

State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 376 – Maryland Agricultural Land Preservation Foundation – Natural Gas Rights.

House Bill 376 prohibits regulations and procedures adopted by the Maryland Agricultural Land Preservation Foundation, in Allegany or Garrett Counties, from requiring a natural gas rights owner or lessee from relinquishing its interest in agricultural preservation district land under certain circumstances. Specifically, if the Foundation determines that exercising natural gas rights will not interfere with the agricultural operations on land, the gas rights owner or lessee is not required to subordinate its interest to the Foundation's interest. The bill also requires the Foundation to report to the Governor and the General Assembly by October 1, 2004.

The Maryland General Assembly created the Maryland Agricultural Land Preservation Foundation in 1977 for the purpose of preserving and ensuring continuation of the agricultural interests of Maryland. Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for a minimum of five years. Landowners agreeing to place their farms within an agricultural preservation district relinquish their interests in the land and may sell a development rights easement on the property to the Foundation which protects the property from further development.

In 1999, the General Assembly passed Chapter 576 (Senate Bill 572), authorizing the Maryland Agricultural Land Preservation Foundation to conduct a pilot program to evaluate the impact of extracting sand and gravel from land preserved in agricultural preservation districts. When complete, the pilot will provide a better understanding of the compatibility between agricultural activities and the extraction of coal, oil, gas and other minerals from land in agricultural preservation districts. Results from the report, due in 2004, will provide necessary information for evaluating potentially conflicting uses of land within the agricultural preservation districts.

Currently, the Maryland Agricultural Land Preservation Foundation is at its maximum subscription level, and it is unnecessary to provide this type of incentive to induce property owners to conserve their land in this program. I believe it would be a bad precedent to begin eroding the agricultural land preservation program by carving out and creating a special exception to the Foundation's policy of requiring the subordination of other interests in preserved property. I am also concerned about language in the bill that requires the Foundation to make a determination regarding whether the exercise of the natural gas rights will interfere with the agricultural operation. This provision could lead to many disputes involving the Foundation, landowners, and the owners of natural gas rights.

For the above reasons, I have vetoed House Bill 376.

Sincerely,
Parris N. Glendening
Governor