

Chapter 210

(Senate Bill 59)

AN ACT concerning

Agricultural Land Transfer Tax – Distribution and Use of Revenue

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

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 13–306(a)

Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

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

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 10–523(d)

Annotated Code of Maryland

(2008 Volume and 2009 Supplement)

BY repealing

Chapter 610 of the Acts of the General Assembly of 2008

Section 4 and 5

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

Article – Tax – Property

13–306.

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

(i) the revenue from:

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

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

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

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

(i) the revenue from:

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

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

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

(3) The Comptroller shall deposit:

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

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

1. subject to paragraph [(5)] (4) of this subsection, for fiscal year [2009] **2011** and each fiscal year thereafter, [\$2,500,000] **\$2,756,250** into

the Maryland Agricultural Land Preservation Fund to be used for the purposes stated in § 2–505 of the Agriculture Article;

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

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

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

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

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

[(5)] **(4)** For each fiscal year after [2009] **2011**, the amount distributed into the Maryland Agricultural Land Preservation Fund under paragraph (3)(ii)1 of this subsection shall be increased by 5% over the amount distributed for the preceding fiscal year.

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

Article – Economic Development

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

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

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

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

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

Approved by the Governor, May 4, 2010.