517 through private TDR sales to developers, and 313 acres through first-time Purchase and Retire (PAR) sales, plus a private TDR sale and Nature Conservancy acquisitions in designated Rural Legacy areas that helped preserve 856 acres. In FY 2000, 1,445 acres enrolled in Districts. According to the County, a total of 14,531 acres have been preserved through various easement programs.

The County has a goal of preserving 40,000 acres and needs to preserve 25,500 acres to meet its goal. The County is working towards saving 1,275 acres per year.

Presently the County uses the Maryland Agricultural Land Preservation Foundation, Rural Legacy, the local PAR program, and TDRs sold by landowners on the private market. The County has a \$1 million no-interest revolving loan fund for use by its three land trusts.

The County increased the recordation fee by \$1.70 per \$500 assessed valuation in November, 1999. This increase raised about \$1 million in the first year.

Calvert County was authorized by the State legislature to borrow \$10.3 million to buy U.S. Treasury Bonds over the next 4 years. The County will use the U.S. Treasury Bonds to fund installment purchases of easements.

The first application cycle for LAR (Leverage and Retire) drew nine applicants. County Districts totaling 1,150 acres are being considered for LAR easement purchase in the next fiscal year.

## *Carroll County*

In FY 2001 the county preserved 3,854 acres; 2,830 through MALPF; 148 through local PDRs; and 876 through Rural Legacy. The county has a goal of preserving 100,000 acres by 2020.

In FY 1999, 1,928 acres in Carroll County were placed under MALPF easement. There were sixteen easements in total, of which seven were acquired with 100% County funding.

In FY 2000, 1,631 acres were placed under MALPF easement. Of the sixteen easements, five were acquired with 100% County funding.

Through FY 2000, 33,336 acres have been preserved in the County: 31,602 of MALPF easements, 879 through Rural Legacy, 100 acres of County easements, and 755 acres of MET and Carroll County Land Trust easements.

The County created an Agricultural Marketing

Specialist position in the Department of Economic Development. The Agricultural Marketing Specialist will focus on fourteen areas in promoting agricultural economic development: Dairy, Beef, Equine, Sheep and Goats, Swine, Poultry, Crop Farming, Fruit and Vegetable Production, Horticulture, Alternative Agriculture Enterprises, International Marketing, Infrastructure, Business Retention and Business Attraction.

The County's strong land preservation goals and policies in the recently adopted County Master Plan are a major accomplishment for the preservation program. The County is protecting land at an even more rapid pace than it did during the previous certification period (FY 2000 and FY 2001): over 6,200 acres in two years through MALPF and Rural Legacy. In fact, Carroll County leads the state in easement acquisition through MALPF and is among the leaders for the Rural Legacy Program as well. It is considered one of the most successful programs in the country.

For FY 2000, the Agricultural Land Preservation Advisory Board recommended that easements bought with 100% County funds not cost more than 60% of the fair market value (FMV), and the County Commissioners agreed. The County made twelve MALPF easement offers with County funds alone, but because of the price, just five landowners accepted.

For FY 2001, the County instructed the Foundation to utilize its funds by making offers with the understanding that the offer not exceed 70% of the appraised FMV of each property. Nineteen offers were made and 15 were accepted.

A number of farm owners have been reluctant to sell an easement because of the income tax consequences. The County is in the process of offering to its landowners the option of receiving an easement payment in the form of an IPA. This program will be used for Rural Legacy easements in 2001.

Facilitating growth in the growth areas and preserving 100,000 acres of farmland are the top two goals of the County Master Plan, which was adopted at the end of 2000. The policies associated with land preservation call for 3,750 acres to be preserved annually during the first ten years of the Master Plan.

## *Cecil County*

In FY 2000 the County preserved 1,103 acres through MALPF and 114 acres through the Cecil Land Trust acting with Maryland Environmental Trust.

Acreage goals of 30,000 acres protected in the Resource Protection District (RPD) and 25,000 acres protected in the Rural Conservation District (RCD) by the year 2025 were adopted by the County.

The County Zoning Ordinance was amended to incorporate additional Right-to-Farm Provisions. In addition, the County Commissioners approved an Urban Growth Boundary Plan which provides a mechanism for long-term water and sewer infrastructure in the Route 40 corridor and the Town Residential zones, which are designated growth areas.

The County continues its partnership with the Eastern Shore Land Conservancy (ESLC) and Kent County relative to the Sassafras Rural Legacy Area (SRLA) and the Cecil Land Trust (CLT) and the Conservation Fund relative to the Fair Hill Rural Legacy area (FHRLA). An Agricultural Coordinator position was established within the Department of Economic Development to promote Cecil County agriculture.

Two of seven land-use districts identified in the Comprehensive Plan are primarily, if not solely, dedicated to the preservation of agricultural land. Specifically, these two land-use districts, which encompass approximately 72% of the County's overall area, are the Rural Conservation District (RCD) and the Resource Protection District (RPD).

The County is considering numerous strategies to increase agricultural preservation participation, such as additional incentives for preserving land, a checkoff box program to raise funds for the purchase of agricultural easements, the exploration of funding sources for a Critical Farms Program and increasing the County's contribution to the MALPF matching funds program.

An Agriculture and Farmland Protection Task Force (AFPTF) was formed in early 1999, and its final report entitled "Grounding Our Future" was presented to the County Commissioners in November of 1999. The report detailed several recommendations which include, but are not

limited to:

- Offering tax credits or abatements on agricultural structures to encourage investment on farm improvements.
- Lowering the density in agricultural zones to reduce future conflicts between incompatible uses and to help secure a "critical mass" of farmland.
- Creating a County PDR program to include a revolving fund for a "critical farms" program, which could include an installment purchase of easement program and a 30-year loan program in return for temporary development rights, and finding new substantial funding sources for the County's contribution to PDRs.

## *Charles County*

In FY 2001, a total of 653 acres of farmland were preserved through MALPF, MET, Rural Legacy and County parkland. MALPF settled on one property, totaling 137 acres in Charles County; an additional 950 acres are pending settlement. The County also continued to enroll new agricultural land preservation districts. Twelve new Districts were created totaling 1,791 acres.

In March 1999, the County amended its zoning ordinance to require the use of TDR's for any residential density granted by the County Commissioners greater than the base density of the zone.

The County Commissioners adopted a land preservation acreage goal in October, 2000: 64,000 acres, half of the 128,000 acres currently in farms. The goal for the next 20 years is to protect 500 acres per year utilizing the Maryland Agricultural Land Preservation Foundation, preserving an additional 10,000 acres by 2020. Additional acreage could be preserved using the Rural Legacy Program and the County's TDR program.

A right-to-farm ordinance was adopted in August, 2000. The County has a tax credit in place for district and easement properties – 100 % on County property tax for land and farm buildings, excluding the main dwelling and one surrounding acre.



In October 2000, the Charles County Commissioners appointed a Rural Commission. The Rural Commission is charged with providing recommendations to the Charles County Planning Commission and the County Commissioners that will help ensure that development in rural areas is consistent with the overall vision established in the Comprehensive Plan. Specific issues to be addressed are zoning in the rural areas and creating incentives to increase the use of the County's TDR program.

### *Frederick County*

Land preservation in Frederick County includes the administration of the Maryland Agricultural Land Preservation Program (MALPF), the Frederick County Easement Purchase Program, the Critical Farms Program, the Rural Legacy Program and the Federal Farmland Protection Program.

In addition, land preservation in Frederick County is also accomplished through ISTE/TEA 21 Battlefield easement purchases and through easements donated to the Maryland Environmental Trust (MET). Frederick County is about to adopt an Installment Purchase Program which should be available for installment easement purchases by Spring, 2002.

Overall, the County has preserved 349 acres through the Frederick County Easement Purchase Program; 2,711 acres through MET; 1,612 acres through the Rural Legacy Program; 871 acres through its Critical Farms Program; and 145 acres in Federal Easements.

The County's Comprehensive Plan contains a goal of preserving the best agricultural land. The Plan sets an acreage goal of 100,000 acres to be preserved by 2020 and recommends a TDR program to strengthen the County's land preservation efforts.

The Board of County Commissioners budgets \$3.7 million annually for land preservation, including \$666,667 to the MALPF matching program, \$500,000 to Rural Legacy and \$250,000 to the Critical Farms Program which is supplemented by reimbursements as landowners sell easements to MALPF. The remaining budgeted funds have been used as supplements to the existing programs, but are primarily targeted for the Installment Purchase Program.

### *Harford County*

From July 1999, through July 2000, the County preserved 1,252 acres: 345 acres through MALPF and 907 through the local purchase of development rights (PDR) program.

Overall, the County has preserved 12,965 acres through local PDRs; 9,141 acres through MALPF; 2,532 acres through MET; and 152 acres through the Harford Land Trust.

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 the local programs and the MALPF program.

It remains the County's goal to preserve its agricultural areas by utilizing alternative land preservation techniques approved under the County's Rural Plan.

The Rural Plan targets the preservation of 60,000 acres of agricultural land through the County purchase of development rights program, a County transferable development rights program and the use of the rural conservation development standards.

Harford County's 1996 Master Plan and Land Use element continues to focus over 80% of the County's residential development into designated growth areas delineated in the Plan.

Harford County is considering implementing a countywide TDR program. If this is done, it will give landowners in the agricultural-zoned areas another alternative to developing their farmland. This will assist the County in limiting development within its agricultural areas.

### *Kent County*

In FY 2001, the County preserved 210 acres. MALPF easements in Kent County totaled 973 acres in FY 1999 and 1,567 acres in FY 2000, over 2,700 acres for a two year period. The County does not have a preservation goal; however, the County is planning to

recognize its land preservation achievements upon the preservation of 20,000 acres. This goal was set by the Advisory Board in 1999 and will soon be reached.

Presently, the County uses the Maryland Agricultural Land Preservation Foundation, Rural Legacy, Maryland Environmental Trust and private conservation easements. The County has the lowest rate of farmland conversion in Maryland.

About 11% of the County is preserved: over 9,500 acres through MALPF, 6,700 acres by MET or the Eastern Shore Land Conservancy, and 3,300 acres by Chesapeake Farms, for a total of 19,500 acres.

The County Commissioners are expected to adopt a new Land Use Ordinance soon. A PDR checkoff brochure will be included in this year's tax bill mailings.

The County is developing a "Corridor Management Plan" (CMP) for the upper half of the Chesapeake Country State Scenic Byway. This plan is a joint effort between Cecil, Kent and Queen Anne's Counties. The counties are now eligible for federal grants to fund numerous projects, including the purchase of scenic easements along the byway. The counties will also be applying for designation of this corridor as a National Scenic Byway.

### ***Montgomery County***

As of June 30, 2001, there were 30 Montgomery County properties enrolled in the MALPF program as State Districts, totaling 5,456 acres. Of those properties, 11 have been permanently preserved by State easements, totaling 2,074 acres. Montgomery County has preserved a total of 6,268 acres in its local purchase of development rights program and 874 acres protected under the Rural Legacy Program. An additional 2,086 acres have been preserved by MET, and 41,301 acres in the County's TDR program.

Montgomery County's goal is to save 70,000 acres in the 93,000 acre Agriculture Reserve Area by 2005. County emphasis is primarily to protect prime and productive soils.

Montgomery County offers tax credits to landowners who donate easements to the Maryland

Environmental Trust (MET). A 100% property tax credit is given on unimproved property for 15 years. In FY 1994, the agricultural transfer tax account became an investment fund that has provided over \$1,699,038 in interest over the past eight years.

The County supports the agricultural business by producing a farmland preservation brochure which is sent directly to the landowners informing them about the County's preservation program. Right-to-farm protection accompanies easements in the County, and \$80 per acre is added to easement offers when soil conservation best management practices are used in accordance with an implemented Soil Conservation and Water Quality Plan. Each year the County sponsors a farm tour and harvest sale, which allows suburban residents to visit participating farms, learn about them and to buy products produced on farms.

The County is currently evaluating unprotected farms and those farms which are already enrolled in the program to determine if easement purchases are providing the desired long-term benefits to the agricultural community and industry.

To further achieve this goal, the County has aggressively pursued alternative funding sources through both Federal and State land protection program to help augment and further leverage County funds.

Since FY 1998, Montgomery County has received \$13.5 million dollars in Rural Legacy Grant funds to protect farmland and other sensitive resources in the County's two approved Rural Legacy Areas. In addition, the County has also received \$245,000 in Federal Farmland Protection Funds to further augment available funding sources.

### ***Queen Anne's County***

In FY 2001, the County preserved 1,503 acres in MALPF districts and 2,137 acres in MALPF easements. No MET easements were completed in 2001. The Chino Farm Rural Legacy Area will have 5,020 of its 6,880 acres under easement by the end of 2001. The County does not have its own PDR program.

In general terms, considering only MALPF, MET and TDR restricted lands, there were 41,651 acres preserved by the end of 2001. Subtracting the 12,970 acres in MALPF districts gives a total of 28,681 permanently protected acres. Just based on MALPF, MET easements and TDR lifts, it is clear that the County, at the end of 2001, is very close to meeting its 2010 preservation goal of 30,000 acres. If the Chino Farms easement (5,020 acres) and the amount of deed-restricted open space (20,340 acres) is added, the County is already well over its 2030 goal of 50,000 preserved acres.

In its first two years of certification, the County averaged about twice as much MALPF easement acreage as it did prior to certification. This trend will hopefully continue.

Although Queen Anne's County has not designated a priority preservation area as a matter of policy, the County's Conservation Map shows there are several areas where contiguous blocks preserved farmland are forming (especially in the 1<sup>st</sup>, 2<sup>nd</sup> and 6<sup>th</sup> election districts).

According to the County, it was the first to update its comprehensive plan after the Economic Growth, Resource Protection, and Planning Act of 1992. The agricultural preservation goal of the 1993 comprehensive plan is to preserve and protect large areas of the County for agricultural use by limiting the number of dwellings units that can be built in such areas and maintaining large areas of open space. The County was in the process of updating its Comprehensive Plan during 2001. The overall agricultural preservation goal has not changed, and will likely be strengthened in the update.

The Board of County Commissioners has committed to dedicate 1% of the total tax dollars generated from agriculturally assessed properties to the preservation of agricultural land.

The County outlined several potential future actions to promote agriculture/reduce development in a recent certification report:

- Buffering requirements on new development that is adjacent to existing farming operations; at the developer's expense.

- Improvements to the TDR program and to non-contiguous development.
- Adding language that would encourage the development of a local program at such time in the county's future that it is financially feasible.
- Tightening of design standards for cluster subdivisions in the rural parts of the county.
- The designation of certain areas of the county as "rural crossroads" that would have associated zoning which would encourage or at least permit agricultural support businesses.

### *St. Mary's County*

#### **Status as of June 30, 2001:**

As of January 1, 2001, 24 properties with 3,032 acres have been permanently preserved with the Maryland Agricultural Land Preservation Foundation (MALPF). An additional 1,522 acres of farmland have been preserved under Rural Legacy (end of March, 2001); 303 acres of farmland have been protected by Maryland Historical Trust; Maryland Environmental Trust has protected another 1,101 acres; and TDRs preserved another 300-500 acres. Thus, by the end of 2001, over 7,000 acres will have been preserved.

Over 15,000 acres of agriculturally assessed land are enrolled in the St. Mary's County Agricultural Land Preservation District five-year program. Landowners commit not to develop their land for five years. The County anticipates another record number of acres being placed under easement during FY2002.

#### **Current Plans:**

The Board of County Commissioners (BOCC) has stated in the Master Plan a new goal to protect 100,000 acres and retain a viable agricultural economy. A central goal of the Comprehensive Land-use Plan is to protect the County's rural character. Current actions by the BOCC should produce a farmland preservation plan with a full range of tools by which these goals will be attained.

A funded local Purchase of Development Rights (PDR) program has been proposed in the Unified Land

Development Code (ULDC). The Economic Development Commission with the support of the Chamber of Commerce proposed this program. The initial proposed funding requires an increase in the recordation tax. Program specifics are under development. An installment purchase option is likely to be included.

A Critical Farms Program was approved and funded by the BOCC at \$250,000 for FY2002. The funding is projected to increase over three years to a total of \$1 million. This will create an interest-free revolving loan fund for young farmers purchasing farms and other qualifying farmers committing to sell easements. Program specifics are under development.

The existing TDR program is under revision to make it more attractive to potential users.

The ranking system by which farmland priorities for easement purchases are determined will be revised this year. The County's Agricultural Land Preservation Advisory Board is leaning towards a formula based on soil productivity scores as being more objective in determining the quality of the farmland. The Board would like a ranking system that is simple, understandable, and based on non-social criteria.

A formula-based valuation system is being considered to replace the appraisal system for the County-funded PDR program. Application numbers are expected to accelerate quickly with the funding of a local program. A formula-based valuation system is likely to be more efficient, cost-effective, and equitable in achieving land preservation objectives.

The tobacco settlement funds for agricultural land preservation are anticipated, but not committed. In FY 2002, St. Mary's County could be eligible for \$598,000 if these funds become available. Funding is contingent on the additional number of farmers who sign up for the buyout program.

The County's tax credit program is being considered for revision. The previous BOCC excluded property owners who had previously sold easements to MALPF or have recorded any other restrictive easements or covenants for compensation from participating in the tax credit program. This is a disincentive for landowners who want to put a permanent easement on their property. This ordinance is being modified to allow landowners

placing permanent easements on their property to receive the tax credit. The Advisory Board also recommends a reduction from 50 to 30 acres minimum to qualify for the tax credit to help protect the smaller tobacco farms whose owners accept the buyout.

The status of other funding is as follows:

County matching funds for the MALPF continue at approximately \$660,000, the amount that maximizes the impact of County funds to leverage State money (some matching funds come from the agricultural transfer tax, and some come from the general fund).

Some money may come from the County's share in the Federal Farmland Protection Program (\$50,326.20).

Rural Legacy awards were announced in June 2001; St. Mary's County through the Patuxent Tidewater Land Trust requested \$3,725,195 and received \$3,750,000.

County matching funds for Rural Legacy were cut from \$250,000 to \$50,000 as a direct result of funding the Critical Farms Program and in anticipation of a funded local PDR program, both of which can contribute to the purchase of easements in the Rural Legacy Area.

Program Open Space has committed the funds to purchase easements on a 300-acre farm that will probably go to closing by the end of 2001.

A State bond issue for \$200,000 plus a \$250,000 bridge loan from MET has been used by a non-profit organization to purchase a 120-acre farm committed to become an easement property.

A certain percentage of a new State GreenPrint program to preserve greenways throughout the State must go into MALPF properties. Which properties are eligible and how to access this money has not yet been determined, but this could provide an additional source of funding. Non-MALPF GreenPrint funding could go into other County projects, but this is not anticipated to happen before CY 2002.

Finally, the State's approval of greater tax benefits from donated easements may result in the donation or bargain sale of some farm easements.

#### **Status of Funding:**

Total County funding for farmland preservation activities anticipated for FY 2002 is \$1,460,000, up from \$910,000 in FY 2001. This represents a sixty percent

increase in local funding and includes matching funds for the State MALPF program, a funded local PDR program, matching funds for the State Rural Legacy program, and initial funding for the Critical Farms Program.

**MALPF Easements  
(St. Mary's County)**

Fiscal Year	Acreage	Status and Participants
FY 2000	1,750.500	8 landowners closing by end of CY 2001
FY 2001	608.957	9 landowners accepted State easement purchase offers
[FY 2001]	317.620	6 landowners unfunded due to funding limitations
FY 2002	2,970.253	28 applicants applying to sell easements

The efforts of the BOCC at increasing funding levels of farmland preservation activities are complemented by efforts to revise planning and zoning ordinances, revise the existing TDR program, market local agricultural tax credits, and continually evaluate the effectiveness of existing land-use and related policies to direct development to development districts and away from rural and environmentally sensitive areas.

While a number of potential funding sources have been identified at the State and Federal level, the level of funding that St. Mary's County will receive for its preservation activities will not be known for certain until later. Nonetheless, currently State and Federal funding not dedicated to spending on a predetermined property is anticipated to be \$5,798,326 if tobacco settlement money is made available. This represents almost a tripling in available funds to the County, up from \$2,200,000 in FY 2001. Even without tobacco settlement funds, \$5,200,326 is anticipated, more than doubling the previous year's funding.

**St. Mary's County  
Anticipated Status of Funding  
(FY 2001)**

Source	Program	Amount	Change
County	MALPF match	\$660,000	same
State	MALPF	\$1,400,000	same
County	Local PDR Program	\$500,000	proposed
County	Rural Legacy match	\$50,000	reduced
State	Rural Legacy	\$3,720,000	increased
County	Critical Farms	\$250,000	new
State	Bond Issue - Summerseat	\$200,000	new, project specific
State	MET LTGF - Summerseat	\$250,000	new, project specific
State	POS - Serenity Farm	unknown	new, project specific
Federal	Farmland Protection Program	\$50,326	projected share
State	Tobacco Settlement	\$598,000	anticipated
State	GreenPrint	unknown	new

**Talbot County**

Almost 14,132 acres have been preserved by MET and a number of private land trusts and conservation groups. MALPF has preserved about 7,462 acres, including recent pending offers under contract. The local TDR program has preserved 580 acres. Donated conservation easements to private land trusts and land owned by conservation groups continue to preserve the most land in Talbot County.

Through the County's preservation efforts, Talbot has preserved approximately 24,736 acres of prime agricultural and valuable natural resource land. The County has a Rural Agricultural Conservation Area (RAC) and Rural Conservation Area (RC) which encompass all

land within the Chesapeake Bay Critical Area. These two zones together comprise 89% of the County's land.

Talbot County is continuing its distribution of the Checkoff Box brochure. To date, the County has received \$5,094 in donations from over 100 citizens since the property tax bills were sent in July, 2001.

The county has a goal of preserving 40,000 acres by 2020. Talbot County targets easements through a prioritization formula which emphasizes soil quality, concentration and contiguity to preserved lands, and location within or contiguous to the Tuckahoe Rural Legacy Plan Area.

In FY 2000 the County approved and MALPF accepted a new ranking formula for easements in the County. It was applied for the first time to the FY 2001 Easement Acquisition Program. Six landowners received MALPF easement offers.

Talbot County's Right-to-Farm Ordinance was approved and became effective in 2000.

### ***Washington County***

In FY 2001, the County preserved 1,569 acres: 469 acres through MALPF and 1,100 acres through Rural Legacy. The County has a goal of preserving 50,000 acres and has preserved over 13,229 acres.

The County reported 29 MALPF easements equaling 6,819 acres. In FY 2001, 2 new districts were created totaling 254 acres. Under the ISTE/MET program near Antietam Battlefield, over 201 acres are under negotiation for permanent protection.

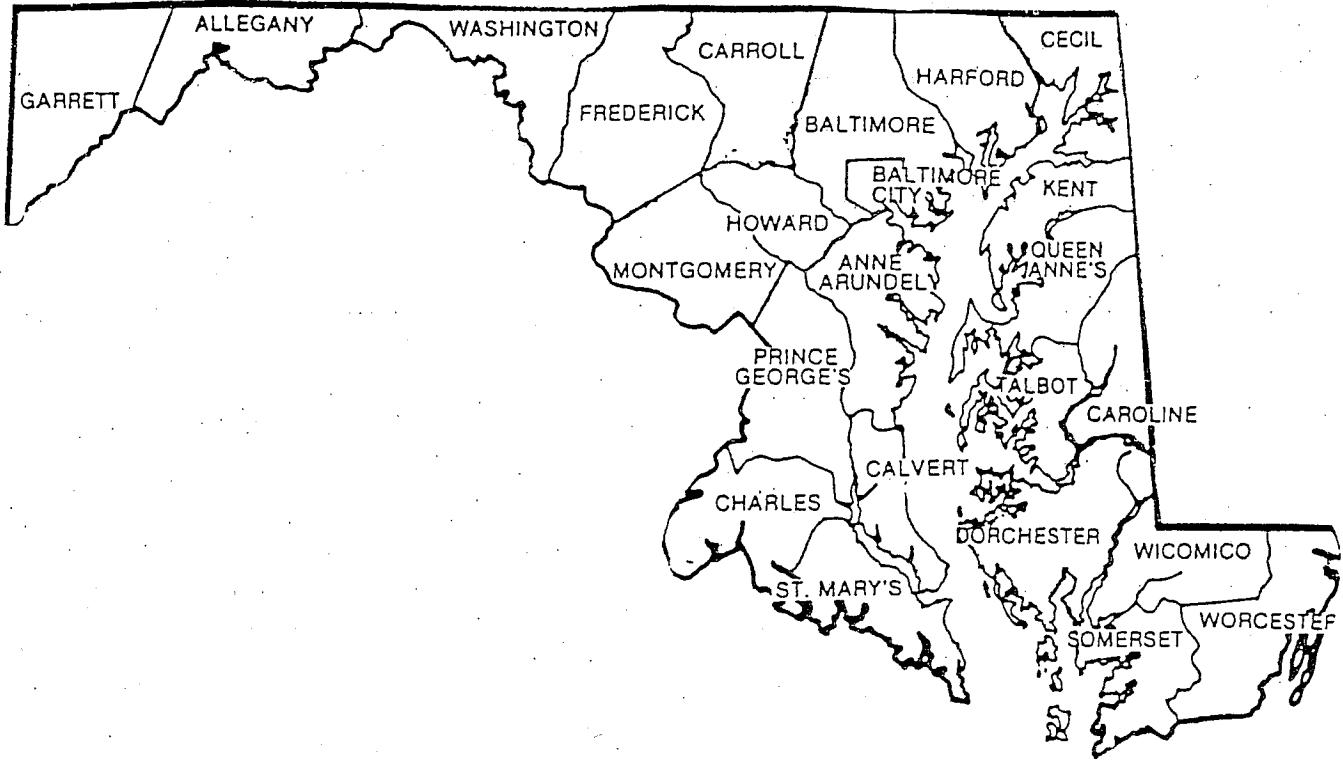
The County realizes that its pace of easement acquisition means that it will need over 23 years to achieve the goal of 50,000 preserved acres. As a result, the County is working to avoid isolated islands of easements through updates to the Comprehensive Plan.

A major component of the Plan will be concepts related to growth inside and outside the Urban Growth Areas, and how to achieve a proper balance of growth. Key to the program will be methods used to monitor and measure success in directing growth inside the Urban

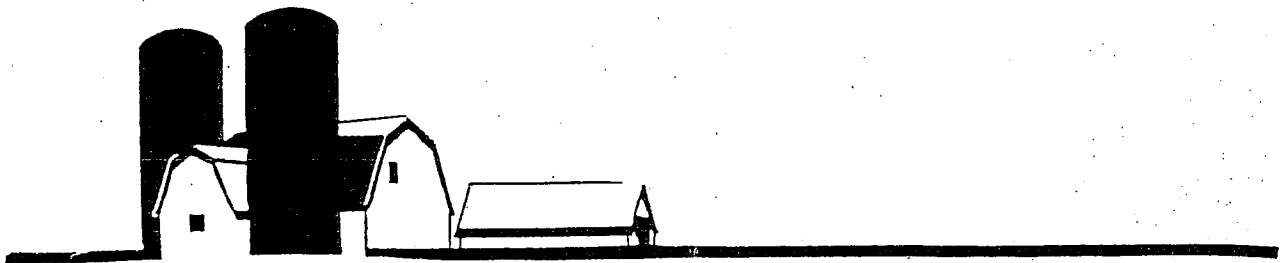
Growth Areas. A draft of the Comprehensive Plan proposes significant rezoning in Rural-Agricultural Areas.

Listed below are the overall totals of preserved acreage in the county:

Park Service	2,894 acres
Federal Scenic Easements	1,416 acres
Agricultural Districts	21,701 acres
Agricultural Easements	6,819 acres
MET Easements	3,303 acres
Conservation Fund	213 acres
U of Md Agricultural Research Center	307 acres
Rural Legacy Easements	1,100 acres



*MARYLAND COUNTIES*



## ACREAGE ADJUSTMENTS

The table on the opposite page shows acreage reductions in district and easement properties recorded from July 1, 2000, through June 30, 2001. The table is comprised of five factors that would result in an adjustment of the Program's acreage base and include approved and recorded lot exclusions for use of the owner(s) or owner's children, exclusions by a county for public benefit, early termination due to severe economic hardship, district terminations, and acreage adjustments from deeds.

During FY 2001, 11 District Agreements were terminated after meeting the minimum five-year commitment. In addition, there were partial terminations of whole districts for various reasons. Collectively, 2,035 acres were released from the program's acreage base during FY 2001. Since the program began, a total of 235 districts covering 37,397 acres have been terminated. It is important to note that some of the terminated districts may have been reconfigured and put back into the program in a different form or under different ownership.

Several lots were excluded from either district or easement restrictions exclusively for the construction of a dwelling intended for the use of the landowner who sold the easement or the landowner's children. During FY 2001, 3.165 acres were excluded from district status for owner's or child's lots. 21.320 acres were released from easement restrictions for this purpose. Combined, a total of 24.485 acres were released from district or easement properties for the construction of new houses. These lots range from one to two acres in size, depending on local health department and county regulations.

When lots are released for an owner's or child's lot, the landowner is required to pay back the per acre value of the easement originally paid to them. This payback requirement has been in effect since 1982. No payback is involved for lots excluded from the program while the property is in district status. In FY 2001, the total payback amount for lot exclusions from easement properties equaled \$23,196.99. The cumulative total payback amount for lot exclusions since 1982 is \$198,005.91.

When an easement is purchased, restrictions are placed on the total property acreage within the district. A landowner is not compensated for the one-acre area surrounding each dwelling that was in existence at the time the establishment of the district. Any landowner may request to exclude one acre surrounding each preexisting dwelling in the future with no payback requirement. If more than one acre is needed to satisfy the health department or county regulations for residential lots, the Foundation may allow up to two acres to be excluded from an easement with proper verification. A payback will be required for the extra acre prior to its release.

The Foundation may receive requests from county governments to exclude land from district or easement restrictions for the purpose of public benefit. Some examples may include road improvements or the taking of land for the construction of bridges or culverts. There were no acres excluded for public benefit during FY 2001. Since the program began, a total of 21.469 acres have been excluded for such public improvements resulting in a total payback of \$24,490.43.

In the easement settlement process, acreage adjustments are often made after a title search of each property is performed. The verification of acreage through research of ownership, including out-conveyances and surveys may reflect a different acreage total than that shown on the district agreement. Therefore, adjustments are made to the data base. During FY 2001, there was a net decrease of 52.6845 acres due to adjustments from deeds. The total net loss from such adjustments to date totals 974.6031 acres.

The acreage reductions in FY 2001 from all sources shown on the adjacent chart recorded between July 1, 2000 and June 30, 2001 total 2,035 acres.



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
**ACREAGE REDUCTIONS IN DISTRICTS OR EASEMENT PROPERTIES**  
 RECORDED FROM JULY 1, 2000 TO JUNE 30, 2001  
 (\*Partial termination resulting in loss of partial district acreage)

COUNTY	OWNERS OR CHILDREN'S JOI 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								-1	-68.3600		-68.3600
ANNE ARUNDEL											
BALTIMORE	-1.0000	\$792.08						-1	-119.0000		-120.0000
CALVERT											
CAROLINE	-1.5000	1,068.95						-1	-192.8820	5.3520	-189.0300
CARROLL	-6.5000	10,021.73	-1.1650					-1	-87.2681	-3.6516	-98.5847
CECIL	-1.0000	990.0000						-1	-103.0000	-0.4760	-104.4760
CHARLES											
DORCHESTER									-3.0060	-5.8850	-8.8910
FREDERICK									-151.8000	2.6340	-149.1660
GARRETT	-1.3200	793.35						-2	-497.5000	-1.1900	-500.0100
HARFORD	-1.0000	2,300.00								1.4345	0.4345
HOWARD								-1	-86.3900		-86.3900
KENT	-1.0000	3,893.00									-1.0000
MONTGOMERY											
PRINCE GEORGE'S											
QUEEN ANNE'S	-7.0000	3,037.88	-2.0000						-60.0000	-8.0024	-77.0024
ST. MARY'S	-1.0000	300.00									-1.0000
SOMERSET								-1	-116.0000		-116.0000
TALBOT										-28.7940	-28.7940
WASHINGTON											
WICOMICO								-1	-94.9900	-14.1860	-109.1760
WORCESTER								-1	-378.0800		-378.0800
TOTAL	-21.3200	\$23,196.99	-3.1650					-11	-1,958.2761	-52.6845	-2,035.5256

## ***FY 2001 DISTRICT PARTICIPATION***

In FY 2001, the Foundation approved the establishment of 210 new agricultural land preservation districts protecting an additional 24,498 acres.

The adjusted total acreage base of recorded and approved district properties as of June 30, 2001, was 382,987 acres, covering 2,927 individual district properties.

Landowners terminated eleven districts totaling 1,958 acres during FY 2001. Routine termination of districts has occurred only since FY 1984 when the first districts in the program ended their five-year commitment. Owners of some terminated districts likely reconfigured the land and returned it to district status in a different form or under different ownership.

Acreage adjustments from verification of property descriptions resulted in a net decrease of 52,6845 acres in the program's acreage base on properties pending easement sale after the survey of district acreage.

After adding the acreage of newly established districts to last year's total acreage base (360,498 acres) and subtracting the total acreage adjustments from full and partial terminations, district lot exclusions, and acreage adjustments from deeds during FY 20001, the adjusted total acreage base of recorded and approved district properties as of June 30, 2001, totaled 382,987 acres, covering 2,927 individual district properties.

During FY 2001, Dorchester County enrolled the most district acreage in the program with 17 new agricultural districts established covering 2,701 acres. Cecil County had the second highest number of new districts acreage enrolled with 26 new properties totaling 2,109. Several other counties also added significant acreage to the program's acreage base.

The largest distribution of district acreage is located in the **Upper Eastern Shore** (Queen Anne's, Talbot, Cecil, Kent and Caroline Counties). The total acres enrolled from this area are 123,782 district acres, or 32.3% of all district acres statewide. The Upper Shore Region has now surpassed the Central Region of Maryland in the number of district acres.

The **Central Region** (Baltimore, Carroll, Harford, Howard and Montgomery Counties) now has a total of 118,553 acres enrolled in the program, which represents 31% of the total district acreage base.

The third largest area of district properties is the **Western Region** (Allegany, Frederick, Garrett and Washington Counties) with a total of 62,110 acres or 16.2% of the total district acreage base.

The **Southern Region** (Anne Arundel, St. Mary's, Calvert, Charles and Prince George's Counties) continues to increase its proportion of total district acreage, up from 10.7% last year to 11.1% of the Maryland's district acreage, with a total of 42,547 acres.

The **Lower Eastern Shore** (Dorchester, Wicomico, Worcester and Somerset Counties) now has 35,996 acres or 9.4% of the total district acreage base.

Several counties had significant increases in total acres entering the program, which slightly altered the previous percentage totals listed in last year's annual report.

The Maryland Agricultural Land Preservation Foundation Program continues to preserve quality farmland and relies on the continued coordination and cooperation of local governments and, of course, the willingness of landowners.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
 FY 2001 DISTRICT PARTICIPATION

COUNTY	Recorded Districts As Of June 30, 2000		Approved During FY 2000		District Terminations *includes partial terminations		Acreage Adjustments		Total Recorded and Approved Districts As Of June 30, 2001		Percent- age Of Total
	No. of Districts	District Acreage	No. of Districts	District Acreage	No. of Districts	District Acreage	Acreage Adjustments From Deeds	District Lot Exclusion Acreage	No. of Districts	District Acreage	
ALLEGANY	7	1,076.9780	0	0	-1	-68.3600			6	1,008.6180	0.3%
ANNE ARUNDEL	96	9,338.1043	0	0					96	9,338.1043	2.4%
BALTIMORE	322	30,207.3361	9	700.1360	-1	-119.0000			330	30,788.4721	8.0%
CALVERT	48	6,171.1202	5	343.8200					53	6,514.9402	1.7%
CAROLINE	292	39,494.6278	15	1,491.7000	-1	-192.8820	5.3520		306	40,798.7978	10.6%
CARROLL	397	48,505.2412	16	1,357.2146	-1	-87.2681	-3.6516	-1.1650	412	49,770.3711	13.0%
CECIL	105	16,140.1645	26	2,109.2352	-1	-103.0000	-0.4760		130	18,145.9237	4.7%
CHARLES	93	14,002.2013	15	2,006.2887					108	16,008.4900	4.2%
DORCHESTER	86	12,859.0490	17	2,700.6101		-3.0060	-5.8850		103	15,550.7681	4.1%
FREDERICK	166	24,332.5323	13	2,039.7559		-151.8000	2.6340		179	26,223.1222	6.9%
GARRETT	46	6,594.7478	5	747.1500	-2	-497.5000	-1.1900		49	6,843.2078	1.8%
HARFORD	239	25,681.5309	8	660.1394			1.4345		247	26,343.1048	6.9%
HOWARD	49	6,281.8034	0	0	-1	-86.3900			48	6,195.4134	1.6%
KENT	89	16,340.5002	11	2,102.1940					100	18,442.6942	4.8%
MONTGOMERY	25	4,910.1396	5	546.1075					30	5,456.2471	1.4%
PRINCE GEORGE'S	0	0	0	0					0		0
QUEEN ANNES	186	31,336.0044	10	1,502.6910		-60.0000	-8.0024	-2.0000	196	32,768.6930	8.6%
ST. MARY'S	74	8,989.1023	16	1,694.2760					90	10,683.3783	2.8%
SOMERSET	34	4,925.2550	8	871.5660	-1	-116.0000			41	5,680.8210	1.5%
TALBOT	73	11,817.9898	16	1,837.0780			-28.7940		89	13,626.2738	3.5%
WASHINGTON	205	27,779.9580	2	255.4300					207	28,035.3880	7.4%
WICOMICO	68	8,908.5205	1	150.0000	-1	-94.9900	-14.1860		68	8,949.3445	2.3%
WORCESTER	28	4,810.3045	12	1,382.3220	-1	-378.0800			39	5,814.5465	1.5%
TOTAL	2,728	360,498.1851	210	24,497.7144	-11	-1,958.2761	-52.6845	-3.1650	2,927	382,986.7199	100%

\* Indicates partial termination of District Acreage

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

<b>REGIONS</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
<b>WESTERN:</b>				
Garrett				
Allegany	<b>16.5%</b>	<b>16.3%</b>	<b>16.6%</b>	<b>16.2%</b>
Washington	53,348 acres	55,922 acres	59,783 acres	62,110 acres
Frederick				
<b>CENTRAL:</b>				
Carroll				
Baltimore	<b>33.5%</b>	<b>33.0%</b>	<b>32.1%</b>	<b>31%</b>
Harford	108,160 acres	112,942 acres	115,583 acres	118,553 acres
Montgomery				
Howard				
<b>SOUTHERN:</b>				
Anne Arundel				
St. Mary's	<b>9.4%</b>	<b>9.8%</b>	<b>10.7%</b>	<b>11.1%</b>
Calvert	30,255 acres	33,469 acres	38,507 acres	42,547 acres
Charles				
Prince George's				
<b>UPPER SHORE:</b>				
Queen Anne's				
Talbot	<b>32.1%</b>	<b>32.3%</b>	<b>31.9%</b>	<b>32.3%</b>
Cecil	103,819 acres	110,670 acres	115,121 acres	123,782 acres
Kent				
Caroline				
<b>LOWER SHORE:</b>				
Dorchester				
Wicomico	<b>8.5%</b>	<b>8.6 %</b>	<b>8.7%</b>	<b>9.4%</b>
Worcester	27,449 acres	29,499 acres	31,504 acres	35,996 acres
Somerset				
<b>TOTAL ACREAGE</b>	<b>323,031 acres</b>	<b>342,502 acres</b>	<b>360,498 acres</b>	<b>382,987 acres</b>

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

<b>REGION</b>	<b>FY '98</b>	<b>FY '99</b>	<b>FY 2000</b>	<b>FY 2001</b>
<b>WESTERN:</b>				
Garrett				
Allegany	13.3%	13.9%	13.9%	13.3%
Washington	20,242 acres	23,203 acres	25,067 acres	26,296 acres
Frederick				
<b>CENTRAL:</b>				
Carroll				
Baltimore	37.1%	36.1%	35.8%	34.5%
Harford	56,465 acres	60,115 acres	64,411 acres	68,357 acres
Montgomery				
Howard				
<b>SOUTHERN:</b>				
Anne Arundel				
St. Mary's	7.1%	7.3%	8.0%	8.2%
Calvert	10,880 acres	12,104 acres	14,484 acres	16,224 acres
Charles				
Prince George's				
<b>UPPER SHORE:</b>				
Queen Anne's				
Talbot	34.9%	35.0%	36.9%	35.0%
Cecil	53,182 acres	58,286 acres	66,394 acres	69,647 acres
Kent				
Caroline				
<b>LOWER SHORE:</b>				
Dorchester				
Wicomico	7.6%	8.3 %	9.3 %	9.0%
Worcester	11,519 acres	13,821 acres	16,722 acres	17,752 acres
Somerset				
<b>TOTAL</b>	<b>52,288 acres</b>	<b>166,529 acres</b>	<b>180,078 acres</b>	<b>198,276 acres</b>

## **EASEMENT ACQUISITION PROGRAM**

### ***FY 2001 Easement Acquisition***

Average values of all accepted offers during FY 2001 are analyzed in the facing table by county and for the entire State. For FY 2001, a total of 198,276 acres will be placed under perpetual easement after settlement. The values listed in the table reflect average asking prices, fair market value, agricultural value, easement value and acquisition cost of properties within each county during FY 2001. The averages shown in the adjacent chart pertain exclusively to those properties on which easement offers were accepted by the landowners and should not be considered to be representative values of all farmland within any one county.

The Foundation received 336 applications to sell an easement for the FY 2001 Easement Acquisition Program. Of those applications submitted, 248 farms were appraised and considered for possible easement sales. With the limited funds available, the Foundation was able to make 110 easement offers which resulted in 95 accepted offers.

The average farm size of the 95 properties currently pending settlement is 137 acres, which is up from last year's average farm size of 132 acres.

The average asking price of all 248 properties considered during the FY 2001 Easement Acquisition Program was \$2,3820 per acre. The average asking price of the 95 accepted offers was \$2,223 per acre. This average is higher than the asking prices of the 2000 cycle, which was \$1,818 per acre.

The average easement value for FY 2001 was \$2,511 per acre, which was higher than last cycle's average of \$2,405 per acre.

The FY 2001 average acquisition cost was \$1,944 per acre, again higher than the average acquisition cost during FY 2000, which was \$1,683 per acre. The 95 easement offers accepted during this cycle represent a total acquisition cost of \$25,246,645.21.

Carroll County Commissioners committed \$6,534,000.00 million above their original matching fund commitment of \$666,667.00 to purchase additional easements in Carroll County after all other fund allocations were exhausted. The Foundation extended additional offers to Carroll County landowners in ranking order. The County instructed the Foundation to utilize these funds by making offers not to exceed 70% of the appraised fair market value of each property. These offers will be funded entirely with County funds.

Nineteen offers were made using the additional County funds. Fifteen of these offers were accepted by the landowners. As a result, the County will spend approximately \$5 million more than its original match.

Because easement offers are based on the lower of either the asking price or the easement value (the appraised fair market value less the agricultural value), the Foundation purchases easements at a discounted value when the asking price is below the easement value. In the FY 2001 Easement Acquisition Program, a total savings of \$13,435,723 was realized as participants accepted offers that were below the appraised easement value.

Using the average acquisition cost of \$1,944 per acre as a unit of measure for FY 2001, the Foundation purchased an additional 7,635 acres due to the competitive bidding component of the program.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
**FY 2001 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	6	780.0090	130	4,021	5,549	578	4,971	4,176	2,817,643	1,748,814
CALVERT	1	147.0910	147	6,500	10,062	618	9,444	6,500	956,092	433,054
CAROLINE	2	446.5171	223	813	2,249	1,032	1,653	813	382,926	500,892
CARROLL	23	2,831.6310	123	2,538	3,879	581	3,296	2,449	6,864,305	2,078,063
CECIL	1	154.7100	156	3,000	3,800	1,005	2,795	2,795	426,798	3,285,214
CHARLES	7	950.1999	136	2,314	2,032	499	1,533	1,394	1,360,715	573,075
DORCHESTER	3	366.4600	122	783	1,882	548	1,334	783	287,104	480,204
FREDERICK	8	1,219.1549	152	1,577	3,199	729	2,470	1,577	1,925,441	1,049,399
GARRETT	3	545.1000	182	1,765	1,450	425	1,025	1,025	577,914	
HARFORD	3	506.3070	169	3,667	5,167	740	4,427	3,667	1,801,095	1,819,201
HOWARD										
KENT	1	211.0000	211	1,667	3,152	1,207	1,945	1,667	350,000	58,437
MONTGOMERY	1	234.1950	234	3,700	4,996	800	4,196	3,700	859,122	115,084
PRINCE GEORGE'S										
QUEEN ANNE'S	12	1,916.9570	166	971	2,310	841	1,468	943	1,493,960	1,031,652
ST. MARY'S	10	644.0570	64	4,635	3,612	427	3,175	3,165	1,995,530	
SOMERSET	1	192.8000	193	900	1,403	641	761	761	146,005	
TALBOT	5	701.3030	140	1,796	2,943	986	1,938	1,659	1,125,922	236,782
WASHINGTON	3	469.1350	156	3,133	3,017	851	2,166	2,163	988,950	
WICOMICO	3	240.0000	80	2,000	1,618	515	1,104	3,311	267,125	
WORCESTER	2	429.9700	215	938	1,774	859	914	871	356,259	25,852
TOTAL	95	12,986.5969	137	2,223	3,201	690	2,511	1,944	25,246,645	13,435,723

## **EASEMENT PARTICIPATION**

### ***FY 2001 Easement Participation***

The Maryland Agricultural Land Preservation Foundation received a total of 336 applications to sell an agricultural land preservation easement during the FY 2001 Easement Acquisition Program. Applications were received until July 1, 2001.

Since the Foundation cannot purchase easements on all of the properties submitted for easement sale, the Board of Trustees requested the counties to prioritize the properties and send forward up to five applications, or the top 80% of the total number of applications received from their county, whichever is greater.

This review and prioritization helps the Foundation and the counties in several ways. It allows counties to develop their own criteria of which properties are the most important to preserve. They may prefer to encourage the purchase of easements on properties with the best quality soils, on properties that expand existing preservation areas, or on properties that are under direct threat of development.

For the Foundation, limiting the number of applications helps to maximize the use of State funds for actual easement purchases by limiting the number of properties to be appraised, reducing appraisal costs. Further, it helps Foundation and Department of General Services staff keep the total number of properties being processed for easement sale to a more manageable number.

In FY 2001, the Foundation appraised 248 properties. Offers were made to landowners to purchase easements on 110 farms. Of the 110 offers made by the Foundation, 95 were accepted (an 86% acceptance rate). An additional 12,987 acres were placed under contract during FY 2001.

The easement participation chart on the opposite page reflects the total number of easements acquired in each county during FY 2001, and the collective total of easements acquired or under contract as of June 30, 2001.

At the close of the fiscal year, the Foundation preserved 1,395 individual easement properties, permanently protecting 198,276 acres.

The number of easements acquired during the FY 2001 Easement Acquisition Program was fewer than the 147 added in FY 2000.

Carroll County had the most acreage preserved during FY 2001. The Foundation received accepted easement offers for 23 Carroll County properties, consisting of 2,832 acres. As of June 30, 2001, the Foundation had acquired a total of 274 easements protecting 34,431 acres in Carroll County, representing 17.4 % of the program's easement acreage base.

Carroll County provided additional County money above and beyond its local matching fund commitment to be used to purchase additional easements in the County. These funds were not matched by State funds. Although the easements are processed and held by the State, some Carroll County easements were acquired using 100% County Funds.

Other counties also added significant acreage, including Queen Anne's (1,917 acres) and Frederick (1,219 acres) Counties.



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
**EASEMENT PARTICIPATION**

County	Total Easements Acquired Or w/ Contract Status As Of June 30, 20000		Easements Offered & Accepted FY 2001		Less Recorded Lot Exclusions from Easements		Total Easements Acquired Or w/ Contract Status As Of June 30, 2001		% Of Total
	Number	Acreage	Number	Acreage	Acreage	Number	Acreage		
Allegany	1	183.2920	0	0		1	183.2920	0.1%	
Anne Arundel	34	4,242.1192	0	0		34	4,242.1192	2.1%	
Baltimore	142	15,639.7226	6	780.0090	-1.0000	148	16,418.7316	8.3%	
Calvert	30	3,993.8773	1	147.0910		31	4,140.9683	2.1%	
Caroline	167	23,036.7144	2	446.5171	-1.5000	169	23,481.7315	11.8%	
Carroll	251	31,605.9299	23	2,831.6310	-6.5000	274	34,431.0609	17.4%	
Cecil	60	10,081.8384	1	154.7100	-1.0000	61	10,235.5484	5.2%	
Charles	11	1,958.6224	7	950.1999		18	2,908.8223	1.5%	
Dorchester	34	6,108.9820	3	366.4600		37	6,475.4420	3.3%	
Frederick	80	13,184.5743	8	1,219.1549	-1.3200	88	14,403.7292	7.3%	
Garrett	28	3,833.3460	3	545.1000		31	4,377.1260	2.2%	
Harford	98	10,742.8278	3	506.3070		101	11,249.1348	5.7%	
Howard	27	3,952.7802	0	0		27	3,952.7802	2.0%	
Kent	52	9,734.4392	1	211.0000	-1.0000	53	9,944.4392	5.0%	
Montgomery	11	2,070.7305	1	234.1950		12	2,304.9255	1.2%	
Prince George's	0	0	0	0		0	0	0	
Queen Anne's	96	16,810.2866	12	1,916.9570	-7.0000	108	18,720.2436	9.4%	
St. Mary's	33	4,289.3450	10	644.0570	-1.0000	43	4,932.4020	2.5%	
Somerset	17	2,642.2080	1	192.8000		18	2,835.0080	1.4%	
Talbot	37	6,563.3640	5	701.3030		42	7,264.6670	3.7%	
Washington	38	6,862.9640	3	469.1350		41	7,332.0990	3.7%	
Wicomico	36	4,891.1020	3	240.0000		39	5,131.1020	2.6%	
Worcester	17	2,880.5545	2	429.9700		19	3,310.5245	1.7%	
Total	1300	185,309.62	95	12,986.5969	-20.3200	1,395	198,275.8972	100.0%	

Total adjusted due to rejections after 2000 Annual Report was published

## ***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 value 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 obtained by the State and used in making easement offers.

These figures do not reflect adjustments made to the total acreage when settled. Any adjustments made to the acreage, due to deeds and/or surveys reflecting different acreage contained in title deeds, as well as excluded lots over the past year, are shown in the chart on the opposite page and in the Acreage Reduction Chart on page 29.

Any adjustments made involving 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 24 years, a total of 1,395 applicants have accepted easement offers of the 1,935 offers made by the Foundation, representing an historic 72% acceptance rate. The land contained on the 1,396 farms that have accepted the Foundation's easement offer total 198,276 acres. This adjusted figure takes into consideration a total reduction of 21.32 acres from lot exclusions in FY 2001 and the 52.6845 acres from deed adjustments and the acreage adjustment due to the three rejected offers made after the FY 2000 Annual Report was published. Historically, the average farm size is 142 acres.

The historic average asking price of landowners is \$1,482 per acre, which is up slightly from FY 2000 figures. The historic average easement value is \$1,749 per acre, also up from last year's figures. However, the average historic acquisition cost increased to \$1,944 per acre from last year's historic acquisition cost of \$1,683 per acre.

Over the years, landowners have continued to discount their asking price to be competitive in receiving an offer from available funds. Until last year, the landowners who offered the best discount were the ones ranked the highest. However, that relationship is changing as more counties create their own prioritization method.

The discount value shown in the adjacent chart represents the total dollars saved by competitive bidding and the additional easement acres that the Foundation acquired each year with that savings. In other words, the total discount value divided by the average acquisition cost equals the additional acreage that the Foundation was able to protect under easement.

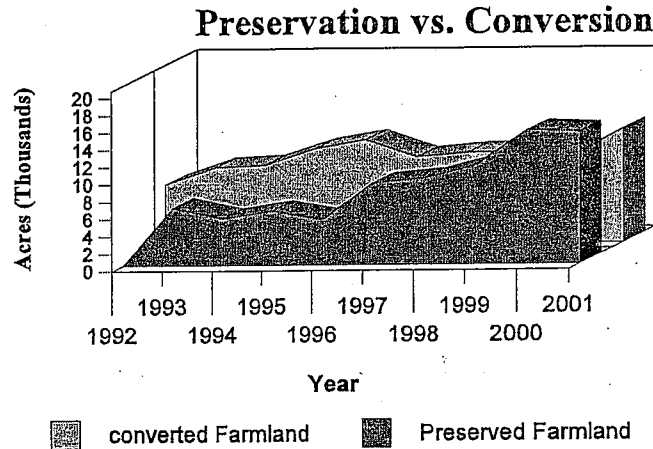
Historically, due to competitive bidding and the discounted values, the Foundation has been able to purchase easements at a discount with a savings of \$91,441,186. In theory, this allowed the State to purchase 51,896 additional acres. Therefore, the most cost effective component of the program is distinguished by the nature of the competitive bidding mechanism. This mechanism continues to play a very important role for the Foundation in making easement offers.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
**EASEMENT ACQUISITION PROGRAM - HISTORIC PERSPECTIVE**

FISCAL YEAR	ACCEPTED OFFERS	TOTAL ACRES	AVERAGE FARM SIZE	ASKING PRICE THAT ACCEPTED	APPRAISED VALUES			ACQUISITION COST	DISCOUNT VALUE
					FAIR MARKET	AGRICULTURAL	EASEMENT		
	ACCEPTANCE RATE			AVG. PER ACRE TOTAL AMI.	AVG. PER ACRE TOTAL AMI.	AVG. PER ACRE TOTAL AMI.	AVG. PER ACRE TOTAL AMI.	ADDL. ACRES TOTAL AMI.	
1977 to 1993	$\frac{736 \text{ of } 1,184}{62\%}$	106,976.5016	144 acres	\$1,213/acre \$129,783,289	\$1312/acre \$140,445,572	\$1185/acre \$126,786,533	\$1016/acre \$108,740,917	17,516/acre \$17,796,984	
1994 Cycle One and Two	$\frac{49 \text{ of } 54}{91\%}$	6,805.0084	138 acres	\$1918/acre \$13,052,329	\$718/acre \$4,884,325	\$2920/acre \$19,876,424	\$1617/acre \$11,000,511	1,183/acre \$8,049,188	
1995 Cycle One	$\frac{24 \text{ of } 32}{75\%}$	3,708.2060	155 acres	\$1650/acre \$6,119,937	\$745/acre \$2,760,910	\$2202/acre \$3,495,429	\$1443/acre \$3,352,330	2,022/acre \$2,918,222	
1995 Cycle Two	$\frac{25 \text{ of } 34}{74\%}$	4,160.5525	166 acres	\$1618/acre \$6,752,355	\$834/acre \$3,470,611	\$2,184/acre \$9,087,226	\$1,331/acre \$3,539,661	2,756/acre \$3,668,800	
1996	$\frac{50 \text{ of } 59}{85\%}$	6,575.4135	132 acres	\$1,697/acre \$11,136,156	\$773/acre \$5,081,222	\$2,203/acre \$14,496,078	\$1,537/acre \$10,109,481	2,629/acre \$4,041,142	
1997	$\frac{84 \text{ of } 88}{95\%}$	11,808.4475	141 acres	\$1,470/acre \$17,360,614	\$655/acre \$7,734,524	\$2,193/acre \$25,891,901	\$1,382/acre \$16,324,772	6,838/acre \$9,450,159	
1998	$\frac{84 \text{ of } 90}{92\%}$	12,469.7617	148 acres	\$1,688/acre \$21,047,013	\$666/acre \$8,305,238	\$2,364/acre \$29,481,412	\$1,634/acre \$20,578,110	4,641/acre \$7,584,027	
1999	$\frac{104 \text{ of } 118}{88\%}$	14,274.4518	137 acres	\$1,650/acre \$23,556,074	\$667/acre \$9,516,930	\$2,345/acre \$33,473,495	\$1,619/acre \$23,109,183	6,585/acre \$10,660,892	
2000	$\frac{147 \text{ of } 169}{87\%}$	19,367.1352	132 acres	1,818/acre 35,212,521	724/acre 14,021,015	2,403/acre 46,593,064	1,683/acre 32,609,436	8,264/acre \$13,318,049	
2001	$\frac{95 \text{ of } 110}{86\%}$	12,986.5969	137 acres	2,223/acre 28,863,085	690/acre 8,966,279	2,511/acre 32,602,857	1,944/acre 25,246,645	7,635/acre 13,453,723	
TOTAL	$\frac{1395 \text{ of } 1935}{72\%}$	198,858.2552 LESS: 21,3200 198,836,9352 LESS: 561,0380** 198,275,8972 acres	142 acres	\$1,482/acre \$293,883,353	\$1,035/acre \$205,184,627	\$1,749/acre \$346,788,218	\$2,580/acre \$258,071,302 LESS: 23,197 \$ 258,048,105	51,896/acre \$1,441,186	

\*\* Total adjusted due to rejections after 2000 Annual Report was published

## PRESERVATION VERSUS CONVERSION



**Note:** Acres of preserved farmland shown in the chart above only reflects that which was preserved by the Maryland Agricultural Land Preservation Foundation. Additional acreage has been preserved through various county programs, local land trusts and other State programs.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total
Converted Farmland	8,719	11,132	11,430	13,743	14,995	12,491	13,078	13,186	12,484	16,463	127,721
Preserved Farmland	0	8,358	6,805	7,869	6,575	11,808	12,470	14,274	19,367	19,079	106,605
Net Difference	(8,719)	(2,774)	(4,625)	(5,874)	(8,420)	(683)	(608)	1,088	6,883	2,616	(21,116)

The graph and table above compares the acres lost from agriculture and converted to other land uses to the number of acres preserved by the Maryland Agricultural Land Preservation Foundation between 1992 and 2001.

The amount of farmland lost to development surpasses that which is being preserved. For three years in a row, FY 1999-2001, the acres preserved were greater than those lost to other land uses. Over the past ten years, the preservation efforts of the Maryland Agricultural Land Preservation Foundation have protected about 89.6% of the total farmland lost. Combined with other state, local and private land preservation programs, the ratio is more favorable. It is important to note that the chart above only reflects land preserved by the Maryland Agricultural Land Preservation Foundation.

There was a development boom in the mid-1990s when 4,625-8,420 acres of farmland were converted to non-

farm use each year. Later in the 1990s, the conversion rate slowed dramatically and, actually, fell behind the rate of preservation. Over the last ten years, Maryland has lost an average of 12,772 acres per year. Excluding the year MALPF funding was reduced (FY 1991 and 1992), the Maryland Agricultural Land Preservation Foundation has been able to preserve an average of 11,845 acres per year for the most recent nine years.

To preserve more farmland and work closely with other preservation programs, a more concentrated and coordinated effort with local jurisdictions and other programs to preserve our precious land must be made. The time to preserve is now, especially in light of the current economy, low interest rates, the future threat of development and the political and public support for land preservation.

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**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION  
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