

SENATE BILL 59

Q7

0lr0049

(PRE-FILED)

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Agriculture)**

Requested: November 2, 2009

Introduced and read first time: January 13, 2010

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 4, 2010

CHAPTER _____

1 AN ACT concerning

2 **Agricultural Land Transfer Tax – Distribution and Use of Revenue**

3 FOR the purpose of altering the distribution of certain revenues attributable to the
4 agricultural land transfer tax; repealing a certain provision altering the
5 distribution of the State transfer tax revenues under certain circumstances;
6 altering the authorized uses of certain revenues received by the Maryland
7 Agricultural and Resource-Based Industry Development Corporation;
8 authorizing the use of certain funds for certain easement purchase payments
9 approved by the Maryland Agricultural Land Preservation Foundation under
10 certain circumstances; repealing a certain provision declaring the intent of the
11 General Assembly relating to the establishment of Priority Preservation Areas
12 and the use of certain funds for agricultural land preservation; and generally
13 relating to the distribution and use of the agricultural land transfer tax.

14 BY repealing and reenacting, with amendments,

15 Article – Tax – Property

16 Section 13–306(a)

17 Annotated Code of Maryland

18 (2007 Replacement Volume and 2009 Supplement)

19 (As enacted by Chapter 610 of the Acts of the General Assembly of 2008)

20 BY repealing and reenacting, with amendments,

21 Article – Economic Development

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 10-523(d)
2 Annotated Code of Maryland
3 (2008 Volume and 2009 Supplement)

4 BY repealing
5 Chapter 610 of the Acts of the General Assembly of 2008
6 Section 4 and 5

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – Tax – Property**

10 13-306.

11 (a) (1) Except in Montgomery County and except as provided in
12 subsection (b)(1) of this section for a certified county, each county collector shall remit
13 from a special account to the Comptroller, as the Comptroller specifies:

14 (i) the revenue from:

15 1. the agricultural transfer tax that is attributable to the
16 taxation of instruments of writing that transfer title to parcels of land that are
17 entirely woodland; and

18 2. the surcharge imposed under § 13-303(d) of this
19 subtitle; and

20 (ii) two-thirds of the balance of revenue from the agricultural
21 land transfer tax that remains after the remittance under item (i) of this paragraph.

22 (2) In Montgomery County, if § 52-21(d) (1979) of the Montgomery
23 County Code is in effect or a transfer tax substantially similar to that provision is in
24 effect, the collector for Montgomery County shall remit to the Comptroller:

25 (i) the revenue from:

26 1. the agricultural transfer tax that is attributable to the
27 taxation of instruments of writing that transfer title to parcels of land that are
28 entirely woodland; and

29 2. the surcharge imposed under § 13-303(d) of this
30 subtitle; and

31 (ii) one-third of the balance of revenue from the agricultural
32 transfer tax that remains after the remittance under item (i) of this paragraph.

1 (3) The Comptroller shall deposit:

2 (i) up to \$200,000 annually of the revenue remitted under
3 paragraphs (1)(i) and (2)(i) of this subsection or subsection (b) of this section into the
4 Woodland Incentives Fund established in § 5–307 of the Natural Resources Article;
5 and

6 (ii) of the revenue in excess of \$200,000 annually remitted
7 under paragraphs (1)(i) and (2)(i) of this subsection or subsection (b)(1) of this section
8 and the revenue remitted under paragraphs (1)(ii) and (2)(ii) of this subsection or
9 subsection (b)(2) of this section:

10 1. subject to paragraph ~~[(5)]~~ (4) of this subsection, for
11 fiscal year ~~[2009]~~ 2011 and each fiscal year thereafter, ~~[\$2,500,000]~~ \$2,756,250 into
12 the Maryland Agricultural Land Preservation Fund to be used for the purposes stated
13 in § 2–505 of the Agriculture Article;

14 2. after the distribution made under item 1 of this item,
15 37.5% of the agricultural land transfer tax revenue remitted to the Comptroller, up to
16 a maximum of \$4,000,000 annually, into a special fund to be used by the Maryland
17 Agricultural and Resource–Based Industry Development Corporation for the Next
18 Generation Farmland Acquisition Program; AND

19 ~~[3.~~ after the distributions made under items 1 and 2 of
20 this item, \$4,000,000 into a special fund to be used by the Maryland Agricultural and
21 Resource–Based Industry Development Corporation for a program of facilitating
22 preservation easement acquisition through the use of installment purchase
23 agreements for easement purchases that have been approved by the Maryland
24 Agricultural Land Preservation Foundation; and]

25 ~~[4.]~~ 3. after the distributions made under items 1 ~~[through~~
26 3] AND 2 of this item, the remainder into the Maryland Agricultural Land
27 Preservation Fund to be used for the purposes stated in § 2–505 of the Agriculture
28 Article.

29 ~~[(4)~~ (i) Notwithstanding § 13–209 of this title, if sufficient revenues
30 are not collected in any fiscal year to provide a total of \$4,000,000 into the special fund
31 established under paragraph (3)(ii)3 of this subsection, any deficiency shall be made
32 up by revenues otherwise required to be distributed to the Maryland Agricultural
33 Land Preservation Fund from the transfer tax imposed under Subtitle 2 of this title.

34 (ii) The distribution required under subparagraph (i) of this
35 paragraph shall be made prior to any distribution provided in § 13–209(c) and (d)(2) of
36 this title.]

37 ~~[(5)]~~ (4) For each fiscal year after ~~[2009]~~ 2011, the amount
38 distributed into the Maryland Agricultural Land Preservation Fund under paragraph

1 (3)(ii)1 of this subsection shall be increased by 5% over the amount distributed for the
2 preceding fiscal year.

3 **[(6)] (5)** The revenues required to be distributed to the Maryland
4 Agricultural and Resource-Based Industry Development Corporation under
5 **[paragraphs (3) and (4)] PARAGRAPH (3)** of this subsection shall be distributed on a
6 quarterly basis on or about the first day of the month in July, October, January, and
7 April.

8 **Article – Economic Development**

9 10–523.

10 (d) **[(1)]** The Corporation may use up to 3% of the money received under §
11 13–306(a)(3)(ii)2 of the Tax – Property Article for administrative costs associated with
12 the Next Generation Farmland Acquisition Program.

13 **[(2)]** The Corporation may use up to 3% of the money received under §
14 13–306(a)(3)(ii)3 of the Tax – Property Article for administrative costs associated with
15 an installment purchase agreement program.]

16 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 4 and 5 of
17 Chapter 610 of the Acts of the General Assembly of 2008 be repealed.

18 SECTION 3. AND BE IT FURTHER ENACTED, That any funds dedicated
19 before July 1, 2010, to the installment purchase agreements program under §
20 13–306(a)(3)(ii)3 of the Tax – Property Article as in effect before July 1, 2010, may be
21 used for lump-sum easement purchase payments approved by the Maryland
22 Agricultural Land Preservation Foundation.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.