

# SENATE BILL 424

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CF HB 609

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By: **Senator Jennings**

Introduced and read first time: January 30, 2026

Assigned to: Budget and Taxation

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## 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.

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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.

(3) Except as provided in paragraph (4) of this subsection, after deducting the revenues required under paragraphs (1) and (2) of this subsection, the revenue from transfer tax is payable to the Comptroller for deposit in a special fund.

(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.

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

(i) for the fiscal year beginning July 1, 2002, \$47,268,585 shall be allocated to the General Fund of the State and the remainder shall be allocated as provided in subsection (d) of this section;

(ii) for the fiscal year beginning July 1, 2003, \$102,833,869 shall be allocated to the General Fund of the State and the remainder shall be allocated as provided in the State budget;

(iii) for the fiscal year beginning July 1, 2004, \$147,374,444 shall be allocated to the General Fund of the State, and the remainder shall be allocated as provided in the State budget; and

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

(2) Subject to subsection (e) of this section, for the fiscal years beginning July 1, 2006 and each subsequent fiscal year, the balance of the revenue in the special fund, not required under subsection (b) of this section shall be allocated as provided in subsection (d) of this section.

[(3) (i) Subject to subsection (e) of this section, for fiscal years 2026 through 2029, of the balance of the revenue in the special fund not required under subsection (b) of this section, \$25,000,000 shall be allocated to the General Fund of the State and the remainder shall be allocated as provided in subsection (d) of this section.

(ii) For each of fiscal years 2026 through 2029, the allocation required under subparagraph (i) of this paragraph shall reduce the amount allocated for Program Open Space land acquisition purposes identified in subsection (d)(1)(ii) of this

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. exceeds the required appropriation under this subsection; and

2. is identified as an appropriation for reimbursement under this subsection.

[(3) The appropriation required under paragraph (1) of this subsection does not apply to transfers from the special fund to the General Fund that occur in fiscal years 2026 through 2029.]

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