



Committee: PHED
Committee Review: At a future date
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #PreservingAg

AGENDA ITEM 11B
January 19, 2021
Introduction

SUBJECT

Bill 5-21, Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue
Lead Sponsor: Councilmember Friedson

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To introduce Bill – no vote expected

DESCRIPTION/ISSUE

Bill 5-21 would dedicate business personal property tax revenue received for a solar collection system constructed in the Agricultural Reserve Zone for the Agricultural Land Preservation Fund. The Agricultural Land Preservation Fund is an existing special, non-lapsing revolving fund used to purchase property interests, such as an agricultural easement, to preserve agricultural land in the County.

SUMMARY OF KEY DISCUSSION POINTS

- What are the competing interests for this revenue?

This report contains:

Bill 5-21	©1
Legislative Request Report	©5

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M E M O R A N D U M

January 14, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Bill 5-21, Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue

PURPOSE: Introduction – no Council votes required

Bill 5-21, Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue, sponsored by Lead Sponsor Councilmember Friedson, is scheduled to be introduced on January 19, 2021. A public hearing is tentatively scheduled for February 9, 2021 at 1:30 p.m.¹

Bill 5-21 would dedicate business personal property tax revenue received for a solar collection system constructed in the Agricultural Reserve Zone for the Agricultural Land Preservation Fund. The Bill would define a solar collection system as:

...an arrangement of panels or other solar energy devices that provide for the collection, inversion, storage, and distribution of solar energy for electricity generation, space heating, space cooling, or water heating. A Solar Collection System includes freestanding or mounted devices.

The Agricultural Land Preservation Fund is an existing special, non-lapsing revolving fund used to purchase property interests, such as an agricultural easement, to preserve agricultural land in the County.

This packet contains:	<u>Circle #</u>
Bill 5-21	1
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¹# PreservingAg

Bill No. 5-21
Concerning Agricultural Land
Preservation – Solar Collection System –
Dedication of Business Personal Property
Tax Revenue
Revised: 01/12/2021 Draft No. 2
Introduced: January 19, 2021
Expires: July 19, 2022
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. , Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson

AN ACT to:

- (1) dedicate business personal property tax revenue received for certain solar collection systems for the Agricultural Land Preservation Fund;
- (2) increase the land in the County preserved for agricultural uses; and
- (3) generally amend the law governing the preservation of land for agricultural uses.

By amending

Montgomery County Code
Chapter 2B, Agricultural Land Preservation
Sections 2B-1 and 2B-9

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

- 27 (b) The County must use funds from the County’s share of the State
 28 agricultural transfer tax, business personal property tax collected for a
 29 solar collection system located in the Agricultural Reserve Zone, and any
 30 other revolving funds for the purposes of this Article before using any
 31 other County funds for these purposes.
- 32 (c) The County may buy an agricultural easement to preserve agricultural
 33 land in the County. To buy an easement, the County may use:
- 34 (1) negotiations;
 35 (2) competitive bidding; or
 36 (3) any other method that is fair and equitable to the landowner and
 37 the County.
- 38 (d) The purchase price may be based on an appraisal or any other evidence
 39 of value under criteria in applicable regulations.
- 40 (e) Priority for buying easements must be given to any applicant who meets
 41 all [of] the following criteria:
- 42 (1) the proposed purchase price for the agricultural easement does not
 43 exceed either the appraised fair market value of the easement or a
 44 commercially reasonable value for the easement;
 45 (2) the land is designated in the applicable master plan as agricultural;
 46 (3) the land borders a municipality or other developing area and is
 47 likely to be developed in the foreseeable future; and
 48 (4) any other factor the Executive finds necessary to preserve
 49 agricultural land.
- 50 (f) The County Executive or the Executive’s designee may agree in writing
 51 to buy an agricultural easement if the landowner:
- 52 (1) files a good-faith application to the Foundation for the purchase of
 53 an agricultural easement by the State; and

54 (2) accepts a Foundation offer if the price offered by the Foundation
55 is equal to or higher than the price the County offered. If the
56 Foundation does not agree to buy an easement subject to a
57 conditional agreement under this subsection, the County must buy
58 the easement at the price the County offered under the conditional
59 agreement.

60 (g) In addition to its authority to buy agricultural easements under this
61 Article, the County may accept the donation of an agricultural easement
62 or another interest in property for agricultural land preservation purposes.

63 **Sec. 2. Transition.**

64 The amendments in Section 1 must apply to business personal property tax
65 collected after the date this Act takes effect.

66 *Approved:*

67

Tom Hucker, President, County Council Date

68 *Approved:*

69

Marc Elrich, County Executive Date

70 *This is a correct copy of Council action.*

71

Selena Mendy Singleton, Esq., Clerk of the Council Date

LEGISLATIVE REQUEST REPORT

Bill 5-21

Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue

DESCRIPTION:	Bill 5-21 would dedicate business personal property tax revenue received for a solar collection system constructed in the Agricultural Reserve Zone for the Agricultural Land Preservation Fund. The Agricultural Land Preservation Fund is an existing special, non-lapsing revolving fund used to purchase property interests, such as an agricultural easement, to preserve agricultural land in the County.
PROBLEM:	Additional funds are necessary to preserve agricultural land in the County.
GOALS AND OBJECTIVES:	Increase funding for the Agricultural Land Preservation Fund.
COORDINATION:	Office of Agriculture, Finance
FISCAL IMPACT:	Office of Management and Budget
ECONOMIC IMPACT:	Office of Legislative Oversight
RACIAL EQUITY AND SOCIAL JUSTICE IMPACT:	Office of Legislative Oversight
EVALUATION:	To be determined.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	Not applicable.
PENALTIES:	None.