

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 247  
Ways and Means

(St. Mary's County Delegation)

Budget and Taxation

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

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This bill extends the termination date for St. Mary's County authority to impose a transfer tax from October 1, 2024, to October 1, 2028. **The bill takes effect June 1, 2023.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** St. Mary's County transfer tax revenues of \$8.0 million are maintained through FY 2028, with \$2.0 million being collected in FY 2029 to reflect three months of collections in that fiscal year. County expenditures are not directly affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** St. Mary's County is authorized to impose a transfer tax until October 1, 2024.

- Chapter 195 of 2000 extended the termination date from July 1, 2000, to July 1, 2005;
- Chapter 411 of 2004 extended the termination date from July 1, 2005, to July 1, 2010;
- Chapter 71 of 2008 extended the termination date from July 1, 2010, to July 1, 2020; and

- Chapter 199 of 2020 extended the termination date from July 1, 2020, to October 1, 2024.

**Local Fiscal Effect:** The St. Mary’s County transfer tax rate is set at 1%. The county will collect approximately \$11.0 million in local transfer tax revenues in fiscal 2023. 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 2023 includes \$68.8 million in total funding, of which 16.0% comes from the local transfer tax.

Pursuant to the bill, St. Mary’s County transfer tax revenues will continue to be collected through September 2028. The county capital budget for fiscal 2023 assumes approximately \$8.0 million in transfer tax revenues through fiscal 2028. Due to the bill’s October 1, 2028 termination date, it is estimated that transfer tax revenues will total approximately \$2.0 million in fiscal 2029 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.

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### Additional Information

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**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 - February 6, 2023  
rh/hlb Third Reader - March 20, 2023

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