

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 101-2022

Introduced: June 6, 2022

Auditor: Lori Buchman

Fiscal Impact:

The fiscal impact to the County would be limited to the potential Agricultural Property Tax Credit, which is 75 percent of the County property tax imposed on the land included in the easement. However, the actual future amounts of this tax credit cannot be determined, as the credit is dependent upon the property owner submitting an annual application and the assessment of the land at the time the credit is applied.

Our Office has calculated the tax credit based on the known assessed value for the current tax year to be \$1,647.

This fiscal impact does not consider the potential loss of additional property tax revenue and other foregone fees that the County would receive if the property were to be developed, along with other potential associated costs and revenues.

Purpose:

The purpose of this legislation is to approve an application to sell an agricultural land preservation easement for 14.358 acres located at 2825 Florence Road in Woodbine to the Maryland Agricultural Land Preservation Foundation (MALPF).

Other Comments:

This parcel does not meet the requirements to participate in the County's Agricultural Preservation Program, which requires parcels to be a minimum of 20 acres. The Maryland Agricultural Land Preservation Program requires parcels to be a minimum of 50 acres but will allow parcels of any size if they are adjacent to preserved land. The property in this legislation qualifies for the MALPF Program because it is adjacent to preserved land on three sides.

Per the Administrator of the County's Agricultural Land Preservation Program, the MALPF will pay a property owner the lesser of the owner's offer or a calculated easement value. The easement value is the fair market value less the agricultural value. The MALPF utilizes two independent appraisals to determine the fair market value and a formula to determine the agricultural value. For this property, the landowner's offer was \$13,000, so the maximum cost of this easement will be \$186,654.

Per the Administration, an application has not yet been submitted to the MALPF, but it is typical for the local governing body approval to occur concurrent with or in advance of the MALPF process. The deadline for submission is June 30, 2022, and the applicant is on track to meet that deadline.