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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1009: Land Transfer Accountability Act

Testimony of Delegate Marc Korman – Favorable

Thank you, Chair Valderrama, Vice Chair Charkoudian, and members of the Economic Matters Committee. I come before you today to present HB 1009, the Land Transfer Accountability Act.

As you are aware, over the last 13 months, there have been many threats to the state of Maryland by the federal government. One type of threat is the possibility of major land sales in Maryland. This can play out in different ways. First, last year, the federal General Services Administration released a list of over 100 buildings in the DC area, including 83 buildings in Maryland, for potential fire sale. Many of these are office buildings in the Maryland suburbs of DC. Second, as part of the federal reconciliation bill last year, House and Senate Republicans considered the fire sale of hundreds of millions of acres of public lands such as wilderness areas. There was bipartisan push back and that provision was removed. But the possibility of public lands such as the Blackwater National Wildlife Refuge or Patuxent National Research Refuge being sold is concerning. And this is no theoretical threat, we know that the federal government is threatening to sell the Beltsville Agricultural Research Center.

I am not suggesting that the federal government should never be permitted to sell or dispose of property. But we need to make sure Maryland is prepared to defend itself and its interests. The Land Transfer Accountability Act does that in two ways.

First, it requires the Office of the Attorney General and the State Department of Assessments and Taxation to issue a Certificate of Compliance as an official confirmation that the change in ownership of property from the federal to another owner complies with all applicable Maryland and federal laws and regulations. In the case that the Office of the Attorney General and the State Department of Assessments and Taxation deem the transfer of ownership as not following state and federal law, and therefore, do not issue a certificate of compliance, the clerk of the circuit court is not permitted to record the change in ownership. The bill promotes accountability in these land transactions.

A party to the change in ownership should submit a completed request form, along with any other information required by the Office of the Attorney General and the State Department of Assessments and Taxation. Once the review is completed, a Certificate of Compliance may be

granted, additional information may be requested, or if the request is denied, reasoning and a legal basis for the denial must be provided to the requester.

HB 1009 requires the request form to be standardized and made publicly available. Procedures should be established by the Office of the Attorney General and the State Department of Assessments and Taxation for the processing and receiving of requests. In addition, the Clerk of each circuit court, alongside the Administrative Office of the Courts, should ensure statewide procedures are uniform regarding the receipt and recordation of the Certificate of Compliance.

Second, the bill also implements a 2% state transfer tax, imposed on the next transfer of property following the initial transfer from federal ownership, when the property was conveyed on or after July 1, 2026. The transferor (that is, the original buyer of the federal property who later sells it) is responsible for the payment. The federal government is not subject to the tax. Any revenue attributable to the state transfer tax must be directed to Program Open Space, as an effort to preserve land and support park and recreation projects in Maryland. We want to make certain that those buying federal property are poised to provide additional benefit to the state if they decide to go forward with acquiring the federally owned land.

Thank you for your consideration. I urge a favorable report.