



Senate Bill 383

State Transfer Tax - Distribution of Revenue

MACo Position: **SUPPORT**
with AMENDMENTS

Date: February 24, 2016

To: Budget and Taxation Committee

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **SUPPORTS SB 383 WITH AMENDMENTS**. This bill would adjust anticipated distributions of transfer taxes to the general fund, and specify their distribution across several purposes. MACo would urge the Committee to fully examine the proposed distributions of the one-time distributions, and evaluate need for continued depletion of local Program Open Space funding for State park operations.

MACo does not contest the Administration's judgment that the proposed redirection of state transfer tax revenue to the general fund is not needed in the amounts prescribed by prior statutory action. Reducing these amounts in FY 17 and FY 18 allows a needed replenishment of funding to several programs that suffered funding limitations by virtue of this cost containment measure.

MACo suggests that the Committee evaluate the custom distribution in SB 383, in comparison to that which would be made absent the specific dollar amounts in the bill. The funding for local-side Program Open Space is reduced in each year as an effect of these specific changes (though the Administration's stated plan to fund a Baltimore City project more than offsets that loss in FY 17).

If SB 383 reflects that the darkest times for the transfer tax are over, then this also presents another opportunity. The General Assembly should evaluate the continuing redirection of local Program Open Space funds to support State Park operations costs. Counties do not begrudge the State Parks' need for appropriate funding, but the targeted depletion of local recreation and park funds has unfairly pitted these programs as funding rivals.

MACo urges the committee to give SB 383 a thorough evaluation in its funding mechanisms, and to further consider the necessity of ongoing redirection of local Program Open Space funding. To the extent that this yields bill refinement to improve the fairness in these and future transfer tax distributions, **MACo would support SB 383 with such amendments**.