
By: **Delegate Finifter**

Introduced and read first time: March 4, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Certificates of Sale - Recordation Tax and Transfer Tax Exemption -**
3 **Security Interests**

4 FOR the purpose of providing an exemption under the recordation tax and the State
5 transfer tax for instruments of writing that are certificates of sale, copies of
6 certificates of sale, or assignments of certificates of sale; clarifying that
7 certificates of sale are interests in real property; clarifying the method for
8 perfecting security interests in certificates of sale; providing for the application
9 of this Act; and generally relating to certificates of sale.

10 BY adding to

11 Article - Tax - Property
12 Section 12-108(z) and 14-820.1
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1998 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article - Tax - Property
17 Section 13-207(a) and 14-822
18 Annotated Code of Maryland
19 (1994 Replacement Volume and 1998 Supplement)

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

22 **Article - Tax - Property**

23 12-108.

24 (Z) A TAX SALE CERTIFICATE, A COPY OF A TAX SALE CERTIFICATE, OR AN
25 ASSIGNMENT OF A TAX SALE CERTIFICATE, DESCRIBED IN §§ 14-820 THROUGH 14-823
26 OF THIS ARTICLE, IS NOT SUBJECT TO RECORDATION TAX.

1 13-207.

2 (a) An instrument of writing is not subject to transfer tax to the same extent
3 that it is not subject to recordation tax under:

4 (1) § 12-108(a) of this article (Transfer to government or public agency);

5 (2) § 12-108(c) of this article (Transfer between relatives);

6 (3) § 12-108(d) of this article (Transfer between spouses);

7 (4) § 12-108(e) of this article (Supplemental instrument);

8 (5) § 12-108(f) of this article (Previously recorded instrument);

9 (6) § 12-108(l) of this article (Judgments);

10 (7) § 12-108(n) of this article (Order of satisfaction);

11 (8) § 12-108(o) of this article (Participation agreement);

12 (9) § 12-108(p) of this article (Transfer of corporate property between
13 related corporations);

14 (10) § 12-108(q) of this article (Corporate or partnership conveyance);

15 (11) § 12-108(r) of this article (Land installment contracts);

16 (12) § 12-108(s) of this article (Options to purchase real property);

17 (13) § 12-108(t) of this article (Deed for prior contract of sale);

18 (14) § 12-108(u) of this article (Leases of 7 years or less);

19 (15) § 12-108(v) of this article (Mergers);

20 (16) § 12-108(w) of this article (Consolidations);

21 (17) § 12-108(x) of this article (Cooperative housing corporations); [or]

22 (18) § 12-108(y) of this article (Transfer from predecessor entity to limited
23 liability company); OR

24 (19) § 12-108(Z) OF THIS ARTICLE (CERTIFICATE OF SALE OR ASSIGNMENT
25 OF CERTIFICATE OF SALE).

26 14-820.1.

27 (A) A CERTIFICATE OF SALE IS AN INTEREST IN REAL PROPERTY.

28 (B) A SECURITY INTEREST IN ANY CERTIFICATE OF SALE OR ASSIGNMENT OF
29 ANY CERTIFICATE OF SALE MAY BE PERFECTED, IN A MANNER SIMILAR TO THE

1 PERFECTION OF SECURITY INTERESTS IN ASSIGNMENTS OF MORTGAGES AS
2 SECURITY UNDER § 7-101 OF THE REAL PROPERTY ARTICLE, BY RECORDATION OF
3 THE SECURITY INTEREST UNDER § 14-822 OF THIS SUBTITLE.

4 14-822.

5 (A) The purchaser may record the certificate of sale, A COPY OF THE
6 CERTIFICATE OF SALE, and any assignment of the certificate of sale among the land
7 records of the county in which the property is located, but failure to record does not
8 affect the right to institute foreclosure proceedings as provided in this subtitle.

9 (B) ANY RECORDATION OF THE CERTIFICATE OF SALE, A COPY OF THE
10 CERTIFICATE OF SALE, OR ANY ASSIGNMENT OF THE CERTIFICATE OF SALE IS NOT
11 SUBJECT TO RECORDATION OR TRANSFER TAXES UNDER TITLES 12 AND 13 OF THIS
12 ARTICLE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 1999 and shall be applicable to instruments of writing recorded on or after
15 January 1, 1999.