

HOUSE BILL 216

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Q6
HB 972/99 - W&M

2000 Regular Session
0lr0361

By: **Delegates Kach and Bozman**

Introduced and read first time: January 24, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State and Local Transfer Taxes - First-Time Maryland Home Buyers**

3 FOR the purpose of altering certain provisions of law regarding recordation and
4 transfer taxes and certain first-time Maryland home buyers to allow a certain
5 affidavit evidencing that a grantee is a first-time Maryland home buyer to be
6 filed by an agent of the grantee; and generally relating to recordation and
7 transfer taxes and first-time Maryland home buyers.

8 BY repealing and reenacting, with amendments,
9 Article - Real Property
10 Section 14-104(c)(5)
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

13 BY adding to
14 Article - Real Property
15 Section 14-104(c)(6)
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Tax - Property
20 Section 13-203(b) and 13-409
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1999 Supplement)

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

1 **Article - Real Property**

2 14-104.

3 (c) (5) Paragraphs (1) and (2) of this subsection apply only if each grantee
4 OR AN AGENT OF THE GRANTEE provides a statement that is signed under oath by the
5 grantee OR AGENT OF THE GRANTEE stating that:

6 (i) 1. The grantee is a first-time Maryland home buyer as
7 defined under subsection (a) of this section; and

8 2. The residence will be occupied by the grantee as the
9 grantee's principal residence; or

10 (ii) 1. The grantee is a co-maker or guarantor of a purchase
11 money mortgage or purchase money deed of trust as defined in § 12-108(i) of the Tax
12 - Property Article for the property; and

13 2. The grantee will not occupy the residence as the
14 co-maker's or guarantor's principal residence.

15 (6) A STATEMENT UNDER PARAGRAPH (5) OF THIS SUBSECTION BY AN
16 AGENT OF A GRANTEE SHALL STATE THAT THE STATEMENT:

17 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
18 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

19 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
20 AND BELIEF OF THE AGENT.

21 **Article - Tax - Property**

22 13-203.

23 (b) (1) In this subsection, "first-time Maryland home buyer" means an
24 individual who has never owned in the State residential real property that has been
25 the individual's principal residence.

26 (2) If there are two or more grantees, this subsection does not apply
27 unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor
28 of a purchase money mortgage or purchase money deed of trust as defined in §
29 12-108(i) of this article for the property and the co-maker or guarantor will not
30 occupy the residence as the co-maker's or guarantor's principal residence.

31 (3) Notwithstanding any other provision of law, for a sale of improved
32 residential real property to a first-time Maryland home buyer who will occupy the
33 property as a principal residence, the rate of the transfer tax is 0.25% of the
34 consideration payable for the instrument of writing and the transfer tax shall be paid
35 entirely by the seller.

1 (4) To qualify for the exemption under paragraph (3) of this subsection,
2 each grantee OR AN AGENT OF THE GRANTEE shall provide a statement that is signed
3 under oath by the grantee OR AGENT OF THE GRANTEE stating that:

4 (i) 1. the grantee is an individual who has never owned in the
5 State residential real property that has been the individual's principal residence; and

6 2. the residence will be occupied by the grantee as the
7 grantee's principal residence; or

8 (ii) 1. the grantee is a co-maker or guarantor of a purchase
9 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this
10 article for the property; and

11 2. the grantee will not occupy the residence as the
12 co-maker's or guarantor's principal residence.

13 (5) A STATEMENT UNDER PARAGRAPH (4) OF THIS SUBSECTION BY AN
14 AGENT OF A GRANTEE SHALL STATE THAT THE STATEMENT:

15 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
16 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

17 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
18 AND BELIEF OF THE AGENT.

19 13-409.

20 (A) Any county having a county transfer tax may provide for an exemption
21 from the tax for an instrument of writing for residentially improved owner-occupied
22 real property if the instrument of writing is accompanied by a statement under oath
23 signed by each grantee OR AN AGENT OF THE GRANTEE that:

24 (1) (i) the grantee is an individual who has never owned in the State
25 residential real property that has been the individual's principal residence; and

26 (ii) the residence will be occupied by the grantee as the grantee's
27 principal residence; or

28 (2) (i) the grantee is a co-maker or guarantor of a purchase money
29 mortgage or purchase money deed of trust as defined in § 12-108(i) of this article for
30 the property; and

31 (ii) the grantee will not occupy the residence as the co-maker's or
32 guarantor's principal residence.

33 (B) A STATEMENT UNDER SUBSECTION (A) OF THIS SECTION BY AN AGENT OF
34 A GRANTEE SHALL STATE THAT THE STATEMENT:

35 (1) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
36 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

1 (2) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION, AND
2 BELIEF OF THE AGENT.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2000.