

SENATE BILL 777

P1, M4, M3

4r3377
CF 4r2544

By: **The President (By Request – State Treasurer)**

Introduced and read first time: February 1, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Treasurer – Membership Responsibilities**

3 FOR the purpose of removing the State Treasurer from the Board of Trustees for the
4 Maryland Agricultural Land Preservation Foundation and repealing certain related
5 authority and duties; removing the State Treasurer or the State Treasurer’s designee
6 from the Maryland Commission on Climate Change, the Board of Directors for the
7 Maryland Environmental Service, and the Coast Smart Council; and generally
8 relating to membership responsibilities of the State Treasurer.

9 BY repealing and reenacting, with amendments,
10 Article – Agriculture
11 Section 2–503(a)(1), 2–510(d), (e), (i), and (k), 2–512(b) and (d), and 2–514(g), (h), and
12 (i)(4)(i)
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – Agriculture
17 Section 2–510(a), (b), and (c) and 2–514(a), (b), (c), and (i)(1)
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2023 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Environment
22 Section 2–1301(a)
23 Annotated Code of Maryland
24 (2013 Replacement Volume and 2023 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article – Environment
27 Section 2–1302(a)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2013 Replacement Volume and 2023 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – Natural Resources
5 Section 3–103(a)
6 Annotated Code of Maryland
7 (2023 Replacement Volume and 2023 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Natural Resources
10 Section 3–103(b) and 3–1005(a)
11 Annotated Code of Maryland
12 (2023 Replacement Volume and 2023 Supplement)

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

15 **Article – Agriculture**

16 2–503.

17 (a) (1) The Maryland Agricultural Land Preservation Foundation shall be
18 governed and administered by a board of trustees composed of:

19 (i) The [State Treasurer, the] Comptroller, the Secretary of
20 Planning, and the Secretary, all of whom shall serve as ex officio members;

21 (ii) Nine members from the State at–large to be appointed by the
22 Governor, at least six of whom shall be farmer representatives who are engaged in or
23 retired from active farming from different areas of the State, and four of whom shall be
24 appointed as follows:

25 1. One from a list of three nominees submitted by the
26 Maryland Agricultural Commission;

27 2. One from a list of three nominees submitted by the
28 Maryland Farm Bureau;

29 3. One from a list of three nominees submitted by the
30 Maryland State Grange; and

31 4. One from a list of three nominees submitted by the Young
32 Farmers Advisory Board; and

33 (iii) Any designee appointed by an ex officio member under
34 paragraph (3) of this subsection.

1 2-510.

2 (a) An owner of agricultural land whose application to sell an easement has been
3 approved by the county under this subtitle may sell an easement to the Foundation on the
4 contiguous acreage of the agricultural land, subject to the requirements of this subtitle and
5 regulations of the Foundation.

6 (b) In order to be considered by the Foundation, an application to sell shall:

7 (1) Be received by the board at a time the board determines for the fiscal
8 year in which the application is to be considered;

9 (2) Include an asking price at which the owner is willing to sell an
10 easement; and

11 (3) Include a complete description of the land for the proposed easement.

12 (c) The board shall determine the maximum number of applications that it will
13 accept from each county in each offer cycle.

14 (d) (1) Within 30 days after the receipt of an application from the county
15 governing body, the Foundation shall notify the landowner and the county governing body
16 of the receipt and sufficiency of the application.

17 (2) If the original application is insufficient, the Foundation shall specify
18 the reason for insufficiency, and the Foundation shall grant an additional 30 days for the
19 landowner to remedy the insufficiency.

20 (3) If the application is made sufficient within 30 days of the notification
21 by the Foundation, the application shall be considered as if it had originally been submitted
22 in a timely and sufficient manner.

23 (e) (1) If the application is submitted to the Foundation prior to county
24 approval, then within 60 days of the notification of sufficiency of the application, the county
25 governing body shall advise the Foundation as to the county's approval or disapproval of
26 the application.

27 (2) The Foundation shall grant a 30-day extension of this approval period
28 if the county governing body applies to the Foundation for an extension and states its
29 reasons for seeking an extension.

30 (i) (1) [Upon] ON approval of a majority of the board members at-large, and
31 [upon] ON the recommendation of [the State Treasurer and] the Secretary, an application
32 to sell shall be approved, and an offer to buy containing the specific terms of the purchase
33 shall be tendered to the landowner.

1 **(2)** An offer to buy may specify terms, contingencies, and conditions not
2 contained in the original application.

3 (k) (1) **(I)** At the time of settlement of the purchase of an easement, the
4 landowner and the Foundation may agree [upon] **ON** and establish a schedule of payment
5 such that the landowner may receive consideration for the easement in a lump sum, in
6 installments over a period of up to 10 years from the date of settlement, or as provided in
7 an installment purchase agreement under paragraph (3) of this subsection.

8 **(II)** At the time of settlement, the Foundation shall notify in writing
9 each landowner who sells an agricultural easement to the Foundation of the schedule of
10 anticipated ranges of interest rates to be paid on any unpaid balance after the date of
11 settlement.

12 (2) (i) If a schedule of installments is agreed [upon] **ON**, the
13 Comptroller shall retain in the Maryland Agricultural Land Preservation Fund an amount
14 of money sufficient to pay the landowner according to the schedule.

15 (ii) **1.** The landowner shall receive interest on any unpaid
16 balance remaining after the date of settlement.

17 **2.** The State Treasurer shall invest the unpaid balance
18 remaining after the date of settlement in a certificate or certificates of deposit at the
19 maximum interest rate offered by a bank servicing the State or at such other institutions
20 which pay the maximum interest rates payable on time and savings deposits at federally
21 insured commercial banks selected by the Treasurer, to mature in accordance with an
22 agreed [upon] **ON** schedule of installments as provided in this section.

23 **3.** Any interest earned on the invested unpaid balance shall
24 be paid with the installment when due, less 1/4 of 1 percent.

25 (3) (i) The Foundation may pay the landowner according to a schedule,
26 up to a maximum term of 15 years, established in an installment purchase agreement.

27 (ii) The installment purchase agreement shall:

28 1. Require that the Foundation make annual equal
29 payments to the landowner of interest on the outstanding balance of the purchase price;

30 2. Require that the Foundation pay the landowner the
31 remainder of the purchase price at the end of the term;

32 3. State the total amount of money the Foundation will pay
33 the landowner, the interest rate, and the terms of the agreement; and

1 4. Require that the easement be recorded within 30 days of
2 settlement.

3 2–512.

4 (b) The Foundation may approve a local program of agricultural land
5 preservation [upon] ON request of a county, provided that:

6 (1) The county shall agree to make payments up to a specified aggregate
7 amount to the Maryland Agricultural Land Preservation Fund to equal at least 40 percent
8 of the value of any easement acquired by the Foundation as a result of a matching allotted
9 purchase, made during the ensuing fiscal year; and

10 (2) The county shall show evidence that any county program for the
11 acquisition of agricultural land for preservation, or easements for purposes of preservation
12 of agricultural land, will not result in preservation of land which does not meet the
13 minimum standards set by the Foundation under § 2–509 of this subtitle; and

14 (3) The request for approval of a local program must be submitted to the
15 Foundation, together with any necessary agreements not later than 90 days prior to the
16 beginning of the fiscal year for which approval is being sought.

17 (d) Local programs shall be approved [upon] ON the affirmative vote of a majority
18 of the Foundation members at–large, and [upon] ON approval of the Secretary [and the
19 State Treasurer].

20 2–514.

21 (a) (1) This section applies only to easements approved for purchase by the
22 Board of Public Works on or before September 30, 2004.

23 (2) All easements approved for purchase by the Board of Public Works on
24 or after October 1, 2004, are perpetual and not eligible for termination.

25 (b) An easement approved by the Board of Public Works on or before September
26 30, 2004, and held by the Foundation may be terminated only under extraordinary
27 circumstances and in the manner specified in this section.

28 (c) (1) Except as provided in paragraph (2) of this subsection, after 25 years
29 from the date of purchase of an easement, a landowner may request that the easement be
30 reviewed for possible termination, subject to the requirements of this section.

31 (2) A landowner is not eligible to terminate any easement:

32 (i) Purchased using an installment purchase agreement, as
33 provided in § 2–510(k) of this subtitle; or

1 (ii) Approved for purchase by the Board of Public Works on or after
2 October 1, 2004.

3 (g) (1) If the board of trustees members at large deny the request for
4 termination because they determine that it is feasible to farm the land in a profitable
5 manner, the termination review process ends and the Foundation is not required to
6 continue to consider the request for termination.

7 (2) If the board of trustees members at large approve the request for
8 termination, the Secretary [and State Treasurer] shall review the request.

9 (h) (1) If both the county governing body and the board of trustees members at
10 large approve a request for termination, an easement shall be terminated only if [both] the
11 Secretary [and the State Treasurer approve] **APPROVES** the request for termination.

12 (2) The Secretary [and the State Treasurer's designee serving on the board
13 of trustees] may approve or deny the request for termination.

14 (i) (1) If the request for termination is approved, two fair market value
15 appraisals of the subject land shall be ordered by the Department of General Services at
16 the direction of the Foundation at the expense of the landowner requesting termination of
17 the easement.

18 (4) (i) [Upon] **ON** receipt of the written statement from the
19 Department of General Services, the Foundation shall issue a notification to the landowner
20 of the approved fair market value.

21 **Article – Environment**

22 2–1301.

23 (a) There is a Commission on Climate Change in the Department to advise the
24 Governor and General Assembly on ways to mitigate the causes of, prepare for, and adapt
25 to the consequences of climate change.

26 2–1302.

27 (a) The Commission's membership shall consist of the following members:

28 (1) One member of the House of Delegates, appointed by the Speaker of the
29 House;

30 (2) One member of the Senate, appointed by the President of the Senate;

31 (3) [The State Treasurer, or the State Treasurer's designee;

- 1 (4) The Secretary of the Environment, or the Secretary's designee;
- 2 [(5)] (4) The Secretary of Agriculture, or the Secretary's designee;
- 3 [(6)] (5) The Secretary of Natural Resources, or the Secretary's designee;
- 4 [(7)] (6) The Secretary of Planning, or the Secretary's designee;
- 5 [(8)] (7) The State Superintendent of Schools, or the State
6 Superintendent's designee;
- 7 [(9)] (8) The Secretary of Transportation, or the Secretary's designee;
- 8 [(10)] (9) The Secretary of General Services, or the Secretary's designee;
- 9 [(11)] (10) The Director of the Maryland Energy Administration, or the
10 Director's designee;
- 11 [(12)] (11) The People's Counsel, or the People's Counsel's designee;
- 12 [(13)] (12) The President of the University of Maryland Center for
13 Environmental Science, or the President's designee;
- 14 [(14)] (13) The Chair of the Critical Area Commission for the Chesapeake
15 and Atlantic Coastal Bays, or the Chair's designee;
- 16 [(15)] (14) One member appointed by the Farm Bureau representing the
17 agriculture community;
- 18 [(16)] (15) One member appointed by the Maryland Association of Counties
19 and one member appointed by the Maryland Municipal League to represent local
20 governments;
- 21 [(17)] (16) One member appointed by the President of the Senate and one
22 member appointed by the Speaker of the House of Delegates to represent the business
23 community;
- 24 [(18)] (17) One member appointed by the President of the Senate and one
25 member appointed by the Speaker of the House of Delegates to represent environmental
26 nonprofit organizations;
- 27 [(19)] (18) One member appointed by the President of the Senate and one
28 member appointed by the Speaker of the House to represent organized labor, one of whom
29 shall represent the building or construction trades and one of whom shall represent the
30 manufacturing industry;

1 [(20)] (19) One member appointed by the President of the Senate and one
2 member appointed by the Speaker of the House to represent philanthropic organizations;

3 [(21)] (20) One climate change expert appointed by the Governor
4 representing a university located in Maryland; and

5 [(22)] (21) One public health expert appointed by the Governor representing
6 a university located in Maryland.

7 **Article – Natural Resources**

8 3–103.

9 (a) (1) There is a body politic and corporate known as the “Maryland
10 Environmental Service”.

11 (2) The Service is an instrumentality of the State and a public corporation
12 by that name, style, and title, and the exercise by the Service of the powers conferred by
13 this subtitle is the performance of an essential governmental function of the State.

14 (b) (1) There are four officers of the Service:

15 (i) An Executive Director;

16 (ii) A Deputy Director;

17 (iii) A Secretary; and

18 (iv) A Treasurer.

19 (2) (i) The four officers of the Service shall be appointed in accordance
20 with this paragraph.

21 (ii) 1. The Executive Director shall be appointed by the
22 Governor, with the advice and consent of the Senate solely with regard to the qualifications
23 for the duties of the office.

24 2. The Executive Director serves at the pleasure of the Board
25 with the concurrence of the Governor and shall receive such compensation as may be
26 determined by the Board.

27 (iii) 1. The Deputy Director shall be appointed by the Executive
28 Director with the approval of the Governor solely with regard to the qualifications for the
29 duties of the office.

1 2. The Deputy Director serves at the pleasure of the
2 Executive Director and shall receive such compensation as may be determined by the
3 Board.

4 (iv) 1. The Secretary and the Treasurer shall be selected by the
5 Board from among the Board's members.

6 2. The Secretary and the Treasurer serve at the pleasure of
7 the Board and shall receive such compensation as may be reasonably determined by the
8 Board.

9 (3) The Board of Directors of the Service shall consist of the following
10 members:

11 (i) The Executive Director, who shall serve as a nonvoting member;

12 (ii) [The State Treasurer, or the State Treasurer's designee;

13 (iii)] Three members from the public sector in the State in positions
14 responsible for environmental, water, wastewater, or solid waste management;

15 [(iv)] (III) One member from the private sector in the State with
16 technical, financial, development, or legal experience related to environmental, water,
17 wastewater, or solid waste management;

18 [(v)] (IV) One member from the private sector in the State with
19 financial experience related to environmental, water, wastewater, or solid waste
20 management; and

21 [(vi)] (V) One member from the private sector in the State with
22 experience or expertise in matters related to business ethics, preferably involving board of
23 director ethics and conflicts of interest.

24 (4) (i) Subject to subparagraphs (ii), (iii), and (iv) of this paragraph, the
25 public sector and private sector members of the Board, as set forth in paragraph [(3)(iii)]
26 (3)(II) through [(vi)] (V) of this subsection shall be appointed by the Governor with the
27 advice and consent of the Senate.

28 (ii) The Governor shall select at least one of the public sector
29 members of the Board from a list of recommendations jointly compiled by the Maryland
30 Association of Counties and the Maryland Municipal League.

31 (iii) The Governor may not appoint an employee of the Service to the
32 Board.

1 (iv) At least one of the public sector or private sector members shall
2 be a resident of a rural county in the State.

3 (5) (i) [Five] **FOUR** members constitute a quorum for the transaction
4 of business of the Board.

5 (ii) The affirmative vote of at least [five] **FOUR** members is
6 necessary for any action taken by the Board.

7 (6) Those members of the Board not already holding a public office shall
8 receive from the Service:

9 (i) Per diem compensation as established by the Board; and

10 (ii) Reimbursement for expenses under Standard State Travel
11 Regulations.

12 (7) The term of a member [other than the State Treasurer] is 4 years.

13 (8) The terms of members [other than the State Treasurer] are staggered
14 as required by the terms provided for those members of the Board on July 1, 2021.

15 (9) At the end of a term, a member continues to serve until a successor is
16 appointed and qualifies.

17 (10) A member who is appointed after a term has begun serves only the
18 remainder of that term and until a successor is appointed and qualifies.

19 (11) A member of the Board who is appointed under paragraph (3)(iii)
20 through (vi) of this subsection may serve only two consecutive full 4–year terms, plus any
21 partial term served before the initial 4–year term.

22 (12) Subject to paragraphs (13) and (14) of this subsection, the Board shall
23 select a Chair from among the Board’s members.

24 (13) The Executive Director may not serve as the Secretary, Treasurer, or
25 Chair of the Board.

26 [(14) The State Treasurer may not serve as the Secretary, Treasurer, or
27 Chair of the Board.]

28 3–1005.

29 (a) The Coast Smart Council shall include:

30 (1) The Secretary of Natural Resources, or the Secretary’s designee;

1 (2) The Secretary of Budget and Management, or the Secretary's designee;

2 (3) The Secretary of the Environment, or the Secretary's designee;

3 (4) The Secretary of General Services, or the Secretary's designee;

4 (5) The Secretary of Planning, or the Secretary's designee;

5 (6) The Secretary of Transportation, or the Secretary's designee;

6 (7) The Secretary of Commerce, or the Secretary's designee;

7 (8) The Chair of the Critical Area Commission for the Chesapeake and
8 Atlantic Coastal Bays, or the Chair's designee;

9 (9) The Secretary of Emergency Management, or the Secretary's designee;

10 (10) [The State Treasurer, or the State Treasurer's designee;

11 (11)] The Chancellor of the University System of Maryland, or the
12 Chancellor's designee; and

13 [(12)] (11) Five members appointed by the Governor to represent local
14 government, environmental, and business interests.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2024.