

HB1236/635269/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1236
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and A. Miller” and substitute “, A. Miller, and Rosenberg”; in line 6, after “conveyed;” insert “defining certain terms; making conforming and stylistic changes;”; in line 7, after “to” insert “the recordation of”; in line 10, after “Section” insert “12-101(g) through (l).”; in the same line, after “12-103(a),” insert “13-101(g) and (h), 13-103(a).”; in line 15, after “Section” insert “12-101(a-1) and (g).”; in the same line, after “12-103(a-1),” insert “13-101(a-1) and (g), and”; in the same line, strike “, and 13-412(c)”; and after line 17, insert:

“BY repealing

Article - Tax - Property
Section 12-117(a)(6)
Annotated Code of Maryland
(2012 Replacement Volume)”.

AMENDMENT NO. 2

On page 1, after line 20, insert:

“12-101.

(A-1) “ACTUAL PAYMENT” MEANS THE AMOUNT OF MONETARY CONSIDERATION PAID FOR THE CONVEYANCE OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY THAT OWNS PROPERTY DEVELOPED UNDER SECTION 42 OF THE INTERNAL REVENUE CODE, THE LOW INCOME HOUSING TAX CREDIT PROGRAM.

(Over)

(G) (1) “REAL PROPERTY ENTITY” MEANS A CORPORATION, A PARTNERSHIP, AN ASSOCIATION, A LIMITED LIABILITY COMPANY, A LIMITED LIABILITY PARTNERSHIP, ANY OTHER UNINCORPORATED FORM OF DOING BUSINESS, OR A TRUST THAT DIRECTLY OR BENEFICIALLY OWNS REAL PROPERTY THAT:

(I) CONSTITUTES AT LEAST 80% OF THE VALUE OF ITS ASSETS; AND

(II) HAS AN AGGREGATE VALUE OF AT LEAST \$1,000,000 THAT IS DETERMINED WITHOUT REDUCTION FOR ANY MORTGAGE, DEED OF TRUST, OR OTHER LIEN ON OR SECURITY INTEREST IN THE REAL PROPERTY.

(2) “REAL PROPERTY ENTITY” DOES NOT INCLUDE AN ENTITY WITH LAND HOLDINGS THAT, OTHER THAN HOMESITES OR AREAS OF COMMERCIAL ACTIVITY RELATED TO AGRICULTURAL PRODUCTION, ARE ENTIRELY SUBJECT TO AN AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE.

[(g)] (H) “Recordation tax” means the tax imposed under this title.

[(h)] (I) (1) “Security agreement” means an agreement that creates or provides for a security interest.

(2) “Security agreement” includes a financing statement filed under the Maryland Uniform Commercial Code to perfect a security interest.

[(i)] (J) (1) “Security interest” means an interest in real property or personal property that secures payment or performance of an obligation.

(2) “Security interest” includes a lien or encumbrance on real property or personal property.

~~[(i)]~~ (K) “Subsidiary corporation” includes any corporation that is a subsidiary of either a parent corporation or any other subsidiary corporation of the parent corporation.

~~[(k)]~~ (L) “Successor” has the meaning stated in § 1–101(y) of the Corporations and Associations Article.

~~[(l)]~~ (M) (1) “Supplemental instrument of writing” means an instrument of writing that confirms, corrects, modifies, or supplements a previously recorded instrument of writing.

(2) “Supplemental instrument of writing” includes an instrument of writing that secures a debt and grants a security interest in property in addition to or in substitution for property described in the previously recorded instrument of writing.”.

On page 2, after line 17, insert:

“12–117.

(a) ~~[(6)]~~ (i) “Real property entity” means a corporation, partnership, association, limited liability company, limited liability partnership, other unincorporated form of doing business, or trust that directly or beneficially owns real property that:

1. constitutes at least 80% of the value of its assets; and
2. has an aggregate value of at least \$1,000,000.

(Over)

(ii) For the purposes of this paragraph, the value of real property shall be determined without reduction for any mortgage, deed of trust, or other lien on or security interest in the real property.

(iii) “Real property entity” does not include an entity with land holdings that, other than homesites or areas of commercial activity related to agricultural production, are entirely subject to an agricultural use assessment under § 8–209 of this article.]

13–101.

(A-1) “ACTUAL PAYMENT” HAS THE MEANING STATED IN § 12-101 OF THIS ARTICLE.

(G) (1) “REAL PROPERTY ENTITY” MEANS A CORPORATION, A PARTNERSHIP, AN ASSOCIATION, A LIMITED LIABILITY COMPANY, A LIMITED LIABILITY PARTNERSHIP, ANY OTHER UNINCORPORATED FORM OF DOING BUSINESS, OR A TRUST THAT DIRECTLY OR BENEFICIALLY OWNS REAL PROPERTY THAT:

(I) CONSTITUTES AT LEAST 80% OF THE VALUE OF ITS ASSETS; AND

(II) HAS AN AGGREGATE VALUE OF AT LEAST \$1,000,000 THAT IS DETERMINED WITHOUT REDUCTION FOR ANY MORTGAGE, DEED OF TRUST, OR OTHER LIEN ON OR SECURITY INTEREST IN THE REAL PROPERTY.

(2) “REAL PROPERTY ENTITY” DOES NOT INCLUDE AN ENTITY WITH LAND HOLDINGS THAT, OTHER THAN HOMESITES OR AREAS OF COMMERCIAL ACTIVITY RELATED TO AGRICULTURAL PRODUCTION, ARE

ENTIRELY SUBJECT TO AN AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS ARTICLE.

[(g)] (H) “Subsidiary corporation” includes any corporation that is a subsidiary of either a parent corporation or any other subsidiary corporation of the parent corporation.

[(h)] (I) “Successor” has the meaning stated in § 1-101(y) of the Corporations and Associations Article.

13-103.

(a) In this section, “controlling interest”[, AND “real property”[, and “real property entity”] have the meanings stated in § 12-117 of this article.”;

in line 19, strike “SUBSECTION (A-1)” and substitute “SUBSECTIONS (A-1) AND (B)”; in the same line, after “SECTION” insert a comma; and in line 20, strike beginning with “AND” through “section,”.

On page 3, in line 6, strike “EXCEPT as provided in”.