



Testimony in Support of
Senate Bill 424 - State Transfer Tax - Land Preservation Special Fund - Revenue Allocation
Budget and Taxation Committee
February 18, 2026

The Rural Maryland Council supports **Senate Bill 424 - State Transfer Tax - Land Preservation Special Fund - Revenue Allocation**. This legislation repeals the requirement that \$25 million be transferred annually from the Land Preservation Special Fund to the State General Fund in fiscal years 2027, 2028, and 2029, ensuring that these dedicated revenues remain available for their intended purpose of protecting Maryland's farmland, forests, and open spaces.

The Land Preservation Special Fund is a critical financing mechanism for statewide and local land conservation programs, including Program Open Space, Rural Legacy, and agricultural land preservation initiatives. These programs play an essential role in sustaining Maryland's rural communities by preserving working landscapes, safeguarding natural resources, and supporting the agricultural economy. Diverting funds from the Special Fund weakens the long-term effectiveness and predictability of these programs and undermines the State's commitment to land preservation.

According to a recent study conducted by BEACON, the Business Economic and Community Outreach Network at Salisbury University, with support from the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), resource-based industries represent a significant and crucial segment of Maryland's economy. The study found that agriculture and related support industries contribute more than \$25.7 billion in total economic output and support 91,349 jobs, accounting for the majority of the \$30.2 billion total economic impact and 108,461 jobs generated statewide by resource-based industries. These industries also generate more than \$1.1 billion in State and local tax revenues, with agriculture alone responsible for nearly \$950 million, underscoring the economic importance of preserving productive farmland and working rural landscapes.

Maryland's natural and rural landscapes also play a critical role in supporting the State's tourism economy. According to the Economic Impact of Tourism in Maryland (2023) report, visitors spent \$20.5 billion statewide, generating a total economic impact of \$31.4 billion. Tourism activity supported 190,660 jobs, produced \$10.1 billion in labor income, and generated approximately \$2.4 billion in State and local tax revenues. These impacts highlight the strong connection between land preservation, environmental stewardship, and the continued vitality of Maryland's tourism and recreation-based economies.

Rural communities depend heavily on consistent and reliable conservation funding. Many rural jurisdictions face ongoing pressures from development, rising land values, and limited local fiscal capacity. When preservation funds are redirected to the General Fund, rural counties and land trusts experience delays, reduced project scopes, and missed opportunities to permanently protect valuable agricultural and natural lands. These impacts are especially significant in rural areas, where land preservation supports not only environmental outcomes but also local economies, heritage industries, and community character.



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Senate Bill 424 reinforces the principle that revenues dedicated to land preservation should be used as intended. By eliminating the mandated transfers, the bill helps stabilize funding for conservation programs, strengthens long-term planning efforts, and ensures that Maryland can continue to make strategic investments in land protection that benefit both current and future generations.

By preserving the integrity of the Land Preservation Special Fund, Senate Bill 424 will support rural resilience, environmental stewardship, and sustainable growth across Maryland.

The Rural Maryland Council respectfully requests your favorable support of **Senate Bill 424**.