



**Maryland  
Department of Agriculture**

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*Maryland Agricultural Land  
Preservation Foundation*

Agriculture | *Maryland's Leading Industry*  
mda.maryland.gov

The Wayne A. Cawley, Jr. Building  
50 Harry S Truman Parkway  
Annapolis, Maryland 21401

410-841-5860 Baltimore/Washington  
410-841-5846 Fax

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Testimony on HB 1398  
State Transfer Tax – Temporary Suspension  
House Ways and Means Committee

Position: Oppose

Chairman Wilkins and Members of the Committee,

On behalf of the Maryland Agricultural Land Preservation (MALPF) Board of Trustees, we are submitting this testimony in strong opposition to HB 1398, a bill that would eliminate funding for the MALPF program for the next three years through the suspension of the State Transfer Tax. MALPF is one of many of the State's land conservation programs that is funded through the Transfer Tax, with the mission of protecting agricultural and forested land to support a critical agricultural land base for the continuation of the diverse agricultural and forestry industries in Maryland.

The Transfer Tax was first established in 1969, a ½% tax on all real estate transactions in Maryland, a statutorily dedicated funding source to become the backbone of all of Maryland's diverse land conservation programs. These funds support not only the protection of agricultural and forested lands through MALPF, but also state and county parks, local recreational facilities, heritage areas, protects and restores ecological and natural areas, and so much more.

The MALPF program was established in 1977, a few after the Transfer Tax was created, and the first state purchased agricultural easement program in the country. At the end of 2025, MALPF holds easements on 2,924 properties, covering more than 391,000 acres. MALPF has consistently been recognized as one of the top state agricultural easement programs in the country, which is only possible through the commitment and continuation of the dedicated funding source through the Transfer Tax.

Maryland's agricultural community has supported and relied on the consistent availability of the MALPF program for almost 50 years, often as an integral part of their long-term family farm planning options. Throughout the history of the MALPF program, there has always been significantly more interest by farmers wanting to sell an easement to MALPF than there has been funding. Over the last five cycles, MALPF has not been able to purchase easements on approximately 60% of applications submitted.

During each MALPF application cycle, counties provide millions of dollars to match the State funds to purchase easements to permanently protect farm and forested lands. If HB 1398 passes, there would be no Transfer Tax revenue over the next three years. This loss of the Transfer Tax

would be compounded by an additional devastating loss of the millions of dollars the counties provide to match the State funds to protect more farmland. **Together the loss of the Transfer Tax and County matching funds would result in over \$129 million, which could have protected over 27,125 acres of critical farm and forested land across Maryland.**

Maryland has continuously committed to the importance of land conservation for the benefit of all Maryland citizens, of which the Transfer Tax is the primary funding source. The General Assembly passed the Maryland the Beautiful Act (Chapter 546 of 2023) that set an ambitious goal to preserve 40% of Maryland by 2040. According to the Maryland Protected Lands Dashboard, 1,908,893 acres have been protected in Maryland as of the end of FY25, which is 30.84% of the State as of the end of FY25. If the most recent 5-year trend (June 30, 2020 - June 30, 2025) of land preservation continues through FY40, Maryland will fall short of meeting the 40% protected goal by 2040. If the Transfer Tax collection is suspended for the next three years, it would set Maryland back years in reaching the Maryland the Beautiful Act land conservation goal.

If HB1398 passes, there would be no funding for MALPF or any of the programs funded by the Transfer Tax over the next three years. This would cause tens of thousands of acres of critical agricultural properties being forced to develop rather than those farm and forested lands being protected. This vacuum of State land conservation funding would result in a lasting and detrimental impact on all the programs funded through the Transfer Tax, causing constituents to lose confidence in their support of these programs. It could take years to rebuild constituents' trust in these state programs.

It is for these reasons that the MALPF Board of Trustees respectfully requests the Committee to issue an **Unfavorable** report on HB 1398. If the Committee has any questions about the MALPF program, please contact Michelle Cable, Executive Director, at [michelle.cable@maryland.gov](mailto:michelle.cable@maryland.gov), or 410-841-5860.

Sincerely,



Cricket Goodall  
MALPF Board of Trustees Chair