



CHESAPEAKE BAY FOUNDATION

House Bill 1398 State Transfer Tax - Temporary Suspension

Date: March 3, 2026
To: Ways & Means Committee

Position: **UNFAVORABLE**
From: Matt Stegman,
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The Chesapeake Bay Foundation (CBF) **OPPOSES House Bill 1398**, which would suspend imposition of the transfer tax between July 1, 2026 and June 30, 2029. Suspension of the transfer tax would have a severe negative effect on Maryland's ability to meet its land preservation and Chesapeake Bay restoration goals, as transfer tax revenue is Maryland's primary source for land preservation funding.

The land preservation programs funded through Maryland's transfer tax – Program Open Space, Rural Legacy, and the Maryland Agricultural Land Preservation Foundation (MALPF) – are long-standing landmark programs that have helped preserve hundreds of thousands of acres of open space in every county across our state. Conservation of high-quality forests, open spaces, and working lands prevents degradation of natural resources and is one of the most cost-effective approaches to achieving Maryland's water quality and habitat goals.

Land conservation also underpins Maryland's agricultural sector and is one of the most effective land-use planning and growth management tools at our disposal. For example, farmland preservation has a multiplier effect - every dollar spent on a conservation easement generates between \$1.80 to \$2 of direct, indirect, and induced agricultural economic activity¹.

CBF urges the Committee's UNFAVORABLE report on HB 1398.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

¹ "An Analysis of the Economic Impact of the Farmland Preservation Program in Carroll County, Maryland", Tom Daniels, 2020.