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February 17, 2023

Del. Vanessa E. Atterbeary, Chair
Ways and Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

Re: House Bill 766 - State Transfer Tax – Exemption for Real Property
Used as Principal Residence

Dear Honorable Atterbeary and Members of the Ways and Means Committee,

I am writing to you regarding the negative impact that House Bill 766 will have on the Maryland Agricultural Land Preservation Foundation (MALPF). Being a Maryland farmer myself, I have supported the MALPF program and all that it has been able to do for Maryland farmers over the years since its existence, and the many benefits to ALL sectors of Maryland agriculture. With Agriculture being this state’s number one industry/business, we need to start thinking about the future in terms of the youth and those groups and individuals that want to make agriculture a career. I am speaking about the Future Farmers of America Chapters, the 4H club members path along with the Minorities in Agriculture and Environmental Natural Resources, (MANNERS), along with other groups such as urban agriculture farmers. Think about the impact this bill will have future as agriculturalists, and having the necessary land base to be productive, viable and sustainable. We all eat three times a day and more therefore, we need to rethink about the future and the decisions made today will impact the future for our children, heirs and all Maryland citizens.

The MALPF program purchases agricultural easements on properties to preserve productive farmland and woodland for the continued production of food and fiber for all of Maryland’s citizens. Funding for MALPF is primarily through the Program Open Space Fund (POS). POS is funded from the collected state transfer tax. When the POS fund was established in 1969, the Maryland General Assembly and the Governor found a way to tie revenue generated from development (the State transfer tax) to funding various state land preservation programs, including MALPF.

HB 766 proposes an exemption from payment of the State transfer tax on transfers of real property where: 1) the consideration on the transfer is \$350,000 or less; and 2) the property will be used as the transferee’s primary residence. If this bill passes through both the House and Senate this will reduce funding for the MALPF and create a hardship for the Maryland Department of Agriculture, all Maryland farmers, along with the future of this industry/business for future stewards of the land.

The passage of this bill would result in tens of millions of dollars that would otherwise have gone into the POS fund for land preservation efforts around Maryland, including MALPF. Not only would this result in fewer farms to be protected through the MALPF program, but it would also impact in the State's ability to meet the goal of protecting 1,303,000 acres by 2030, which was signed into law in 2021.

I respectfully request an unfavorable report by this Committee, as it would result in a significant decrease in funding for the MALPF Program, resulting in a State-wide decrease in the ability to protect farmland.

If you have any questions, I can be reached at 301.885.6524 or buddy8093@yahoo.com. Thank you for your consideration.

Sincerely,

Gilbert "Buddy" Bowling, Jr.