

# **LPT Testimony- SB424.pdf**

Uploaded by: Ann Jones

Position: FAV



LPT LAND PRESERVATION TRUST

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**Testimony**

**State Transfer Tax – Land Preservation Special Fund – Revenue Allocation  
SB424/HB609 House Appropriations Committee  
Budget and Taxation Committee  
February 18, 2026**

**Position: Support**

Dear Chairman Guzzone, Vice-Chairman Rosapepe and Committee Members,

Since 1969, Maryland has been a national leader in protecting open space for nature, agriculture, recreation and preservation through a suite of programs known as “Program Open Space.” Funded by dedicated revenue from the real estate transfer tax, Program Open Space enables land conservation for forests, farms, wildlife habitat and parks.

The land preservation community recognizes the frequent budget challenges faced by the state. We also recognize the need to periodically redirect transfer tax funds to other purposes. Since the inception of the transfer tax funds have repeatedly been redirected when times are tight. In 2016 thanks to strong bipartisan support legislation was passed that acknowledges the need for these transfers but requires the funds to be re-paid over the following three fiscal years. This approach is responsive both to the need to balance the budget and the need to provide adequate funding to protect our farms and forests.

The FY26 BRFA redirected \$100 million over 4 years from the Maryland Agricultural Land Preservation Program, the Rural Legacy program, and the State-Side Program Open Space land acquisition program. For FY26 this represented a 69% cut to MALPF and Rural Legacy, and through FY 29 it will be approximately a 30% annual reduction. Furthermore, the BRFA contained a provision that eliminates the requirement for any repayment of the \$100 million cut.

SB 424 would require repayment of the majority of the \$100 million, and is consistent with the 2016 legislation and Maryland's land preservation goals. Thank you for your consideration of this important legislation that will increase the pace of land preservation.

Sincerely,

A handwritten signature in blue ink that reads "Ann H. Jones". The signature is written in a cursive, flowing style.

Ann H. Jones, Easement Administrator

**SB424.TransferTax.LOS.pdf**

Uploaded by: Carol Bean

Position: FAV



February 16, 2026

Testimony on **SB 424**

State Transfer Tax – Land Preservation Special Fund – Revenue Allocation  
Senate Budget and Taxation Committee

Position: **Favorable**

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee,

On behalf of the Eastern Shore Land Conservancy (ESLC), I am writing in support of Senate Bill 424.

ESLC works with communities across the Eastern Shore to protect farms, forests, waterways, and the unique rural landscapes that define our region. None of that work is possible without stable, predictable conservation funding, and SB 424 takes an important step toward restoring that stability.

Maryland's State Transfer Tax has long been the backbone of the State's land conservation efforts, supporting Program Open Space, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Foundation. Over time, repeated diversions have weakened the reliability of this dedicated fund and made long-term planning far more difficult for local governments, landowners, and conservation partners.

SB 424 restores the integrity of the Transfer Tax by requiring repayment of past diversions and reaffirming the State's commitment to keeping this revenue source whole. This matters deeply to organizations like ours. Conservation projects often take years of relationship-building, planning, and negotiation. Without predictable funding, these projects stall, and opportunities are lost forever.

Restoring the full balance of the special fund also ensures Maryland can meet the goals of the Maryland the Beautiful Act and keep pace with the State's broader commitments to climate resilience, water quality, and the protection of ecologically significant landscapes. Reliable funding is not just a budgetary preference — it is the foundation that keeps conservation progress moving forward year after year.

For these reasons, the Eastern Shore Land Conservancy respectfully urges a favorable report on SB 424.

Eastern Shore Land Conservancy

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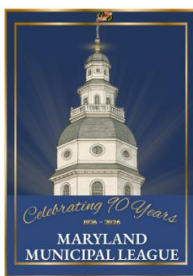
Steve Kline  
President & CEO



**MML - SB424 - FAV.pdf**

Uploaded by: Justin Fiore

Position: FAV



## TESTIMONY

**COMMITTEE:** Senate Budget and Taxation

**DATE:** February 18, 2026

**POSITION:** Favorable

**BILL:** SB 424

The Maryland Municipal League supports Senate Bill 424, which repeals the provision from the 2025 Budget Reconciliation and Financing Act (BRFA) that redirected \$25 million in transfer tax revenue annually to the General Fund through FY 2029.

Program Open Space (POS) is a cornerstone of municipal recreation. By restoring this revenue, SB 424 ensures that the local share of POS remains robust, allowing cities and towns to acquire and develop outdoor spaces that improve the quality of life for our residents. Likewise, many of our member municipalities are deeply integrated into rural landscapes. Restoring funding to the Rural Legacy Program and the Maryland Agricultural Land Preservation Foundation (MALPF) protects the agricultural and natural heritage that defines the borders and character of our towns.

Maryland's municipalities are the primary implementers of the local projects funded by these revenues. When these funds are diverted, our ability to maintain green space and manage urban growth is directly compromised. It also creates long-term uncertainty for municipal planning. Restoring these funds allows local governments to proceed with planned conservation and recreation projects with confidence.

For these reasons, the League respectfully requests a favorable report on Senate Bill 424.

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For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, [justinf@mdmunicipal.org](mailto:justinf@mdmunicipal.org)

**SB424\_FM\_Favorable.pdf**

Uploaded by: Kristin Kirkwood

Position: FAV



## Enhancing and Advancing Land Conservation

The Honorable Guy Guzzone  
Chair, Senate Budget and Taxation Committee  
Maryland Senate  
Annapolis, Maryland

cc: Members, Senate Budget and Taxation Committee

Dear Chair Guzzone and Members of the Committee,

On behalf of Forever Maryland and the additional undersigned organizations, we write in **strong support of Senate Bill 424 – State Transfer Tax – Land Preservation Special Fund – Revenue Allocation.**

**Forever Maryland** is the statewide coalition representing nearly 30 land trusts and land conservation organizations. Land trusts work in every region of the state to conserve farms, forests, waterways, wildlife habitat, and culturally significant landscapes in collaboration with state and local government and a wide variety of other conservation nonprofits.

Enacted in 1969, Maryland's transfer tax, a small tax on real estate transactions, was the nation's first dedicated funding source for land conservation. The ½% transfer tax funds the purchase and development of state and local parkland, the protection of farmland through voluntary conservation easements, the purchase and protection of valuable ecological land, supports Heritage Areas, and works to provide young farmers with access to land. This model has made Maryland a national land preservation leader.

**Land conservation depends on dedicated and reliable funding of Maryland's key land preservation programs - Program Open Space, Maryland Agricultural Land Preservation Foundation, and Rural Legacy.**

Land preservation is not only an environmental priority — it is a vital economic development strategy for Maryland. Protected farms, forests, and open spaces bolster agriculture, forestry, outdoor recreation, tourism, and small businesses that form the backbone of rural economies across Maryland. These lands also provide critical public benefits, including clean drinking water, flood mitigation, reduced infrastructure costs, and essential public parks.

Land preservation is also essential to achieving the State's broader conservation and climate goals. Preserved lands store carbon, increase climate resilience, protect biodiversity, and help maintain connected natural landscapes. Maryland has committed, through **Maryland the Beautiful**, to conserving 40% of the State's land by 2040. Stable, predictable funding is the linchpin to achieving this goal.

**SB 424 restores the core promise of Maryland's Program Open Space - that revenues collected are committed for the protection of Maryland's great outdoors.**

Diverting these special funds for general fund purposes without a realistic plan and timeline for paying them back undermines our health, our heritage, and our economy. It also weakens long-term conservation planning and places Maryland's climate, conservation, and land preservation goals further out of reach. Importantly, funding delays and diversions increase the ultimate cost of conservation, as land values rise, development pressure intensifies, and time-sensitive opportunities with willing landowners are lost.

Maryland's conservation success is built on partnerships. State funding enables land trusts and public agencies to leverage local, private, and federal dollars efficiently. When dedicated funds are diverted, projects are delayed or abandoned, matching funds are forfeited, and landowners lose confidence in the State's commitment to conservation.

SB424 takes prudent and necessary action by reaffirming the General Assembly's long-standing intent to safeguard transfer tax revenues for their intended purpose of land preservation.

Forever Maryland and the undersigned organizations respectfully urge the Committee to issue a **favorable report on SB424**. Thank you for your consideration and for your continued leadership on behalf of Maryland's communities, landscapes, and future generations.

#### **Forever Maryland member organizations**

American Chestnut Land Trust	Land Trust Alliance
Baltimore County Land Trust Coalition	Land Preservation Trust
Baltimore Green Space	Long Green Land Trust
Casey Trees	Lower Shore Land Trust
Catoctin Land Trust	Magothy River Land Trust
Cecil Land Trust	NeighborSpace of Baltimore County
Chesapeake Conservancy	Patuxent Tidewater Land Trust
Conservancy For Charles County	Potomac Conservancy
Crownsville Conservancy	Rockburn Land Trust
Eastern Shore Land Conservancy	Scenic Rivers Land Trust
Green Trust Alliance	The Manor Conservancy
Gunpowder Valley Conservancy	The Nature Conservancy Maryland/DC
Harford Land Trust	Trust For Public Land
Howard County Conservancy	The Conservation Fund

### **Supporting organizations**

Arundel Rivers Federation	Maryland Forests Association
Audubon of Central Maryland	National Parks Conservation Association
Audubon Mid-Atlantic	Preservation Maryland
Chesapeake Bay Foundation	Safe Skies Maryland
Indivisible HoCoMD	Sierra Club Maryland Chapter
Maryland Eastern Shore Trails Network (MESTN)	Southern Maryland National Heritage Area
Maryland Farm Bureau	Southern Maryland RC&D
Maryland League of Conservation Voters	Valleys Planning Council
	Vernal Pool Partners

# **SB0424 - State Transfer Tax - Land Preservation Sp**

Uploaded by: Leeza DeCheubel

Position: FAV



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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*Susan O'Neill, Chair*

*Charlotte Davis, Executive Director*

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**.

**Partners\_Testimony\_SB424\_favorable\_2.16.26.pdf**

Uploaded by: Owen Bailey

Position: FAV



**PARTNERS** *for* **OPEN SPACE**

**February 16, 2026**

**Testimony on SB 424**

**State Transfer Tax – Land Preservation Special Fund – Revenue Allocation**

**Senate Budget and Taxation Committee**

**Position:** Favorable

Chair, Vice Chair, and Members of the Committee,

On behalf of Partners for Open Space, a statewide coalition of Maryland’s leading agricultural, recreation, historic preservation, and land conservation organizations, we voice our support of Senate Bill 424. This legislation restores the integrity of Maryland’s land conservation funding by reversing the diversion of State Transfer Tax revenues away from the programs that rely upon them.

Senate Bill 424 restores the core promise of the State Transfer Tax by removing the provision that had blocked repayment of previously diverted funds. By reinstating the State’s obligation to repay these diversions, the bill ensures that Maryland’s land conservation programs remain whole and that the long-standing trust in this dedicated revenue source is preserved. This commitment signals to counties and conservation partners that the State intends to maintain the financial stability of Program Open Space, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Foundation, even during periods of fiscal pressure. In doing so, it upholds the central principle that conservation funding is essential to Maryland’s environmental resilience, not an optional addition to the State budget.

Restoring the full transfer tax revenue is essential to Maryland’s broader environmental commitments. Conservation funding is one of the State’s most powerful tools to protect against climate change, restore the health of the Bay, preserve forests and wetlands that store carbon and absorb stormwater, and safeguard the natural landscapes that protect communities from flooding and sea level rise. When these revenues are diverted, even briefly, Maryland loses ground on the goals outlined in the Maryland the Beautiful Act and risks falling short of its statewide land conservation commitments.

The benefits of restoring these revenues extend far beyond program budgets. Local governments across Maryland directly rely on land preservation funding to maintain parks, protect farmland, preserve rural landscapes, and support the infrastructure of outdoor recreation that strengthens local economies. Ensuring that the full balance of the special fund remains dedicated to its intended purposes is an investment in public trust as well as public land.



**PARTNERS** *for* **OPEN SPACE**

We also note that these concerns are shared statewide. Partners for Open Space, along with a broad coalition of conservation, recreation, and community groups, has voiced strong support for restoring diverted revenues to ensure that Maryland's land preservation programs continue to function as designed.

For all of these reasons, the Partners for Open Space respectfully asks the Committee to issue a favorable report on Senate Bill 424.

Sincerely,

Owen Bailey, Co-chair  
Partners for Open Space

Charlotte Davis, Co-chair  
Partners for Open Space

**Valleys Planning Council SB0424 testimony.pdf**

Uploaded by: Renee Hamidi

Position: FAV



Committee: Budget and Taxation

Testimony on: SB0424 “State Transfer Tax – Land Preservation Special Fund – Revenue Allocation“

Position: Favorable

Hearing Date: February 18, 2026

Valleys Planning Council, a non-profit that conserves land and resources, preserves historic character and maintains the rural feel and land uses in northwestern Baltimore County, urges SB0424 receive a favorable report.

Redirecting \$25 million in transfer tax revenue from land protection to the general fund for FY2026-2029 was a short-sighted effort to balance the budget. Slashing funding for land preservation programs reduces their effectiveness not just for the years the funding is drastically reduced; the programs cannot return to their full strength immediately when, if ever, funding restarts.

Lack of funding for land preservation means that land that should be protected, and would be if funding were available, will be lost to development. Once that land is lost, it’s not coming back.

The Maryland the Beautiful Act of 2023 set a goal to permanently protect 40% of the state’s land by 2040. It needs to preserve about more than 550,000 acres to reach that goal. Restoring funding now is the only way to accomplish that.

Valleys Planning Council urges a favorable report on SB0424.

Renée Hamidi  
Executive Director  
Valleys Planning Council

# **MDFB - Support - SB424 State Transfer Tax - Land P**

Uploaded by: Ryan Snow

Position: FAV



## Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035  
410-922-3426 | [www.mdfarmbureau.com](http://www.mdfarmbureau.com)

February 18, 2026

**To:** Senate Budget and Taxation Committee

**From:** Maryland Farm Bureau, Inc.

**RE:** Support of SB424 State Transfer Tax - Land Preservation Special Fund - Revenue Allocation

On behalf of the over 7,000 member families of the Maryland Farm Bureau, I submit this written testimony in support of Senate Bill 424. Maryland's long-standing leadership in agricultural and open-space preservation has been central to the success of our farming communities and the health of our state's natural resources. The State Transfer Tax has played a vital role in sustaining this commitment by providing reliable funding for Program Open Space, the Maryland Agricultural Land Preservation Foundation, and the Rural Legacy Program. Together, these programs form the backbone of Maryland's efforts to safeguard farmland, protect natural landscapes, and ensure that working lands remain productive for future generations.

SB424 advances this mission by repealing provisions that diverted dedicated land preservation revenues to the General Fund. When funds intended for conservation are redirected, it weakens long-term planning, delays preservation projects, and creates uncertainty for farm families considering easements. The bill restores the integrity of the State Transfer Tax by ensuring that the revenues collected are used solely for their intended purposes. This strengthens the state's preservation framework and provides consistency for the programs that depend on these critical resources.

Maryland's agricultural lands are irreplaceable. Once farmland is lost, it rarely returns to production, and the consequences extend far beyond acreage. Preserved lands support food security, maintain rural economies, protect wildlife habitat, and enhance water quality across the Chesapeake Bay watershed. Programs like those supported through the State Transfer Tax offer farmers voluntary, market-based tools to keep their land in agriculture while also preserving the scenic and environmental qualities that benefit all Marylanders. Protecting these funding streams ensures that Maryland continues to be a national model for conservation and responsible land stewardship.

For these reasons, the Maryland Farm Bureau strongly supports SB424 and urges a favorable report. Strengthening Maryland's land preservation programs is not only an investment in agriculture, but an investment in the state's environment, economy, and future.

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Tyler Hough  
Director of Government Relations

*Please contact Tyler Hough, [though@marylandfb.org](mailto:though@marylandfb.org), with any questions*

**SB 424 Testimony MARBIDCO B&T.pdf**

Uploaded by: Steve McHenry

Position: FAV



**MARBIDCO**  
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**John Jastrzembki, Chair / Stephen R. McHenry, Executive Director**

## TESTIMONY STATEMENT

**BILL:** Senate Bill 424 (State Transfer Tax – Land Preservation Special Fund – Revenue Allocation)

**COMMITTEE:** Budget and Taxation

**DATE:** February 18, 2026

**POSITION:** Support

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The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports SB 424, which repeals provisions established under the Budget Reconciliation and Financing Act of 2025 that redirect \$25 million in transfer tax revenue to the general fund, in each of fiscal years 2026 through 2029, that otherwise is allocated to Program Open Space (POS) State land acquisition, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Foundation (MALPF). The bill restores that revenue to POS State land acquisition, the Rural Legacy Program, and MALPF for fiscal years 2027 through 2029.

MARBIDCO is most concerned with loss of revenues that would have otherwise gone into the MALPF and Rural Legacy Programs. One estimate puts this revenue loss at 41% over the four-year period. These programs provide important funding for the purchase of permanent rural land conservation easements, and this reduction will also likely negatively impact a related MARBIDCO program over the longer term.

Maryland agriculture is nearing a potentially critical juncture in terms of its future viability. With an aging farmer population and ever-increasing real estate prices due to development pressure (including now utility-scale solar facilities), it appears possible that significant remaining farmland, and the resulting opportunity for agricultural production on that land, could be in danger of disappearing forever. Nearly 2,000,000 acres of privately-owned crop, forage, and wood land remain undeveloped in Maryland today (according to the recent USDA Census of Agriculture), in addition to another 1,300,000 acres of privately-owned forest land (that is not included within the Ag Census). About one-quarter of this rural working farm and forest land is held under a conservation easement, so the other three-quarters could potentially be developed in the future.

High farmland costs in every region of the State are effectively preventing many beginning farmers and young farm families from purchasing agricultural land, especially if they do not have available intergenerational financial or other support to gain access to farmland. This is because substantial personal equity is needed to provide the large downpayments required by commercial lenders (often at least 20% of the real estate purchase price). A typical farm property purchase today can easily exceed \$1 million.

In 2018, MARBIDCO established the Next Generation Farmland Acquisition Program to help address this concern. The “Next Gen Program” helps qualified young and beginning farmers who have trouble entering the agricultural profession because of relatively high farmland costs and lack of access to adequate financial capital. The Next Gen Program is essentially a fast-moving farmland conservation easement option purchase program that is designed to help facilitate the transfer of farmland to a new generation of farmers, while also effectively helping to preserve the subject agricultural land from future development. MARBIDCO works closely with the county agricultural land preservation offices in administering this program. Moreover, MARBIDCO has funded nearly 50 such projects to date totaling nearly \$15 million, which has leveraged an additional \$17 million of commercial lender financing. And, importantly, nearly 5,000 acres of farmland are now on a path to becoming permanently preserved.

The key tool that MARBIDCO uses when making Next Gen Program awards is the “Easement Option Purchase Contract”. The Option is a contractual agreement that allows the “Next Gen Farmer” to use the farm that is purchased only for agricultural purposes and to stop any non-farm development on the agricultural property.

Under the Next Gen Program, MARBIDCO will pay up to 51% of the Fair Market Value (FMV) of the land only (with a cap of \$500,000), and following the land sale transaction the Next Gen Farmer then has a period of several years to sell the permanent conservation easement to a rural land preservation program that is able to hold and administer the permanent easement (thus extinguishing the development rights on the property forever). Once a permanent easement has been subsequently facilitated, the Next Gen Farmer is obligated to repay MARBIDCO the original Option Purchase amount (plus a 3% administrative fee). The final funding for a permanent land conservation easement purchase, which “takes out” MARBIDCO, typically comes from the MALPF program, but sometimes also from the Rural Legacy and county agricultural land preservation programs too.

In short, the Next Gen Program enables MARBIDCO to provide a young or beginning farmer with the money needed to make a large down-payment towards a farm purchase, in order to meet the equity contribution requirements of a commercial lender, which then allows the lender to make a loan to help complete the financing needed for the transaction. An additional benefit of this program is that the farmland being purchased is firmly put on a path to becoming permanently preserved for agricultural purposes only.

The lack of funds going into the MALPF and Rural Legacy Programs is likely to impair the ability of some Next Gen Farmers to get offers for the sale of permanent conservation easements over the coming years. This not only could negatively impact Next Gen Farmers that do not get MALPF or Rural Legacy offers in the future, but the Next Gen Program too as there are fewer “take-outs” and money revolving in the program which will eventually hurt MARBIDCO’s ability to help future young/beginning farmers access the capital they need to buy their first farms. For these reasons, **MARBIDCO respectfully requests a Favorable Report for Senate Bill 424**, and especially urges support for the repayment of funds that have been, or will be, diverted in the future because of the passage of the 2025 BRFA legislation.

*MARBIDCO Contact: Steve McHenry, 410.267.6807*

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*MARBIDCO was established 19 years ago to help enhance the sustainability and profitability of the State’s agricultural and resource-based industries in order to help bolster rural economies, support locally grown and processed food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-governmental financial intermediary organization that has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Assisting young and beginning farmers is a special focus for MARBIDCO, as is farm operation diversification (including value-added production). In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and farm credit associations, as well as a host of federal, State, regional, and local government agencies, and universities. For more information about MARBIDCO’s programs, please visit: [www.marbidco.org](http://www.marbidco.org)*

# **SB424 State Transfer Tax - Land Preservation Speci**

Uploaded by: Dana Phillips

Position: UNF

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.

**For additional information, contact Dana Phillips at  
(410) 260-6068 or [dana.phillips@maryland.gov](mailto:dana.phillips@maryland.gov)**

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