

HOUSE BILL 952

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HB 216/00 - W&M

2001 Regular Session
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By: **Delegates Healey and Bozman**
Introduced and read first time: February 9, 2001
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 25, 2001

CHAPTER 287

1 AN ACT concerning

2 **Recordation Tax and State and Local Transfer Taxes - First-Time Maryland**
3 **Home Buyers**

4 FOR the purpose of altering certain provisions of law regarding recordation and
5 transfer taxes and certain first-time Maryland home buyers to allow a certain
6 affidavit evidencing that a grantee is a first-time Maryland home buyer to be
7 filed by an agent of the grantee; and generally relating to recordation and
8 transfer taxes and first-time Maryland home buyers.

9 BY repealing and reenacting, with amendments,
10 Article - Real Property
11 Section 14-104(c)(5)
12 Annotated Code of Maryland
13 (1996 Replacement Volume and 2000 Supplement)

14 BY adding to
15 Article - Real Property
16 Section 14-104(c)(6)
17 Annotated Code of Maryland
18 (1996 Replacement Volume and 2000 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - Tax - Property
21 Section 13-203(b) and 13-409
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 2000 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Real Property**

4 14-104.

5 (c) (5) Paragraphs (1) and (2) of this subsection apply only if each grantee
6 OR AN AGENT OF THE GRANTEE provides a statement that is signed under oath by the
7 grantee OR AGENT OF THE GRANTEE stating that:

8 (i) 1. The grantee is a first-time Maryland home buyer as
9 defined under subsection (a) of this section; and

10 2. The residence will be occupied by the grantee as the
11 grantee's principal residence; or

12 (ii) 1. The grantee is a co-maker or guarantor of a purchase
13 money mortgage or purchase money deed of trust as defined in § 12-108(i) of the Tax
14 - Property Article for the property; and

15 2. The grantee will not occupy the residence as the
16 co-maker's or guarantor's principal residence.

17 (6) A STATEMENT UNDER PARAGRAPH (5) OF THIS SUBSECTION BY AN
18 AGENT OF A GRANTEE SHALL STATE THAT THE STATEMENT:

19 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
20 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

21 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
22 AND BELIEF OF THE AGENT.

23 **Article - Tax - Property**

24 13-203.

25 (b) (1) In this subsection, "first-time Maryland home buyer" means an
26 individual who has never owned in the State residential real property that has been
27 the individual's principal residence.

28 (2) If there are two or more grantees, this subsection does not apply
29 unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor
30 of a purchase money mortgage or purchase money deed of trust as defined in §
31 12-108(i) of this article for the property and the co-maker or guarantor will not
32 occupy the residence as the co-maker's or guarantor's principal residence.

33 (3) Notwithstanding any other provision of law, for a sale of improved
34 residential real property to a first-time Maryland home buyer who will occupy the
35 property as a principal residence, the rate of the transfer tax is 0.25% of the

1 consideration payable for the instrument of writing and the transfer tax shall be paid
2 entirely by the seller.

3 (4) To qualify for the exemption under paragraph (3) of this subsection,
4 each grantee OR AN AGENT OF THE GRANTEE shall provide a statement that is signed
5 under oath by the grantee OR AGENT OF THE GRANTEE stating that:

6 (i) 1. the grantee is an individual who has never owned in the
7 State residential real property that has been the individual's principal residence; and

8 2. the residence will be occupied by the grantee as the
9 grantee's principal residence; or

10 (ii) 1. the grantee is a co-maker or guarantor of a purchase
11 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this
12 article for the property; and

13 2. the grantee will not occupy the residence as the
14 co-maker's or guarantor's principal residence.

15 (5) A STATEMENT UNDER PARAGRAPH (4) OF THIS SUBSECTION BY AN
16 AGENT OF A GRANTEE SHALL STATE THAT THE STATEMENT:

17 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
18 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

19 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
20 AND BELIEF OF THE AGENT.

21 13-409.

22 (A) Any county having a county transfer tax may provide for an exemption
23 from the tax for an instrument of writing for residentially improved owner-occupied
24 real property if the instrument of writing is accompanied by a statement under oath
25 signed by each grantee OR AN AGENT OF THE GRANTEE that:

26 (1) (i) the grantee is an individual who has never owned in the State
27 residential real property that has been the individual's principal residence; and

28 (ii) the residence will be occupied by the grantee as the grantee's
29 principal residence; or

30 (2) (i) the grantee is a co-maker or guarantor of a purchase money
31 mortgage or purchase money deed of trust as defined in § 12-108(i) of this article for
32 the property; and

33 (ii) the grantee will not occupy the residence as the co-maker's or
34 guarantor's principal residence.

35 (B) A STATEMENT UNDER SUBSECTION (A) OF THIS SECTION BY AN AGENT OF
36 A GRANTEE SHALL STATE THAT THE STATEMENT:

1 (1) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
2 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

3 (2) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION, AND
4 BELIEF OF THE AGENT.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2001.