

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 1029 (Prince George's County Delegation)  
Ways and Means

---

Prince George's County - Transfer Tax  
PG 414-00

---

This bill reduces Prince George's County's maximum transfer tax rate from 1.4% to 1%.

The bill is effective July 1, 2000.

---

Fiscal Summary

**State Effect:** None. The bill does not affect the State transfer tax rate.

**Local Effect:** Prince George's County transfer tax revenues could decrease by approximately \$14 million annually beginning in FY 2001. No effect on expenditures.

**Small Business Effect:** Potential minimal.

---

Analysis

**Current Law:** Prince George's County transfer tax rate is 1.4%.

**Background:** A local property transfer tax may be imposed on instruments transferring title to real property. A distinction is made in the local codes between instruments transferring title such as a deed and certain leaseholds and instruments securing real property such as a mortgage. Except in Prince George's County, mortgages are not subject to the tax.

**Local Revenues:** Prince George's County collected transfer tax revenues of \$48,858,665 in fiscal 1999 from the current 1.4% rate. Based on this, reducing the rate to 1% would result in an annual revenue loss of \$13,959,620. The actual decrease in transfer tax could vary

because transfer tax revenues tend to fluctuate depending on the volume of property sales and consideration paid, general economic conditions, and mortgage rates.

---

### **Additional Information**

**Prior Introductions:** Legislation was introduced during the 1999 session as HB 343 but it was not reported from the House Ways and Means Committee.

**Cross File:** None.

**Information Source(s):** Prince George's County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2000  
drg/jr

---

Analysis by: Karen S. Benton

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510