

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 402  
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, 2010 to July 1, 2020.

The bill takes effect July 1, 2008.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** St. Mary's County transfer tax revenues of approximately \$6.0 million annually would be maintained beyond FY 2010.

**Small Business Effect:** None.

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Analysis

**Current Law:** St. Mary's County is authorized to impose a transfer tax until July 1, 2010.

**Background:** Chapter 411 of 2004 extended the termination date of the St. Mary's County transfer tax from July 1, 2005 to July 1, 2010. Chapter 195 of 2000 extended the termination date 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, impose local transfer taxes.

Transfer tax revenues in St. Mary's County are dedicated to capital projects. St. Mary's County advises that the revenues from the 10-year extension of the transfer tax would be used for the county's capital plan, which includes construction of three elementary schools. The county is also beginning construction on one middle school and one high school. The county estimates that transfer tax revenues of at least \$6.0 million would continue with the extension of the tax. **Exhibit 1** shows transfer tax revenue collections for fiscal 2003 through 2009.

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**Exhibit 1**  
**St. Mary's County Transfer Tax Collections**  
**Fiscal 2003-2009**

<u>Fiscal Year</u>	<u>Revenues</u>
2003	\$4,386,500
2004	5,753,700
2005	8,292,500
2006	9,464,200
2007	7,706,900
2008*	15,800,000
2009*	6,000,000

\*Budgeted amounts.

Source: Maryland Association of Counties

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** St. Mary's County, Maryland Association of Counties, Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2008  
ncs/hlb

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