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By: **Senator Neall**

Introduced and read first time: March 1, 1999

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sale Certificates - Recordation Tax and State Transfer Tax**

3 FOR the purpose of providing an exemption from recordation tax and the State  
4 transfer tax for tax sale certificates and assignments of tax sale certificates;  
5 clarifying the nature of tax sale certificates and methods for perfecting a  
6 security interest in a tax sale certificate or assignment of a tax sale certificate;  
7 providing for the retroactive application of this Act; and generally relating to tax  
8 sale certificates and recordation and transfer taxes.

9 BY adding to  
10 Article - Tax - Property  
11 Section 12-108(z), 13-207(a)(19), and 14-820.1  
12 Annotated Code of Maryland  
13 (1994 Replacement Volume and 1998 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article - Tax - Property  
16 Section 13-207(a)(17) and (18) and 14-822  
17 Annotated Code of Maryland  
18 (1994 Replacement Volume and 1998 Supplement)

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

21 **Article - Tax - Property**

22 12-108.

23 (Z) A TAX SALE CERTIFICATE UNDER § 14-820 OF THIS ARTICLE, A COPY OF A  
24 TAX SALE CERTIFICATE, OR AN ASSIGNMENT OF A TAX SALE CERTIFICATE IS NOT  
25 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 (17) § 12-108(x) of this article (Cooperative housing corporations); [or]

5 (18) § 12-108(y) of this article (Transfer from predecessor entity to limited  
6 liability company) [.]; OR

7 (19) § 12-108(Z) OF THIS ARTICLE (CERTIFICATE OF SALE OR ASSIGNMENT  
8 OF CERTIFICATE OF SALE).

9 14-820.1.

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

11 (B) A SECURITY INTEREST IN A CERTIFICATE OF SALE OR ASSIGNMENT OF A  
12 CERTIFICATE OF SALE MAY BE PERFECTED AS PROVIDED FOR ASSIGNMENTS OF  
13 MORTGAGES AS SECURITY UNDER § 7-101 OF THE REAL PROPERTY ARTICLE, BY  
14 RECORDING THE SECURITY INTEREST UNDER § 14-822 OF THIS SUBTITLE.

15 14-822.

16 The purchaser may record the certificate of sale, [and] A COPY OF THE  
17 CERTIFICATE OF SALE, OR any assignment of the certificate of sale among the land  
18 records of the county in which the property is located, but failure to record does not  
19 affect the right to institute foreclosure proceedings as provided in this subtitle.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 1999 and shall be applied retroactively to any certificate of sale or assignment  
22 of certificate of sale recorded on or after January 1, 1999.