

# SENATE BILL 423

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SB 971/23 – JPR

4lr1362

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By: **Senator James**

Introduced and read first time: January 19, 2024

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 22, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Real Property – Recordation – Procedures**

3 FOR the purpose of requiring the treasurer, tax collector, or director of finance for a county  
4 ~~or municipality~~ to provide a certificate enumerating certain taxes, assessments, and  
5 charges against a property and to establish certain procedures to facilitate the  
6 issuance of the certificate; requiring a collecting agent presented with a certificate to  
7 endorse a deed on payment of transfer and recordation taxes and all charges stated  
8 in the certificate and establishing that this endorsement is sufficient authority for a  
9 transfer on the assessment books; requiring the clerk of a circuit court and the State  
10 Department of Assessments and Taxation to facilitate the electronic satisfaction of  
11 prior approvals and conditions precedent to recording documents or the electronic  
12 payment of fees or taxes; and generally relating to the recordation of instruments  
13 affecting an interest in real property.

14 BY repealing and reenacting, without amendments,

15 Article – Real Property  
16 Section 3–104(a)  
17 Annotated Code of Maryland  
18 (2023 Replacement Volume)

19 BY repealing and reenacting, with amendments,

20 Article – Real Property  
21 Section 3–104(b) and 3–703  
22 Annotated Code of Maryland  
23 (2023 Replacement Volume)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Real Property**

4 3–104.

5 (a) (1) The Clerk of the Circuit Court may record an instrument that effects a  
6 change of ownership if the instrument is:

7 (i) Endorsed with the certificate of the collector of taxes of the  
8 county in which the property is assessed, required under subsection (b) of this section;

9 (ii) 1. Accompanied by a complete intake sheet; or

10 2. Endorsed by the assessment office for the county as  
11 provided in subsection (g)(8) of this section; and

12 (iii) Accompanied by a copy of the instrument, and any survey, for  
13 submission to the Department of Assessments and Taxation.

14 (2) The Supervisor of Assessments shall transfer ownership of property in  
15 the assessment records, effective as of the date of recordation, upon receipt from the Clerk  
16 of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey  
17 submitted under paragraph (1) of this subsection.

18 (b) (1) (i) Except as provided in subsection (c) of this section, property may  
19 not be transferred on the assessment books or records until:

20 1. All public taxes, assessments, and charges currently due  
21 and owed on the property have been paid to the treasurer, tax collector, or director of  
22 finance of the county in which the property is assessed; and

23 2. All taxes on personal property in the county due by the  
24 transferor have been paid when all land owned by the transferor in the county is being  
25 transferred.

26 (ii) The certificate of the collecting agent designated by law, showing  
27 that all taxes, assessments, and charges have been paid, shall be endorsed on the deed, and  
28 the endorsement shall be sufficient authority for transfer on the assessment books.

29 (2) (i) Except as provided in subsection (c) of this section, in Allegany,  
30 Cecil, Charles, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, and St.  
31 Mary's counties no property may be transferred on the assessment books or records until:

1                   1. All public taxes, assessments, any charges due a  
2 municipal corporation, and charges due on the property have been paid as required by law;  
3 and

4                   2. All taxes on personal property in the county due by the  
5 transferor have been paid when all land owned by the transferor in the county and  
6 municipal corporation is being transferred.

7                   (ii) The certificate of the collecting agent and municipal corporation  
8 designated by law showing that all taxes, assessments, and charges have been paid, shall  
9 be endorsed on the deed and the endorsement shall be sufficient authority for transfer on  
10 the assessment books.

11                   **(3) (I) ON REQUEST, THE TREASURER, TAX COLLECTOR, OR**  
12 **DIRECTOR OF FINANCE FOR A COUNTY ~~OR MUNICIPALITY~~ SHALL ISSUE TO THE**  
13 **REQUESTER A CERTIFICATE CLEARLY ENUMERATING BY TYPE AND AMOUNT ANY**  
14 **PUBLIC TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR**  
15 **MUNICIPALITY AGAINST A PROPERTY LOCATED IN THE COUNTY OR MUNICIPALITY.**

16                   **(II) A CERTIFICATE ISSUED UNDER THIS PARAGRAPH SHALL**  
17 **BAR ANY CHARGE OR ASSESSMENT AGAINST THE PROPERTY LEVIED ON A BONA FIDE**  
18 **PURCHASER FOR VALUE WITH NO NOTICE OF THE CHARGE OR ASSESSMENT PRIOR**  
19 **TO THE PURCHASE OF THE PROPERTY.**

20                   **(III) A COLLECTING AGENT PRESENTED WITH A CERTIFICATE**  
21 **ISSUED UNDER THIS PARAGRAPH WITHIN 45 DAYS AFTER ISSUANCE ~~INDICATING~~**  
22 **~~THAT ALL TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR~~**  
23 **~~MUNICIPALITY HAVE BEEN PAID SHALL ENDORSE THAT ALL TAXES, ASSESSMENTS,~~**  
24 **~~AND CHARGES HAVE BEEN PAID AND THE ENDORSEMENT SHALL BE SUFFICIENT~~**  
25 **~~AUTHORITY FOR TRANSFER ON THE ASSESSMENT BOOKS SHALL ENDORSE THE DEED~~**  
26 **AS REQUIRED UNDER PARAGRAPH (1)(II) OR (2)(II) OF THIS SUBSECTION ON**  
27 **PAYMENT OF ALL CHARGES SET FORTH IN THE CERTIFICATE AND ANY APPLICABLE**  
28 **TRANSFER OR RECORDATION TAXES.**

29                   **(IV) A COUNTY OR MUNICIPALITY MAY COLLECT A FEE OF UP TO**  
30 **\$55 FOR THE ISSUANCE OF A CERTIFICATE UNDER THIS PARAGRAPH.**

31                   **(V) THE PAYMENT OF A FEE AND THE ISSUANCE OF A**  
32 **CERTIFICATE UNDER THIS PARAGRAPH MAY NOT PRECLUDE A CLAIM BY A COUNTY**  
33 **OR MUNICIPALITY TO PAYMENT OF A CHARGE OR ASSESSMENT AGAINST:**

34                   **1. THE OWNER OF THE PROPERTY AT THE TIME OF THE**  
35 **ISSUANCE OF THE CERTIFICATE; OR**

1                   **2. A PERSON WHO ACQUIRES THE PROPERTY WITH**  
2 **KNOWLEDGE OF THE CHARGE OR ASSESSMENT.**

3                   **(VI) EACH TREASURER, TAX COLLECTOR, OR DIRECTOR OF**  
4 **FINANCE OF A COUNTY ~~OR MUNICIPALITY~~ SHALL ADOPT PROCEDURES TO**  
5 **IMPLEMENT THE REQUIREMENTS OF THIS PARAGRAPH, INCLUDING PROCEDURES**  
6 **FOR OBTAINING A STATEMENT ON A CERTIFICATE ISSUED UNDER THIS PARAGRAPH**  
7 **OF ALL TAXES, ASSESSMENTS, AND CHARGES DUE TO A MUNICIPALITY ON THE**  
8 **TRANSFER OF OWNERSHIP OF A PROPERTY.**

9 3-703.

10           (a) In this section, “paper document” means a document received by the clerk of  
11 a circuit court in a form that is not electronic.

12           (b) In compliance with any standards established by the Administrative Office of  
13 the Courts, the clerk of a circuit court:

14               (1) May receive, index, store, archive, and transmit electronic documents;

15               (2) May provide for access to, and search and retrieval of, documents and  
16 information by electronic means;

17               (3) Shall, if the clerk of the circuit court accepts electronic documents for  
18 recording, continue to accept paper documents and place entries for electronic and paper  
19 documents in the same index;

20               (4) May convert into electronic form:

21                   (i) Paper documents accepted for recording; and

22                   (ii) Information recorded before the clerk of the circuit court began  
23 to record electronic documents;

24               (5) Shall transmit documents in fully verified books to the State Archives  
25 for preservation and publication on a website maintained by the State Archives;

26               (6) May accept by electronic means any fee or tax collected as a condition  
27 precedent to recording a document; and

28               (7) [May agree] **SHALL COORDINATE** with other State or county officials  
29 on procedures or processes to facilitate the electronic satisfaction of prior approvals and  
30 conditions precedent to recording documents or the electronic payment of fees or taxes.

31           (c) The State Department of Assessments and Taxation or a county [may]:

1                   (1)    [Accept] **MAY ACCEPT** by electronic means any fee or tax that the  
2 Department or county is authorized to collect as a condition precedent to recording a  
3 document; and

4                   (2)    [Agree] **SHALL COORDINATE** with the clerk of a circuit court or other  
5 State official on procedures or processes to facilitate the electronic satisfaction of prior  
6 approvals and conditions precedent to recording documents or the electronic payment of  
7 fees or taxes.

8                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2024.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.