

HOUSE BILL 609

Q6, M1

6lr1977
CF 6lr3039

By: **Delegates Griffith, Adams, Arentz, Buckel, Ciliberti, Hornberger, Hutchinson, Jacobs, McComas, Reilly, Rose, Tomlinson, Valentine, and Wivell**

Introduced and read first time: January 28, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax – Land Preservation Special Fund – Revenue Allocation**

3 FOR the purpose of repealing a requirement that for certain fiscal years a certain amount
4 of the balance of a certain special fund dedicated to certain land preservation
5 programs be allocated to the General Fund of the State; and generally relating to the
6 use of a certain special fund dedicated to certain land preservation programs.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – Property

9 Section 13–209(a) and (e)

10 Annotated Code of Maryland

11 (2019 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – Property

14 Section 13–209(c), (d), and (h)

15 Annotated Code of Maryland

16 (2019 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Tax – Property**

20 13–209.

21 (a) (1) Before any other distribution under this section, in any fiscal year that
22 bonds secured by a pledge of the State transfer tax are outstanding, the revenue from the
23 transfer tax shall be used to pay, as and when due, the principal of and interest on the
24 bonds.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) The Department shall deduct the cost of administering the transfer tax from the taxes collected under this title and credit those revenues to the fund established under § 1-203.3 of the Corporations and Associations Article.

(4) In any fiscal year in which transfer tax revenue is used to pay debt service on outstanding bonds under paragraph (1) of this subsection, the distribution of revenues in the special fund under this section and as specified in § 5-903(a)(2)(i)1A of the Natural Resources Article, for State land acquisition, or to the Agricultural Land Preservation Fund to the extent any debt service is attributable to that Fund, shall be reduced by an amount equal to the debt service for the fiscal year.

13 (c) (1) Subject to subsection (e) of this section, of the balance of the revenue in
14 the special fund, not required under subsection (b) of this section:

24 (iv) for the fiscal year beginning July 1, 2005, \$68,223,132 shall be
25 allocated to the General Fund of the State and the remainder shall be allocated as provided
26 in subsection (d) of this section.

35 (ii) For each of fiscal years 2026 through 2029, the allocation
36 required under subparagraph (i) of this paragraph shall reduce the amount allocated for

1 Program Open Space land acquisition purposes identified in subsection (d)(1)(ii) of this
2 section and § 5-903(a)(2)(i)1A of the Natural Resources Article, the Agricultural Land
3 Preservation Fund identified in subsection (d)(2) of this section, and the Rural Legacy
4 Program identified in subsection (d)(3) of this section and § 5-903(a)(2)(iii) of the Natural
5 Resources Article by an amount that is proportional to the amount of revenue each program
6 is estimated to receive for the fiscal year.]

7 (d) Subject to subsections (d-1) and (e) of this section, for the fiscal year beginning
8 July 1, 2002 and for each subsequent fiscal year, the balance of the revenue in the special
9 fund, not required under subsection (b) of this section and not allocated to the General Fund
10 under subsection (c)(1) [and (3)] of this section shall be allocated in the State budget as
11 follows:

12 (1) (i) 75.15% for the purposes specified in Title 5, Subtitle 9 of the
13 Natural Resources Article (Program Open Space); and

14 (ii) an additional 1% for Program Open Space, for land acquisition
15 purposes as specified in § 5-903(a)(2) of the Natural Resources Article;

16 (2) 17.05% for the Agricultural Land Preservation Fund established under
17 § 2-505 of the Agriculture Article;

18 (3) 5% for the Rural Legacy Program established under § 5-9A-01 of the
19 Natural Resources Article; and

20 (4) 1.8% for the Heritage Conservation Fund established under § 5-1501
21 of the Natural Resources Article.

22 (e) The sums allocated in subsection (d) of this section may not revert to the
23 General Fund of the State.

24 (h) (1) [Except as provided in paragraph (3) of this subsection, if] IF an
25 appropriation or a transfer from the special fund to the General Fund occurs after the fiscal
26 year ending June 30, 2018, the Governor shall include in the annual budget bills for each
27 of the 3 successive fiscal years following the fiscal year in which a transfer is made a
28 General Fund appropriation to the special fund equal to one-third of the cumulative
29 amount of the appropriation or transfer from the special fund to the General Fund for the
30 applicable fiscal year.

31 (2) The appropriation required under paragraph (1) of this subsection:

32 (i) represents reimbursement for the cumulative amount of any
33 appropriation or transfer from the special fund to the General Fund for the applicable fiscal
34 year;

35 (ii) is not subject to the provisions of subsections (a), (b), (c), and (f)
36 of this section;

(iii) shall be allocated as provided in subsection (d) of this section and
§ 5–903 of the Natural Resources Article;

3 (iv) shall be made until the cumulative total appropriated under
4 paragraph (1) of this subsection is equal to the cumulative amount of any appropriation or
5 transfer from the special fund to the General Fund for the applicable fiscal year; and

6 (v) shall be reduced by the amount of any appropriation from the
7 General Fund to the special fund that:

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2026.