
By: **Prince George's County Delegation**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Transfer Tax**
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; providing for the termination
8 of certain provisions of this Act; providing for a delayed effective date for certain
9 provisions of this Act; and generally relating to the Prince George's County
10 transfer tax.

11 BY repealing and reenacting, without amendments,
12 The Public Local Laws of Prince George's County
13 Section 10-187(a)(1)
14 Article 17 - Public Local Laws of Maryland
15 (1995 Edition and 1998 Supplement, as amended)

16 BY repealing and reenacting, with amendments,
17 The Public Local Laws of Prince George's County
18 Section 10-187(b)
19 Article 17 - Public Local Laws of Maryland
20 (1995 Edition and 1998 Supplement, as amended)

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

23 **Article 17 - Prince George's County**

24 10-187.

25 (a) (1) Except as provided in Subsection (b) of this Section, the County
26 Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of
27 the actual consideration paid or to be paid under every instrument of writing
28 conveying title to real property, or any interest therein, in the County, offered for

1 record and recorded in the County. Conveyances to the State, any agency of the State,
2 or any political Subdivision of the State shall not be subject to the tax imposed under
3 this Section.

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

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

11 (3) (I) IN THIS PARAGRAPH, "FIRST-TIME PRINCE GEORGE'S COUNTY
12 HOME BUYER" MEANS AN INDIVIDUAL WHO HAS NEVER OWNED RESIDENTIAL REAL
13 PROPERTY IN THE COUNTY THAT HAS BEEN THE INDIVIDUAL'S PRINCIPAL
14 RESIDENCE.

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

19 (III) IF THERE ARE TWO OR MORE GRANTEES, THIS PARAGRAPH
20 DOES NOT APPLY UNLESS EACH GRANTEE IS A FIRST-TIME PRINCE GEORGE'S
21 COUNTY HOME BUYER OR A CO-MAKER OR GUARANTOR OF A PURCHASE MONEY
22 MORTGAGE OR PURCHASE MONEY DEED OF TRUST AS DEFINED IN § 12-108(I) OF THE
23 TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE
24 CO-MAKER OR GUARANTOR WILL NOT OCCUPY THE RESIDENCE AS THE CO-MAKER'S
25 OR GUARANTOR'S PRINCIPAL RESIDENCE.

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

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

32 B. THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS
33 THE GRANTEE'S PRINCIPAL RESIDENCE; OR

34 2. A. THE GRANTEE IS A CO-MAKER OR GUARANTOR OF A
35 PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST FOR THE
36 PROPERTY AS DEFINED IN § 12-108(I) OF THE TAX - PROPERTY ARTICLE OF THE
37 ANNOTATED CODE OF MARYLAND; AND

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

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

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Article 17 - Prince George's County

4 10-187.

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

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

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

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

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

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

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

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

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