

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 1061

(Senator Bailey)

Budget and Taxation

Ways and Means

St. Mary's County - Transfer Tax - Sunset Extension

This bill extends the termination date for St. Mary's County authority to impose a transfer tax from July 1, 2020, to October 1, 2024. **The bill takes effect June 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County transfer tax revenues of \$6.2 million are maintained through FY 2024, with \$1.6 million being collected in FY 2025 to reflect three months of collections in that fiscal year. County expenditures are not directly affected.

Small Business Effect: None.

Analysis

Current Law: St. Mary's County is authorized to impose a transfer tax until July 1, 2020.

Chapter 71 of 2008 extended the termination date of the St. Mary's County transfer tax from July 1, 2010, to July 1, 2020. Chapter 411 of 2004 extended the termination date from July 1, 2005, to July 1, 2010. Chapter 195 of 2000 extended the termination date from July 1, 2000, to July 1, 2005.

Background: The St. Mary's County transfer tax rate is 1%. The county will collect approximately \$6.3 million in local transfer tax revenues in fiscal 2020. Transfer tax revenues are allocated to the county capital improvement fund, which provides funding for

various capital improvement projects. The St. Mary's County capital budget for fiscal 2020 includes \$81.7 million in total funding, of which 7.7% comes from the local transfer tax.

Local Fiscal Effect: Pursuant to the bill, St. Mary's County transfer tax revenues will continue to be collected through September 2024. The county capital budget for fiscal 2020 assumes approximately \$6.2 million in transfer tax revenues through fiscal 2025. Due to the bill's October 1, 2024 termination date, it is estimated that transfer tax revenues will total approximately \$1.6 million in fiscal 2025 reflecting three months of collections.

Additional information on local transfer tax rates and revenues can be found in the [County Revenue Outlook report](#). A copy of the report is available on the Department of Legislative Services website.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): St. Mary's County; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2020
mr/hlb Third Reader - March 17, 2020

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