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By: **Chairman, Budget and Taxation Committee (Departmental - Natural Resources)**

Introduced and read first time: January 23, 2002

Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Tax - Land Trusts - Exemption**

3 FOR the purpose of exempting the transfer of certain conservation easements and fee  
4 simple interests from recordation and transfer taxes under certain  
5 circumstances; and generally relating to the transfer of conservation easements  
6 and fee simple interests to land trusts.

7 BY adding to  
8 Article - Tax - Property  
9 Section 12-108(cc) and 13-410  
10 Annotated Code of Maryland  
11 (2001 Replacement Volume and 2001 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article - Tax - Property  
14 Section 12-109(b) and 13-207(a)  
15 Annotated Code of Maryland  
16 (2001 Replacement Volume and 2001 Supplement)

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

19 **Article - Tax - Property**

20 12-108.

21 (CC) (1) IN THIS SUBSECTION, THE FOLLOWING WORDS HAVE THE  
22 MEANINGS INDICATED.

23 (2) "LAND TRUST" MEANS A QUALIFIED CONSERVATION ORGANIZATION  
24 THAT:

1 (I) IS A QUALIFIED ORGANIZATION UNDER § 170(H)(3) OF THE  
2 INTERNAL REVENUE CODE AND REGULATIONS ADOPTED UNDER THAT SECTION;  
3 AND

4 (II) HAS EXECUTED A COOPERATIVE AGREEMENT WITH THE  
5 MARYLAND ENVIRONMENTAL TRUST.

6 (3) "CONSERVATION EASEMENT" MEANS ANY INSTRUMENT OF WRITING  
7 DESCRIBED IN § 2-118 OF THE REAL PROPERTY ARTICLE.

8 12-109.

9 (b) (1) Except as provided in paragraph (2) of this subsection, the  
10 recordation tax on an instrument of writing or a security agreement recorded under  
11 subsection (a)(1) of this section in any county shall be paid to the collector or the clerk  
12 of the circuit court for the county, as designated by the governing body of the county.

13 (2) In Prince George's County, the recordation tax on an instrument of  
14 writing or a security agreement recorded under subsection (a)(1) of this section shall  
15 be paid to the Director of Finance of Prince George's County.

16 (3) The recordation tax on articles of transfer, articles of merger, articles  
17 of consolidation or other documents which evidence a merger or consolidation of  
18 foreign corporations, foreign partnerships, foreign limited liability companies, or  
19 foreign limited partnerships filed with the Department shall be paid to the  
20 Department.

21 (4) A TRANSFER OF A CONSERVATION EASEMENT TO A LAND TRUST AND  
22 THE UNITED STATES, THE STATE, AN AGENCY OF THE STATE, OR A POLITICAL  
23 SUBDIVISION OF THE STATE IS NOT SUBJECT TO RECORDATION TAX.

24 (5) AN INSTRUMENT OF WRITING CONVEYING FEE SIMPLE TITLE TO  
25 REAL PROPERTY TO A LAND TRUST IS NOT SUBJECT TO RECORDATION TAX IF THE  
26 LAND TRUST FILES A DECLARATION OF INTENT TO CONVEY ITS FEE SIMPLE  
27 INTEREST TO THE UNITED STATES, THE STATE, AN AGENCY OF THE STATE, OR A  
28 POLITICAL SUBDIVISION OF THE STATE WITHIN 18 MONTHS OF THE DATE OF THE  
29 DECLARATION.

30 13-207.

31 (a) An instrument of writing is not subject to transfer tax to the same extent  
32 that it is not subject to recordation tax under:

33 (1) § 12-108(a) of this article (Transfer to government or public agency);

34 (2) § 12-108(c) of this article (Transfer between relatives);

35 (3) § 12-108(d) of this article (Transfer between spouses);

36 (4) § 12-108(e) of this article (Supplemental instrument);

- 1 (5) § 12-108(f) of this article (Previously recorded instrument);
- 2 (6) § 12-108(l) of this article (Judgments);
- 3 (7) § 12-108(n) of this article (Order of satisfaction);
- 4 (8) § 12-108(o) of this article (Participation agreement);
- 5 (9) § 12-108(p) of this article (Transfer of corporate property between  
6 related corporations);
- 7 (10) § 12-108(q) of this article (Corporate or partnership conveyance);
- 8 (11) § 12-108(r) of this article (Land installment contracts);
- 9 (12) § 12-108(s) of this article (Options to purchase real property);
- 10 (13) § 12-108(t) of this article (Deed for prior contract of sale);
- 11 (14) § 12-108(u) of this article (Leases of 7 years or less);
- 12 (15) § 12-108(v) of this article (Mergers);
- 13 (16) § 12-108(w) of this article (Consolidations);
- 14 (17) § 12-108(x) of this article (Cooperative housing corporations);
- 15 (18) § 12-108(y) or (bb) of this article (Transfer from predecessor entity or  
16 real estate enterprise to limited liability company);
- 17 (19) § 12-108(z) of this article (Transfer from a Class I Railroad Carrier to  
18 its wholly-owned limited liability company); [or]
- 19 (20) § 12-108(aa) of this article (Transfers involving certain Maryland  
20 Stadium Authority affiliates); OR
- 21 (21) § 12-108(CC) OF THIS ARTICLE (TRANSFERS INVOLVING  
22 CONSERVATION EASEMENTS FOR LAND TRUSTS).

23 13-410.

24 A TRANSFER CONVEYED TO A LAND TRUST AS DEFINED IN § 12-108(CC) OF THIS  
25 ARTICLE IS NOT SUBJECT TO THE COUNTY TRANSFER TAX.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
27 effect July 1, 2002.