



Bill No. _____
Concerning: Allocation of Recordation Tax Proceeds
To Support Transit Services
Introduced: _____
Revised: _____ Draft No. _____
Enacted: _____
Effective: _____
Expires: _____
Frederick County Code, Chapter 1-8
Section(s) 51

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

By: Council Vice President Kavonté Duckett and Council Member Renee Knapp

AN ACT to: Amend the Allocation of Frederick County recordation tax proceeds to support Transit Services

Date Council Approved: _____ Date Transmitted to Executive: _____

Executive: _____ Date Received: _____

Approved: _____ Date: _____

Vetoed: _____ Date: _____

Date returned to Council by County Executive with no action: _____

By amending:

Frederick County Code, Chapter 1-8 Section(s) 51

Other: _____

Boldface

Underlining

[Single boldface brackets]

Heading or defined term.

Added to existing law.

Deleted from existing law.

Existing law unaffected by bill.

Bill No. **-**

The County Council of Frederick County, Maryland finds it necessary and appropriate to establish a Transit Fund and change the allocations of recordation tax proceeds as set forth in Section 1-8-51.

NOW THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that the Frederick County Code be, and it is hereby, amended as shown on the attached Exhibit 1.

Brad W. Young, President
County Council of Frederick County,
Maryland

ARTICLE III.A: RECORDATION TAX

§ § 1-8-51. RECORDATION TAX RATE AND ALLOCATION OF PROCEEDS.

(A) Definitions. In this section, the following terms shall have the meanings indicated.

AG. The Agriculture Article of the Maryland Code Annotated.

CODE. The Frederick County Code.

COUNTY. Frederick County, Maryland.

CRITICAL FARMS PROGRAM. The Frederick County Critical Farms Program, created by Ord. 94-02-097, codified at § 1-13-34 of the Code.

FREDERICK COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM. The Frederick County Agricultural Land Preservation Program created on May 28, 1991, pursuant to the provisions of AG § 2-512.

HOUSING INITIATIVE FUND. A fund established by the county to facilitate affordable housing. See § 1-6A-3 of the Code.

INSTRUMENT OF WRITING. The meaning set forth in TP § 12-101(c).

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION PROGRAM. The Maryland Agricultural Land Preservation Foundation Program established and codified in AG §§ 2-501 et seq.

NR. The Natural Resources Article of the Maryland Code Annotated.

PROCEEDS FROM THE RECORDATION TAX. The proceeds the County receives from the recordation tax after any payment required by law to the State of Maryland.

RECORDATION TAX. The recordation tax authorized by TP §§ 12-102 et seq.

RURAL LEGACY PROGRAM. The Rural Legacy Program established and codified in NR §§ 5-9A-01 et seq.

TP. The Tax-Property Article of the Maryland Code Annotated.

TRANSIT. The Division of Transit Services, the public transportation system operated by Frederick County, Maryland.

(B) Recordation tax rate. Pursuant to TP § 12-103(B)(1), the County hereby sets the recordation tax rate at \$7 for each \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt secured for an instrument of writing. The consideration includes the amount of any mortgage or deed of trust assumed by the grantee(s).

(C) Allocation of unrestricted proceeds from the recordation tax. For fiscal year [2021 48.710%, for fiscal year 2022 48.290%, and for fiscal year 2023 and thereafter] 2027 and thereafter[47.860] 45.860% of the proceeds from the recordation tax shall be unrestricted and shall go to the County General Fund.

Underlining indicates matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

**** - indicates existing law unaffected by bill.*

(D) Allocation of restricted proceeds from the recordation tax. The County hereby restricts for fiscal year [2021 51.290%, for fiscal year 2022 51.710% and for fiscal year 2023 and thereafter] 2027 and thereafter [52.140] 54.140% of the proceeds from the recordation tax. The use of the funds from the restricted portion of the proceeds from the recordation tax is limited as follows.

(1) 25.000% of the proceeds from the recordation tax shall be used for:

(a) The County's matching contribution toward the purchases of agricultural land preservation easements under the Maryland Agricultural Land Preservation Fund Program as set forth in AG §§ 2-501 *et seq.*;

(b) The purchase of development rights and to guarantee loans that are collateralized by development rights for agricultural lands under the Frederick County Agricultural Land Preservation Program pursuant to AG § 2-512(E)(2);

(c) The purchase of options to purchase development rights easements pursuant to § 1-13-34(H) of the Critical Farms Program and to purchase development rights easements pursuant to § 1-13-34(I) of the Critical Farms Program;

(d) The purchase of development rights, easements, or fee estates under the Rural Legacy Program;

(e) Other agricultural land preservation programs approved by the County; or

(f) Some combination of the above programs including: setting aside \$500,000 annually for agriculture diversification economic development grants; rural historic preservation; and first-time homebuyer assistance. Amounts allotted to each purpose will be established annually in the budget.

(2) 10.710% of the proceeds from the recordation tax shall be used for the County's acquisition and development of recreational and open space land.

(3) 14.290% of the proceeds from the recordation tax shall be used to support school construction to include, but not be limited to, payment of debt service on general obligation debt issued to fund school construction.

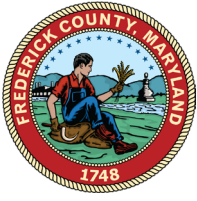
(4) For fiscal year 2021 1.290%, for fiscal year 2022 1.710%, and for fiscal year 2023 and thereafter 2.140% of the proceeds from the recordation tax shall be deposited into the Housing Initiative Fund and used to facilitate affordable housing in the County.

(5) For fiscal year 2027 and thereafter 2.00% of the proceeds from the recordation tax shall be used to support Transit to include, but not be limited to, facilitating free fare for transit riders.

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FREDERICK COUNTY GOVERNMENT

COUNTY COUNCIL

To: County Council

From: Council Vice President Kavonté Duckett and Council Member Renee Knapp

Date: January 27, 2026

Subject: Allocation of Frederick County recordation tax proceeds to support Transit Services

Issue:

Should the Frederick County Council revise the allocation of Recordation Tax Proceeds to support Transit Service?

Background:

Frederick County has historically used proceeds from Recordation Tax to fund a variety of public needs, including: Agricultural land preservation, school construction, acquisition and development of recreational and open space land, and affordable housing initiatives. These allocations reflect the county's long-standing priorities in land preservation, education, and housing.

The proposed bill marks a policy shift by recognizing public transit as a critical area of investment. This move aligns with broader regional and national trends emphasizing sustainable transportation, equity in mobility, and climate-conscious infrastructure. By earmarking a portion of the recordation tax for transit services, the county aims to continue its accessibility, affordability, and fare free public transportation, potentially reducing traffic congestion and environmental impact.

What will the legislation do?:

Dedicated 2.00% of recordation tax proceeds starting in fiscal year 2027.