

# The Maryland Farm Bureau Hotline

*Legislative proposals that impact Maryland's farm community*



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The following bills are scheduled for hearing the week of March 8<sup>th</sup>:

Tuesday, March 9, 2010
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## **HB 475 - Smart, Green, and Growing - The Sustainable Communities Act of 2010**

– by request of the Administration

House: *Ways and Means and Environmental Matters, Joint Hearing Room at 12:00pm*

This makes changes to a number of programs generally associated with smart growth and community development. It would create the Sustainable Community designation with the Department of Community Housing and Development that would apply to an area within a PFA and designated by the Smart Growth Subcabinet for areas that are in need of reinvestment or revitalization. Local jurisdictions must apply for such a designation and, if so awarded, Sustainable Communities would be eligible for Community Legacy and Neighborhood Business Development Program funding. Provisions in the bill also extend and make substantial changes to the Heritage Structure Rehabilitation Tax Credit Program. It would require the State Highway Administration to consider the newly defined Sustainable Communities as it annually considers revisions to the Consolidate Transportation program. It further establishes that MDOT designate Transit Oriented Developments only after consideration of recommendations made by the Smart Growth Subcabinet. Similarly, the Department of Business and Economic Development must consider the Subcabinet's recommendations when designating BRAC zones. Finally, Subcabinet membership is expanded to include DHMH, Department of Labor, License, and Regulation, and the Maryland Energy Administration with an added charge of focus on Sustainable Communities.

**FOR INFORMATION ONLY**

## **SB 569 - Biomass and Biofuels - In-State Production Incentives** – Senator Middleton

Senate: *Finance and Education Health and Environmental Affairs, 3 East Miller SOB at 1:00pm*

In general, this bill looks to enhance the future of next-generation biofuel production and use in the State. *Cellulosic feedstock* would be added to those feedstocks eligible for net energy metering under Maryland law and defined in the bill as plant matter or material comprised of cellulose, hemicellulose, or lignin that is available on a renewable or recurring basis, including: a) agricultural wastes like corn stover and seed hulls; b) high-yielding agricultural crops; c) wood materials; and d) waste materials including municipal wastes and lawn clippings. The bill would allow any remaining energy generated with cellulosic feedstock by an eligible customer-generator to be recovered by the customer and not revert back to the electric company. *Renewable Diesel* is defined in the bill as a diesel fuel substitute that: a) is derived from nonpetroleum renewable resources; b) is produced from biological sources of oils; c) has an emissions profile at least as environmentally protective as the biodiesel that it replaces; d) is suitable for use as a fuel; and e) is fully registered under federal and state requirements. Furthermore, this bill would

create an in-state mandate on the blend requirements for biodiesel and cellulosic fuels sold in Maryland. If the in-State production level of biodiesel produced from feedstocks grown in the USA reaches 12 million gallons/yr, then all diesel sold within the state would have to be at least a 2% biodiesel blend; 30 million gallons triggers a B5 mandate; 55 million gallons triggers a B10 mandate; and 110 million gallons triggers a B20 mandate. Renewable diesel produced in the United States could be used to satisfy up to 25% of the biodiesel requirements described above. Additionally, once in-State production of cellulosic biofuel reaches 100 million gallons annually, gasoline sold in-State must be at least a blend of 5% cellulosic biofuel. The bill would allow a suspension of the blend requirements if they would substantially increase costs to consumers, puts retailers at a competitive disadvantage, or cannot be met as a result of insufficient supplies and lack of infrastructure. Also, the Comptroller would have to report on the status of the biodiesel and cellulosic industries in the state and the implementation of these measures including: the economic impact, names and locations of production facilities, and the level of in-state production of both biodiesel and cellulosic biofuel. Uncodified language in the bill also calls for MDA, the Comptroller, MEA, Chesapeake Bay Commission, MDOT, and DBED to formulate a plan for infrastructure development supporting the requirements of the bill with a the full report due by Jan. 1, 2011. **MARYLAND FARM BUREAU SUPPORTS SB 569.**

Wednesday, March 10, 2010

**SB 591 - Maryland Estate Tax** – Senator Garagiola

Senate: *Budget and Taxation, 3 West Miller SOB at 1:00pm*

This bill increases the unified credit used for determining Maryland estate tax from \$1 million to \$2 million. This bill is applicable to the estates of decedents dying after December 31, 2009. Maryland Farm Bureau believes this could be a good first step in the process of estate tax reform for farmers.

**MARYLAND FARM BUREAU SUPPORTS SB 591.**

**SB 592 - Maryland Estate Tax - Exclusion for Qualified Agricultural Property** – Senator Garagiola

Senate: *Budget and Taxation, 3 West Miller SOB at 1:00pm*

This bill amends the estate tax law in Maryland by providing that the estate tax shall be determined by excluding from the value of the gross estate the value of qualified agricultural property that passes from the decedent to or for the use of a qualified recipient. The bill allows for a recapture of the tax if the farm ceases to be used as a farm within 10 years. Maryland Farm Bureau may want to clarify in state law that a farm can sell an easement to MALPF and still be considered to be in farm use and not trigger the recapture. Under federal law, the sale of the easement will trigger a recapture of federal estate tax.

**MARYLAND FARM BUREAU SUPPORTS SB 592 WITH AMENDMENT.**

**SB 790 - Maryland Estate Tax - Exclusions for Family Farms Subject to Agricultural Preservation Easements** – Delegate Garagiola

Senate: *Budget and Taxation, 3 West Miller SOB at 1:00pm*

This bill reduces the Maryland Estate Tax due for farms subject to a perpetual easement under the Maryland Agland Preservation program, a local land preservation program approved by MALPF, the Maryland Environmental Trust and the Rural Legacy Program. The bill requires that the estate tax be calculated by excluding the value of the qualified agricultural property (as defined in Section 2032A of the IRS code) from the gross estate. The exclusion is phased-in at 20% increments beginning for decedents dying after December 31, 2009 by excluding 20% of the qualified agricultural property that year and ending in with 100% exclusion of ag property for decedents dying after December 31, 2013. The bill specifies that the exclusion applies to any agricultural property for which an application for perpetual ag easement is initiated within 9 months after the death of the decedent. If the application is pending, the estate tax payment may be deferred. If the easement is denied, the full estate tax is due without an exclusion for the agricultural property. Maryland Farm Bureau believes this could be a good

first step in the process of estate tax reform for farms, but we support estate tax reform for all farms, not just those under permanent easement. **MARYLAND FARM BUREAU SUPPORTS SB 790.**

**HB 351/ SB 462 - Chesapeake Bay Restoration Consumer Retail Choice Act of 2010**

Delegate Carr - House: *Economic Matters and Environmental Matters, 250 HOB at 1:00pm*

Senator Raskin - Senate: *Finance and Education Health & Environmental Affairs, 3 East Miller at 1pm*

This bill requires a store to charge consumers 5 cents per bag for disposable carryout bags. "Store" means a retail establishment that provides disposable carryout bags to its customers as a result of the sale of a product. Stores may implement a "Customer Bag Credit Program" which would require the store to pay a customer a credit of at least 5 cents for each bag provided by the customer. A store may keep 1 cent of each 5 cents charged for disposable bags, or 2 cents of each 5 cents if the store has a Customer Bag Credit Program. The remainder of the funds collected shall be remitted to the Maryland Department of Natural Resources and deposited in the 2010 Bay Trust Fund, which is to be used implement nonpoint source pollution control projects. The bill sets certain standards for the use of recycled /recyclable bags that a store may use in lieu of charging the bag fee. This bill will impose a difficult burden on farmers who operate on-farm markets or roadside stands and those who sell products at farmers' markets.

**MARYLAND FARM BUREAU OPPOSES HB 351 & SB 462.**

**HB 999 - Watershed Protection and Restoration Act** – Delegate Hucker

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill requires counties and municipalities to adopt laws or ordinances to establish a stormwater remediation fee and a local Watershed Protection Fund on or before July 1, 2011. The stormwater management fee shall be the same amount for all residential property owners within the jurisdiction. The fee for commercial property owners shall be based on the amount of impervious surface on each commercial property. The bill exempts any property owner who has already paid a stormwater remediation fee in the same year and any property owned by the state. Impervious surface is defined as structures, buildings, dwelling units, roads parking lots or driveways and areas that are covered with gravel, stone, shell, impermeable decking, pavers or any other impervious material. Impervious surface does not include a fence or wall that is less than 1 foot in width that has not been constructed with a footer, a wood mulch pathway or a deck with gaps to allow water to pass freely. The local Watershed Protection Fund must be used for capital improvements for stormwater management, operation and maintenance of stormwater management systems and facilities, permitting, inspection and enforcement activities, planning, grants to non profit organizations for up to 100% of projects' costs for watershed restoration and rehab projects relating to urban and suburban stormwater management practices, stream and wetland restoration projects and public education, support and outreach and local administrative costs. Each local jurisdiction must report to MD Department of Planning by April 1, 2011 the amount of impervious surface located in the county or municipality. MDP must report the information to the BayStat Subcabinet. **MARYLAND FARM BUREAU OPPOSES HB 999.**

**HB 1173 - Kent County - Sewage Sludge Utilization Permit** – Kent County Delegation

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill prohibits the Maryland Department of Environment from issuing a sewage sludge utilization permit to an applicant for the land application of Class B sewage sludge in Kent County. Class B

**FOR INFORMATION ONLY**

Thursday, March 11, 2010

**HB 1062 - Property Tax Credit - Urban Agricultural Activities** – Delegate Healey

House: *Ways and Means, 130 House Office Building at 1:00pm*

This bill is intended to promote urban agriculture by allowing the City of Baltimore or the government body of a municipal or county government to grant a 5 year property tax credit for land used for urban agricultural purposes. The bill specifies that the property must be between 1/8 of an acres and 2 acres. Urban agricultural purposes is defined as (1) crop production activities, including the use of mulch or cover crops to ensure the maximum productivity and minimize runoff and weed production; (2) environmental mitigation activities, including stormwater abatement and groundwater protection; (3) community development activities, including recreational activities, food donations, and food preparation and canning classes; (4) economic development activities, including employment and training opportunities, and direct sales to restaurants and institutions; and (5) temporary produce stands used for the sale of produce raised on the premises. **FOR INFORMATION ONLY**

**HB 1189 - Property Tax Exemption - Farm or Agricultural Property Subject to an Easement** –

Delegate Bartlett House: *Ways and Means, 130 House Office Building at 1:00pm*

This bill exempts agricultural property under a permanent land preservation easement from the state property tax. The permanent easement programs acceptable under the bill are the Maryland Agricultural Land Preservation Foundation, the Maryland Environmental Trust, and the Rural Legacy Board. Currently, property used for agricultural purposes is valued at a maximum of \$500 per acre for tax assessment purposes. The state property tax rate is \$0.112 per \$100 of assessment.

**MARYLAND FARM BUREAU SUPPORTS HB 1189.**

Friday, March 12, 2010

**HB 877 - Baltimore County - Deer Hunting on Private Property - Sundays** – Delegate Weir

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill would remove the prohibition on Sunday deer hunting in Baltimore County and allow it to occur on private land with a bow on the first and second Sundays of November and the last 3 Sundays in October and on the first Sunday of firearms season.

**BALTIMORE COUNTY FARM BUREAU SUPPORTS HB 877.**

**HB 943 - Chesapeake Conservation Corps** – Delegate McIntosh

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill creates the Chesapeake Conservation Corp to promote, preserve, protect and sustain the environment. The Corps will (1) provide young adults with opportunities to become better citizens, students and workers through meaningful service to their communities and the state; (2) promote energy conservation and mitigate and prevent threats to the environment; (3) provide opportunities for youth and young adults to be trained for careers that will be part of the emerging field of “green collar” jobs; (4) educate and train communities for long-term action need to protect the environment; (5) coordinate public-private partnerships in developing “green collar” job opportunities; and (6) channel available public and private resources to the protection, conservation and preservation of the environment. The Corps will receive \$1 million per year from the Environmental Trust Fund, which is funded through an existing surcharge on electricity bills. The Board of the Corps will include 11 members: 2 members of the Senate, 2 members of the House, one member appointed by the Chancellor of the University System of Maryland, and six members appointed by the Governor, including at least one individual from the not-for-profit sector with a background in education and student service. Of the many permissible projects listed in the bill for the Corps, one is “agricultural and forestry projects may include working with Corps

volunteers from rural areas of the State in partnership with the agricultural community in projects to prevent or reduce nutrient runoff.” MASCD believes the Corps may be helpful to the services provided by Soil Conservation Districts. **MARYLAND FARM BUREAU SUPPORTS HB 943.**

**HB 1207 - Deer Hunting on Private Property on Sundays** – Delegate O’Donnell

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill would expand the number of Sundays open for deer hunting on private property in Calvert County to include the last three Sundays in October and the second Sunday in November. Additionally, this would allow those counties that allow Sunday hunting on these dates to use crossbows in addition to vertical bows. **CALVERT COUNTY FARM BUREAU SUPPORTS HB 1207.**

**HB 1360 - Department of Agriculture - Invasive Plants - Labeling and Notice** – Delegate Boteler

House: *Environmental Matters, 250 House Office Building at 1:00pm*

This bill requires that each container of invasive plant that is sold or offered for sale in the State shall have in a conspicuous place a label with the words “Invasive Plant Species – Harmful to the Environment” in at least 8 point bold font. A retail display of invasive plants must include a prominent sign that advises customers that invasive plant species cause harm to the environment. The Maryland Department of Agriculture is required to develop a sign that retailers may use and make the sign available to retailers at no cost. Landscapers who supply invasive plants are required to give written notice to customers that the invasive plant is harmful to the environment. The Secretary of Agriculture must notify, in writing, a person suspected of violating this law. The penalty is \$500 per violation. The bill lists 45 invasive species and gives the Secretary the authority to add additional plants to the list.

**FOR INFORMATION ONLY**

<b>Additional Information</b>
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**Summer Job Opportunity**

Have you ever wanted to work in a vineyard? Small, Southern Maryland vineyard and winery (Farm Bureau member) is looking to hire part-time assistants for the Summer to help manage and operate 8 acres of vineyards and assist with winery-related activities. Education and/or experience in viticulture or small fruit growing desired. Experience with tractors and sprayers a plus. Minimum of 3 workdays per week required. Flexible on hours and days. Must be at least 21 years of age. Applicants will be interviewed prior to hiring. If interested, please send email with resume to [John@Perigeaux.com](mailto:John@Perigeaux.com), or call 410-586-2710.

**2010 Crop Insurance base prices announced for CRC, and IIP**

USDA’s Risk Management Agency (RMA) has announced the base prices for 2010 CRC, and IIP revenue insurance policies. The base prices per bushel are \$3.99 for corn, \$3.90 for grain sorghum, and \$9.23 for soybeans. These prices are used to convert yield coverage guarantees to revenue protection covering yield or price losses. CRC also has some new features that can increase benefits and reduce premium costs for producers. Enrollment of most crops is required to be eligible for SURE (crop disaster program included in the farm bill)

Producers must enroll for coverage, or make any changes to existing policies by the March 15, 2010 deadline. For more information, contact a private crop insurance agent. An agent locator is available at: <http://www3.rma.wsda.gov/apps/agents/>.

## **Small Business Outlines Health Care Priorities**

Farm Bureau joined with over 60 small business groups in sending a letter to the Hill outlining guidelines for health care reform legislation. The letter states that healthcare reform must improve access to quality, affordable healthcare by including:

- New opportunities for small businesses to pool together and purchase insurance across state lines
- Balanced and responsible insurance market reforms
- Streamlined benefit packages
- Much-needed choices like SIMPLE cafeteria plans
- Tax equity for our nation's self-employed
- Meaningful liability reform

There is a critical shortage of health care facilities and qualified health care professionals in rural communities. In addition to the lack of health care access, farmers and ranchers and other self-employed individuals have difficulty obtaining health insurance coverage with premiums on the rise and benefits on the decline.

According to the Department of Health and Human Services (HHS), 20 percent of Americans live in rural areas while only 9 percent of physicians in America practice in those settings. In addition, many rural residents depend on small rural hospitals that face unique health care delivery challenges due to their size and case-mix. Transportation needs are also pronounced among rural residents, who face longer distances to reach health care services. As a result rural residents are less likely to receive recommended preventive services and report, on average, fewer visits to health care providers.

In addition to limited health care access, many farmers and ranchers find it more difficult to obtain affordable health insurance. As self-employed individuals, they must purchase their own insurance but are not allowed to take the same tax deduction as employers who pay for their employees' coverage. Providing a tax deduction against self-employment taxes would provide tax equity and make health insurance more affordable.

## **New Climate Bill Possible By Next Week**

The idea of a cap-and-trade system to reduce greenhouse gas emissions appears to be dead in the Senate as Sens. Lindsey Graham (R-S.C.), John Kerry (D-Mass.) and Joe Lieberman (I-Conn.) are expected to introduce a bill as early as next week that will initially cover only the electric power sector. Lieberman said he aims for a floor vote in late spring, after consideration of health care and financial reform.

The bill is expected to include a tax on the carbon content of fuels, which would remove the transportation sector from proposed cap-and-trade provisions, according to the Bureau of National Affairs. The bill will likely include mandatory limits on greenhouse gas emissions.

"There's got to be a cap because it's all about reducing carbon emissions. There are a couple of pieces that need to be negotiated with [Senate] colleagues, but we would like to get a draft bill together next week," Lieberman said.

However, Energy Secretary Steven Chu maintains that cap-and-trade is still alive. "It is not dead. We need a comprehensive bill. We would very much want and need it this year," Chu told Bloomberg TV.

Other members of the Senate say a climate bill is not likely this year. The Bureau of National Affairs reports that undecided senators are wary of casting such a tough vote close to the November elections. "We are not going to do cap-and-trade or a first cousin of cap-and-trade this year in my judgment," said Sen. Byron Dorgan (D-N.D.).