
By: Senator Boozer

Introduced and read first time: January 27, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 18, 1997

CHAPTER ____

1 AN ACT concerning

2 **Recordation Tax - Exemption for Purchase Money Mortgages**

3 FOR the purpose of providing that in determining eligibility for a certain exemption from
4 the State recordation tax, the date that an instrument of writing is fully executed is
5 the later of date of last acknowledgment or the date stated on the instrument of
6 writing.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - Property
9 Section 12-108(i)
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1996 Supplement)

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

14 **Article - Tax - Property**

15 12-108.

16 (i) (1) In this subsection, "purchase money mortgage" or "purchase money
17 deed of trust" means a mortgage or deed of trust that:

18 (i) is given by the transferee of real property with respect to the
19 property purchased;

20 (ii) is delivered as part of the same transaction as the instrument of
21 writing that transfers the property purchased and that is subject to the recordation tax;

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1 (iii) recites on its face that it secures, in whole or in part, the purchase
2 money for the property or otherwise recites on its face that it is a purchase money
3 mortgage or purchase money deed of trust;

4 (iv) is fully executed within 30 days of the date that the instrument of
5 writing transferring the property is fully executed; and

6 (v) is recorded no later than 30 days after the date that the instrument
7 of writing transferring the property is duly recorded.

8 (2) FOR THE PURPOSE OF THIS SUBSECTION, THE DATE THAT AN
9 INSTRUMENT IS FULLY EXECUTED IS THE LATER OF:

10 (I) THE DATE OF THE LAST ACKNOWLEDGMENT; OR

11 (II) THE DATE ON THE INSTRUMENT OF WRITING.

12 (3) A purchase money mortgage or a purchase money deed of trust is not
13 subject to recordation tax.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 1997.