

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 590  
Ways and Means

---

**Howard County - Transfer Tax - Use of Proceeds**  
**Ho. Co. 12-26**

---

This bill renames the Howard County Agricultural Land Preservation Fund to the Howard County Agricultural Preservation and Innovation Fund. The bill specifies that the purpose of the fund is to support the agricultural land preservation program and other programs, services, or initiatives to enhance the commercial viability or environmental sustainability of agriculture in the county. **The bill takes effect July 1, 2026.**

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** None. The bill does not alter funding sources in Howard County or the amount of funding provided to the fund.

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** The Howard County transfer tax rate must be set at 1.0%, with the revenue proceeds distributed as follows:

- 25% to the School Site Acquisition and Construction Fund;
- 25% to the Park Land Watershed Facilities Fund; and
- the remainder to the county general fund, with the stipulation that the county council use the funds as follows: (1) 50% for the Howard County Agricultural Land

Preservation Fund; (2) 25% for community improvement and housing programs primarily serving low-income individuals and families and the homeless and for urban renewal; and (3) 25% for the acquisition or leasing of land for new fire house sites and training facilities and the construction and maintenance of fire house and training facilities, the acquisition and maintenance of fire equipment, and supplementation of financial needs of fire companies.

Howard County is authorized to set a local transfer tax rate above the 1.0% required rate. The additional revenue proceeds must be distributed to the county general fund and used for the following purposes:

- 25% for capital projects for the Howard County Public School System;
- 25% for capital projects for the Department of Recreation and Parks;
- 25% for community improvement and housing programs primarily serving low-income individuals and families and the homeless and for urban renewal; and
- 25% for the acquisition or leasing of land for new fire house sites and training facilities and the construction and maintenance of fire house and training facilities, the acquisition and maintenance of fire equipment, and supplementation of financial needs of fire companies.

#### *Local Transfer Tax Collections in Howard County*

Howard County imposes a 1.25% local transfer tax, with projected revenues totaling \$38.9 million in fiscal 2026. Most of this revenue is designated for different types of capital related infrastructure projects and is not reflected in the operating budget. The only exceptions are the designated revenues for housing and community development which is reflected in the community renewal program fund; and the designated revenues for agricultural preservation which is reflected in the Agricultural Preservation and Promotion Fund. Based on the county's fiscal 2026 budget, \$5.8 million in transfer tax revenues is dedicated to the community renewal program fund and \$7.8 million is dedicated to the agricultural preservation and promotion fund.

Additional information on local transfer tax rates and revenues for Maryland counties and Baltimore City 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**

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

**Designated Cross File:** None.

**Information Source(s):** Howard County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2026  
jg/hlb

---

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510