

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 223
Budget and Taxation

(Senator Colburn)

Ways and Means

Dorchester County - County Transfer Tax - Repeal of Sunset Provision

This bill repeals the termination date for Dorchester County's authority to impose a transfer tax. Under current law, this authority expires June 30, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Dorchester County transfer tax revenues of approximately \$650,000 annually will be maintained beyond FY 2014.

Small Business Effect: None.

Analysis

Background: Dorchester County imposes a transfer tax of 0.75% on the value of real property transactions. Seventeen counties and Baltimore City impose a local transfer tax, ranging from 0.5% to 1.5%.

Local Fiscal Effect: Transfer tax revenues in Dorchester County are dedicated to capital projects and are used primarily for public K-12 education projects, courthouse debt service, and other maintenance and security related projects. The county estimates that revenues of at least \$650,000 will continue with the extension of the tax. **Exhibit 1** shows transfer tax revenue collections for fiscal 2005 through 2010.

Exhibit 1
Dorchester County Transfer Tax Collections
Fiscal 2005-2010

<u>Fiscal Year</u>	<u>Revenues</u>
2005	\$1,934,134
2006	2,082,438
2007	1,722,212
2008	1,234,965
2009	862,000
2010*	647,000

*Budgeted amounts.

Source: Maryland Association of Counties; Department of Legislative Services

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Dorchester County, State Department of Assessments and Taxation, Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2010
a/hlb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510