

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 122 (Delegates Gordon and Owings)  
Ways and Means

---

**Recordation and Transfer Taxes - Exemption for Transfers to Grandchild**

---

This bill exempts transfers from grandparents to grandchildren of property subject to a mortgage or deed of trust from recordation taxes and the State transfer tax.

---

**Fiscal Summary**

**State Effect:** Special fund revenues could decrease by a minimal amount in FY 1998 as discussed below. Expenditures would not be affected.

**Local Effect:** County revenues could decrease by a minimal amount in FY 1998 as discussed below. Expenditures would not be affected.

**Small Business Effect:** None. This bill would not directly affect small businesses.

---

**Fiscal Analysis**

**State Revenues:** State transfer tax revenues are projected to total \$69.7 million in fiscal 1998. These revenues are earmarked for Program Open Space (83.5%), the Agricultural Land Preservation Fund (14.5%), and Heritage Conservation Fund (2%). The number of instances in which property subject to a mortgage is transferred from a grandparent to a grandchild is unknown. However, the Register of Wills advises that there are few bequests of property from grandparents to grandchildren. While the provisions of this bill will decrease State revenues distributed to these three funds, the decrease should be minimal.

**Local Revenues:** Local revenues, approximately \$118 million in fiscal 1996, from the recordation tax (ranging from \$1.65 to \$5.00 per \$500 of consideration payable) would be affected in a manner similar to the State transfer tax as explained above. There would be a

decrease in county revenues, but the decrease should be minimal.

---

**Information Source(s):** Department of Assessments and Taxation, Register of Wills, Judiciary (Administrative Office of the Courts), Department of Natural Resources, Prince George's County, Montgomery County, Department of Fiscal Services

**Fiscal Note History:** First Reader - January 27, 1997  
brd

---

Analysis by: Ryan Bishop  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710