

HOUSE BILL 1004

Unofficial Copy
Q2

2000 Regular Session
(01r0497)

ENROLLED BILL
-- Ways and Means/Budget and Taxation --

Introduced by **Prince George's County Delegation**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County - Transfer Tax Rate**
3 **PG 403-00**

4 FOR the purpose of ~~altering the maximum rate for the Prince George's County~~
5 ~~transfer tax for first time Prince George's County home buyers; altering the~~
6 ~~maximum rate for the transfer tax in Prince George's County for the transfer of~~
7 ~~residential real property on or after certain dates~~ creating a Task Force on the
8 Prince George's County Transfer Tax Rate; requiring the Task Force to conduct
9 a thorough review of the transfer tax rate in Prince George's County and its
10 effect on citizens, businesses, and schools in the County; specifying the
11 composition, powers, and duties of the Task Force; providing for the staffing of
12 the Task Force; requiring the Task Force to report its findings and
13 recommendations by a certain date; providing for the termination of certain
14 ~~provisions of this Act; providing for a delayed effective date for certain~~
15 ~~provisions of this Act; and generally relating to the Prince George's County~~
16 ~~transfer tax.~~

1 ~~BY repealing and reenacting, without amendments,~~
2 ~~The Public Local Laws of Prince George's County~~
3 ~~Section 10-187(a)(1)~~
4 ~~Article 17—Public Local Laws of Maryland~~
5 ~~(1995 Edition and 1998 Supplement, as amended)~~

6 ~~BY repealing and reenacting, with amendments,~~
7 ~~The Public Local Laws of Prince George's County~~
8 ~~Section 10-187(b)~~
9 ~~Article 17—Public Local Laws of Maryland~~
10 ~~(1995 Edition and 1998 Supplement, as amended)~~

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

13 (a) There is a Task Force on the Prince George's County Transfer Tax Rate.

14 (b) The Task Force consists of the following 13 members:

15 (1) One member of the House of Delegates, appointed by the Chairman
16 of the Prince George's County House Delegation;

17 (2) One member of the Senate of Maryland, appointed by the Chairman
18 of the Prince George's County Senate Delegation;

19 (3) One member of the County Council of Prince George's County,
20 appointed by the Chairman of the County Council;

21 (4) The County Executive of Prince George's County or the County
22 Executive's designee;

23 (5) One member of the Prince George's County Board of Education,
24 appointed by the Chairman of the Board;

25 (6) The Superintendent of Prince George's County schools or the
26 Superintendent's designee;

27 (7) Two members of the Parent Teacher Association from Prince George's
28 County, appointed by the President of the Association;

29 (8) One member of the Prince George's County Board of Realtors,
30 appointed by the President of the Board of Realtors;

31 (9) One member of the Prince George's County Chamber of Commerce,
32 appointed by the President of the Chamber of Commerce;

33 (10) Two citizens who are residents of Prince George's County, appointed
34 jointly by the Chairman of the Prince George's County House Delegation and the
35 Chairman of the Prince George's County Senate Delegation; and

1 (11) One member of the Prince George's County Educators Association,
2 appointed by the President of the Association.

3 (c) The two members of the Task Force representing the General Assembly
4 shall serve as cochairmen of the Task Force.

5 (d) The Task Force shall complete a thorough review of the transfer tax rate in
6 Prince George's County and the effect of the transfer tax rate on the citizens,
7 businesses, and schools in Prince George's County.

8 (e) Members of the Task Force shall serve without compensation except that
9 the members may be reimbursed for expenses under the Standard State Travel
10 Regulations, as provided in the State budget.

11 (f) The County Executive of Prince George's County and the Department of
12 Legislative Services shall jointly provide staff support for the Task Force to the extent
13 possible within existing budgeted resources.

14 (g) The Task Force shall issue a final report of its findings and
15 recommendations to the Chairman of the Prince George's County House Delegation
16 and the Chairman of the Prince George's County Senate Delegation on or before
17 November 1, 2000.

18 **Article 17—Prince George's County**

19 ~~10-187.~~

20 ~~(a) (1) Except as provided in Subsection (b) of this Section, the County~~
21 ~~Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of~~
22 ~~the actual consideration paid or to be paid under every instrument of writing~~
23 ~~conveying title to real property, or any interest therein, in the County, offered for~~
24 ~~record and recorded in the County. Conveyances to the State, any agency of the State,~~
25 ~~or any political subdivision of the State shall not be subject to the tax imposed under~~
26 ~~this Section.~~

27 ~~(b) (1) The Council may not impose a tax on the consideration represented~~
28 ~~by the assumption of a mortgage or deed of trust on an instrument of writing~~
29 ~~conveying title to real property between a husband and wife.~~

30 ~~(2) The tax authorized under Subsection (a) of this Section does not~~
31 ~~apply to a mortgage or deed of trust on property that is owned by a religious group if~~
32 ~~the property is exempt from the property tax under Section 7-204 of the Tax—~~
33 ~~Property Article of the Annotated Code of Maryland.~~

34 ~~(3) (1) IN THIS PARAGRAPH, "FIRST TIME PRINCE GEORGE'S COUNTY~~
35 ~~HOME BUYER" MEANS AN INDIVIDUAL WHO HAS NEVER OWNED RESIDENTIAL REAL~~
36 ~~PROPERTY IN THE COUNTY THAT HAS BEEN THE INDIVIDUAL'S PRINCIPAL~~
37 ~~RESIDENCE.~~

1 (II) FOR A SALE OF IMPROVED RESIDENTIAL REAL PROPERTY TO A
 2 FIRST-TIME PRINCE GEORGE'S COUNTY HOME BUYER WHO WILL OCCUPY THE
 3 RESIDENCE AS A PRINCIPAL RESIDENCE, THE RATE OF A TRANSFER TAX IMPOSED
 4 UNDER THIS SECTION MAY NOT EXCEED 1.3%.

5 (III) IF THERE ARE TWO OR MORE GRANTEES, THIS PARAGRAPH
 6 DOES NOT APPLY UNLESS EACH GRANTEE IS A FIRST-TIME PRINCE GEORGE'S
 7 COUNTY HOME BUYER OR A CO-MAKER OR GUARANTOR OF A PURCHASE MONEY
 8 MORTGAGE OR PURCHASE MONEY DEED OF TRUST AS DEFINED IN § 12-108(f) OF THE
 9 TAX – PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE
 10 CO-MAKER OR GUARANTOR WILL NOT OCCUPY THE RESIDENCE AS THE CO-MAKER'S
 11 OR GUARANTOR'S PRINCIPAL RESIDENCE.

12 (IV) TO QUALIFY FOR THE RATE REDUCTION UNDER THIS
 13 PARAGRAPH, EACH GRANTEE SHALL PROVIDE A STATEMENT THAT IS SIGNED UNDER
 14 OATH BY THE GRANTEE STATING THAT:

15 1. A. THE GRANTEE IS AN INDIVIDUAL WHO HAS NEVER
 16 OWNED RESIDENTIAL REAL PROPERTY IN THE COUNTY THAT HAS BEEN THE
 17 INDIVIDUAL'S PRINCIPAL RESIDENCE; AND

18 B. THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS
 19 THE GRANTEE'S PRINCIPAL RESIDENCE; OR

20 2. A. THE GRANTEE IS A CO-MAKER OR GUARANTOR OF A
 21 PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST FOR THE
 22 PROPERTY AS DEFINED IN § 12-108(f) OF THE TAX – PROPERTY ARTICLE OF THE
 23 ANNOTATED CODE OF MARYLAND; AND

24 B. THE GRANTEE WILL NOT OCCUPY THE RESIDENCE AS THE
 25 CO-MAKER'S OR GUARANTOR'S PRINCIPAL RESIDENCE.

26 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 27 read as follows:

28 **Article 17 – Prince George's County**

29 10-187.

30 (a) (1) Except as provided in Subsection (b) of this Section, the County
 31 Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of
 32 the actual consideration paid or to be paid under every instrument of writing
 33 conveying title to real property, or any interest therein, in the County, offered for
 34 record and recorded in the County. Conveyances to the State, any agency of the State,
 35 or any political Subdivision of the State shall not be subject to the tax imposed under
 36 this Section.

37 (b) (1) The Council may not impose a tax on the consideration represented
 38 by the assumption of a mortgage or deed of trust on an instrument of writing
 39 conveying title to real property between a husband and wife.

1 (2) The tax authorized under Subsection (a) of this Section does not
2 apply to a mortgage or deed of trust on property that is owned by a religious group if
3 the property is exempt from the property tax under Section 7-204 of the Tax-
4 Property Article of the Annotated Code of Maryland.

5 (3) ~~THE RATE OF A TRANSFER TAX IMPOSED UNDER THIS SECTION ON~~
6 ~~THE TRANSFER OF RESIDENTIAL REAL PROPERTY MAY NOT EXCEED:~~

7 (I) ~~1.3% ON OR AFTER JULY 1, 2002;~~

8 (II) ~~1.2% ON OR AFTER JULY 1, 2003; AND~~

9 (III) ~~1.0% ON OR AFTER JULY 1, 2004.~~

10 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~
11 ~~take effect July 1, 2002.~~

12 ~~SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in~~
13 ~~Section 3 of this Act, this Act shall take effect July 1, 2000. Section 1 of this Act shall~~
14 ~~remain effective for a period of 2 years and, at the end of June 30, 2002, with no~~
15 ~~further action required by the General Assembly, Section 1 of this Act shall be~~
16 ~~abrogated and of no further force and effect.~~

17 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
18 ~~June 1, 2000. It shall remain effective for a period of 6 months and, at the end of~~
19 ~~November 30, 2000, with no further action required by the General Assembly, this Act~~
20 ~~shall be abrogated and of no further force and effect.~~