

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 602
Ways and Means

Baltimore County - Transfer Tax - Exemption for First-Time Home Buyers

This bill provides an exemption from the Baltimore County transfer tax for first-time home buyers. The property must be used as the buyer's principal residence to be eligible for the exemption. A first-time home buyer must meet specified requirements in order to receive the exemption. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County transfer tax revenues decrease by approximately \$20.8 million annually beginning in FY 2027. Baltimore County expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: A local transfer tax may be imposed on instruments of writing conveying title to or a leasehold interest in real property. In Baltimore County, the local transfer tax rate is set at 1.5% for fiscal 2026.

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](#).

Local Fiscal Effect: Providing first-time home buyers with an exemption from the local transfer tax will reduce Baltimore County revenues by a significant amount. Due to the volatility of the real estate market, annual revenue collections from the local transfer tax have varied significantly in recent years as shown in **Exhibit 1**. Based on current revenue projections in the adopted fiscal 2026 county budget, the proposed transfer tax exemption could decrease Baltimore County revenues by \$20.8 million annually. The estimate assumes that first-time homebuyers represent 25% of home sales within the county.

Exhibit 1
Baltimore County Transfer Tax Revenues
\$ in Millions

<u>Fiscal</u>	<u>Revenue Collection</u>
2020	\$78.6
2021	101.2
2022	124.1
2023	88.9
2024	76.6
2025 estimate	82.1
2026 estimate	83.0

Source: Department of Legislative Services

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1295 of 2025.

Designated Cross File: None.

Information Source(s): Baltimore County; State Department of Assessments and Taxation; Department of Legislative Services

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jg/hlb

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