

SENATE BILL 777

P1, M4, M3

4lr3377
CF HB 918

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

Introduced and read first time: February 1, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2024

CHAPTER _____

1 AN ACT concerning

2 **State Treasurer and Comptroller – 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; establishing the
8 Comptroller or the Comptroller’s designee as a member of the Maryland Commission
9 on Climate Change and the Coast Smart Council; and generally relating to
10 membership responsibilities of the State Treasurer and Comptroller.

11 BY repealing and reenacting, with amendments,
12 Article – Agriculture
13 Section 2–503(a)(1), 2–510(d), (e), (i), and (k), 2–512(b) and (d), and 2–514(g), (h), and
14 (i)(4)(i)
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Agriculture
19 Section 2–510(a), (b), and (c) and 2–514(a), (b), (c), and (i)(1)
20 Annotated Code of Maryland
21 (2016 Replacement Volume and 2023 Supplement)

22 BY repealing and reenacting, without amendments,

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 Article – Environment
2 Section 2–1301(a)
3 Annotated Code of Maryland
4 (2013 Replacement Volume and 2023 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Environment
7 Section 2–1302(a)
8 Annotated Code of Maryland
9 (2013 Replacement Volume and 2023 Supplement)

10 BY repealing and reenacting, without amendments,
11 Article – Natural Resources
12 Section 3–103(a)
13 Annotated Code of Maryland
14 (2023 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Natural Resources
17 Section 3–103(b) and 3–1005(a)
18 Annotated Code of Maryland
19 (2023 Replacement Volume and 2023 Supplement)

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

22 **Article – Agriculture**

23 2–503.

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

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

28 (ii) Nine members from the State at-large to be appointed by the
29 Governor, at least six of whom shall be farmer representatives who are engaged in or
30 retired from active farming from different areas of the State, and four of whom shall be
31 appointed as follows:

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

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

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

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

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

7 2–510.

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

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

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

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

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

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

20 (d) **(1)** Within 30 days after the receipt of an application from the county
21 governing body, the Foundation shall notify the landowner and the county governing body
22 of the receipt and sufficiency of the application.

23 **(2)** If the original application is insufficient, the Foundation shall specify
24 the reason for insufficiency, and the Foundation shall grant an additional 30 days for the
25 landowner to remedy the insufficiency.

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

29 (e) **(1)** If the application is submitted to the Foundation prior to county
30 approval, then within 60 days of the notification of sufficiency of the application, the county
31 governing body shall advise the Foundation as to the county's approval or disapproval of
32 the application.

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

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

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

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

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

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

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

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

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

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

34 (ii) The installment purchase agreement shall:

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

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

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

7 4. Require that the easement be recorded within 30 days of
8 settlement.

9 2-512.

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

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

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

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

23 (d) Local programs shall be approved [upon] ON the affirmative vote of a majority
24 of the Foundation members at-large, and [upon] ON approval of the Secretary [and the
25 State Treasurer].

26 2-514.

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

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

31 (b) An easement approved by the Board of Public Works on or before September
32 30, 2004, and held by the Foundation may be terminated only under extraordinary
33 circumstances and in the manner specified in this section.

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

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

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

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

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

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

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

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

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

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

27 **Article – Environment**

28 2–1301.

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

32 2–1302.

- 1 (a) The Commission's membership shall consist of the following members:
- 2 (1) One member of the House of Delegates, appointed by the Speaker of the
3 House;
- 4 (2) One member of the Senate, appointed by the President of the Senate;
- 5 (3) ~~¶The State Treasurer, or the State Treasurer's~~ **COMPTROLLER, OR**
6 **THE COMPTROLLER'S** designee;
- 7 (4)¶ The Secretary of the Environment, or the Secretary's designee;
- 8 ~~¶(5)¶ (4)~~ The Secretary of Agriculture, or the Secretary's designee;
- 9 ~~¶(6)¶ (5)~~ The Secretary of Natural Resources, or the Secretary's designee;
- 10 ~~¶(7)¶ (6)~~ The Secretary of Planning, or the Secretary's designee;
- 11 ~~¶(8)¶ (7)~~ The State Superintendent of Schools, or the State
12 Superintendent's designee;
- 13 ~~¶(9)¶ (8)~~ The Secretary of Transportation, or the Secretary's designee;
- 14 ~~¶(10)¶ (9)~~ The Secretary of General Services, or the Secretary's designee;
- 15 ~~¶(11)¶ (10)~~ The Director of the Maryland Energy Administration, or the
16 Director's designee;
- 17 ~~¶(12)¶ (11)~~ The People's Counsel, or the People's Counsel's designee;
- 18 ~~¶(13)¶ (12)~~ The President of the University of Maryland Center for
19 Environmental Science, or the President's designee;
- 20 ~~¶(14)¶ (13)~~ The Chair of the Critical Area Commission for the Chesapeake
21 and Atlantic Coastal Bays, or the Chair's designee;
- 22 ~~¶(15)¶ (14)~~ One member appointed by the Farm Bureau representing the
23 agriculture community;
- 24 ~~¶(16)¶ (15)~~ One member appointed by the Maryland Association of Counties
25 and one member appointed by the Maryland Municipal League to represent local
26 governments;
- 27 ~~¶(17)¶ (16)~~ One member appointed by the President of the Senate and one
28 member appointed by the Speaker of the House of Delegates to represent the business
29 community;

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

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

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

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

12 2. The Secretary and the Treasurer serve at the pleasure of
13 the Board and shall receive such compensation as may be reasonably determined by the
14 Board.

15 (3) The Board of Directors of the Service shall consist of the following
16 members:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (ii) Reimbursement for expenses under Standard State Travel
16 Regulations.

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

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

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

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

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

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

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

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

3 3–1005.

4 (a) The Coast Smart Council shall include:

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

6 (2) The Secretary of Budget and Management, or the Secretary’s designee;

7 (3) The Secretary of the Environment, or the Secretary’s designee;

8 (4) The Secretary of General Services, or the Secretary’s designee;

9 (5) The Secretary of Planning, or the Secretary’s designee;

10 (6) The Secretary of Transportation, or the Secretary’s designee;

11 (7) The Secretary of Commerce, or the Secretary’s designee;

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

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

15 (10) ~~¶The State Treasurer, or the State Treasurer’s~~ **COMPTROLLER, OR**
16 **THE COMPTROLLER’S** designee;

17 (11)¶ The Chancellor of the University System of Maryland, or the
18 Chancellor’s designee; and

19 ~~¶(12)¶ (11)~~ Five members appointed by the Governor to represent local
20 government, environmental, and business interests.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2024.