

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Acting Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: SB424 State Transfer- Land Preservation Fund- Revenue Allocation

DATE: February 18th 2026

COMMITTEE: Budget and Taxation

SUMMARY OF BILL: This legislation repeals the statutory authority to divert \$25 million from the State Transfer Tax to the General Fund between FY26 and FY29. Furthermore, it eliminates the current provision that exempts these transfers from mandatory reimbursement, ensuring that land preservation funds are either fully retained or legally required to be repaid

POSITION: Opposition

EXPLANATION: The Department of Budget and Management opposes SB424 because of its significant impact on the General Fund. The bill creates an immediate revenue gap while simultaneously triggering a multi-year spending requirement. In FY 2027, the State would face a reduction of \$25 million in General Fund revenue. This figure reflects the immediate loss of the \$25 million annual transfer. For fiscal years 2028 through 2030, the State would face a reduction of \$41.7 million a year, which represents the loss of the \$25 million annual transfer and a \$16.7 million a year in repayments for the \$50 million already transferred.

In light of the current fiscal crisis, the state government must be disciplined and strategic in its decisions. Any legislation that increases spending should include specific, identified, and sustainable funding offsets. Adopting SB424 would further challenge the state's ability to manage an ongoing budgetary pressure and unforeseen changes in federal policy. Consequently, DBM urges an unfavorable report on this legislation.

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