

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 297

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “of” insert “altering certain exemptions from the recordation tax to provide for a separate exemption for certain instruments of writing that transfer title to real property from certain real estate enterprises to a limited liability company under certain circumstances; making conforming changes;”; in line 7, after “term;” insert “providing that certain business interests of an individual may not affect the individual’s ability to claim a certain exemption;”; after line 10, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - Property

Section 12-108(y) and 13-207(a)(18)

Annotated Code of Maryland

(1994 Replacement Volume and 2000 Supplement)”;

and strike in their entirety lines 16 through 20, inclusive.

AMENDMENT NO. 2

On page 1, after line 24, insert:

“(y) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Foreign general partnership”, “foreign limited partnership”, “foreign limited liability partnership”, “foreign limited liability limited partnership”[, “foreign proprietorship”], and “foreign joint venture” mean, respectively, a partnership, limited partnership, limited liability limited partnership, [proprietorship,] or joint venture organized or formed under the laws of the United States, another state of the United States, or a territory, possession, or district of the United States.

(iii) “Predecessor entity” includes a:

1. Maryland general partnership or foreign general partnership;
2. Maryland limited partnership or foreign limited partnership;
3. Maryland limited liability partnership or foreign limited liability partnership;
4. Maryland limited liability limited partnership or foreign limited liability limited partnership; AND
5. [Maryland proprietorship or foreign proprietorship, comprised of one or more individuals, which is involved principally in buying, selling, leasing, or managing real property; and
- 6.1 Maryland joint venture or foreign joint venture.

(2) An instrument of writing that transfers title to real property from a predecessor entity or a trustee or nominee of a predecessor entity to a limited liability company is not subject to recordation tax if:

(i) 1. the members of the limited liability company are identical to the partners of the converting general partnership, limited partnership, limited liability partnership, or limited liability limited partnership; OR

2. [the members of the limited liability company are identical to the individual or individuals of the converting proprietorship; or

3.1 the members of the limited liability company are identical to the joint venturers of the converting joint venture;

(ii) each member’s allocation of the profits and losses of the limited liability company is identical to that member's allocation of the profits and losses of the converting predecessor entity; and

(iii) the instrument of writing that transfers title to real property represents the dissolution of the predecessor entity for purposes of conversion to a limited liability company.”.

AMENDMENT NO. 3

On page 1, in line 27, strike “ENTIRETIES” and substitute “ENTIRETY”; and in the same line, after “ARE” insert “PRINCIPALLY”.

AMENDMENT NO. 4

On page 2, in line 15, strike the second “THE” and substitute “ANY”; and in the same line, after “A” insert “SINGLE”.

AMENDMENT NO. 5

On page 2, after line 16, insert:

“(3) AN INDIVIDUAL’S OTHER BUSINESS INTERESTS UNRELATED TO THE REAL ESTATE ENTERPRISE AND UNAFFECTED BY THE TITLE TRANSFER TO A LIMITED LIABILITY COMPANY MAY NOT AFFECT THE INDIVIDUAL’S ABILITY TO CLAIM THE EXEMPTION FROM THE RECORDATION TAX DESCRIBED IN THIS SUBSECTION.”;

and in line 21, strike “ENTITY” and substitute “ENTERPRISE”.