

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

House Bill 1286  
Ways and Means

(St. Mary's County Delegation)

Budget and Taxation

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St. Mary's County - Transfer Tax - Termination Provision

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This bill extends the termination date for St. Mary's County authority to impose a transfer tax from July 1, 2005 to July 1, 2010.

The bill takes effect July 1, 2004.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** St. Mary's County transfer tax revenues of approximately \$3.5 million would be maintained as the bill proposes to continue the county's transfer tax.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** The St. Mary's County is authorized to impose a transfer tax until July 1, 2005.

**Background:** Chapter 195 of 2000 extended the sunset date of the St. Mary's County transfer tax from July 1, 2000 to July 1, 2005. St. Mary's County imposes a transfer tax of 1% on the value of real property transactions. Seventeen counties, including Baltimore City, have the authority to levy transfer taxes. For fiscal 2004, St. Mary's County expects to collect approximately \$3.5 million in transfer tax revenue. Transfer tax revenue is dedicated to capital projects in the county.

The number of transfers subject to the transfer tax in St. Mary's County for the past five fiscal years are set forth below.

<u>Fiscal Year</u>	<u>Number of Transfers</u>
1999	3,643
2000	3,500
2001	3,073
2002	4,021
2003	4,164

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation, St. Mary's County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2004  
n/hlb

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