

# SENATE BILL 424

Q6, M1

6lr3039  
CF HB 609

---

By: Senator Jennings

Introduced and read first time: January 30, 2026

Assigned to: Budget and Taxation

---

## 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.

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  
37 Program Open Space land acquisition purposes identified in subsection (d)(1)(ii) of this

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

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

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

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

15 (2) 17.05% for the Agricultural Land Preservation Fund established under  
16 § 2–505 of the Agriculture Article;

17 (3) 5% for the Rural Legacy Program established under § 5–9A–01 of the  
18 Natural Resources Article; and

19 (4) 1.8% for the Heritage Conservation Fund established under § 5–1501  
20 of the Natural Resources Article.

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

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

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

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

34 (ii) is not subject to the provisions of subsections (a), (b), (c), and (f)  
35 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.