
By: **Senator Colburn**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

Reassigned: Judicial Proceedings, February 7, 2002

Committee Report: Favorable

Senate action: Adopted

Read second time: March 19, 2002

CHAPTER _____

1 AN ACT concerning

2 **Recordation Tax - Agent of Original Mortgagor - Authority to File Statement**
3 **for Exemption**

4 FOR the purpose of altering a certain exemption under the recordation tax for certain
5 instruments of writing securing the refinancing by the original mortgagor of
6 real property that is used as the principal residence by the original mortgagor to
7 provide that a certain affidavit required to qualify for the exemption may be
8 filed by an agent of the original mortgagor; and generally relating to the
9 authority of an agent of an original mortgagor to file certain statements
10 required for a certain exemption under the recordation tax for certain
11 instruments of writing securing the refinancing by the original mortgagor of
12 real property.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - Property
15 Section 12-108(g)
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2001 Supplement)

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

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Article - Tax - Property

2 12-108.

3 (g) (1) In this subsection, "original mortgagor" includes an individual who
4 assumed a debt secured by real property that the individual purchased as a principal
5 residence and who paid the recordation tax on the consideration paid for the property.

6 (2) A mortgage or deed of trust is not subject to recordation tax to the
7 extent that it secures the refinancing of an amount not greater than the unpaid
8 principal amount secured by an existing mortgage or deed of trust at the time of
9 refinancing by the original mortgagor of real property that is used as a principal
10 residence by the original mortgagor.

11 (3) To qualify for an exemption under paragraph (2) of this subsection an
12 original mortgagor OR AGENT OF THE ORIGINAL MORTGAGOR shall include a
13 statement in the recitals or in the acknowledgment of the mortgage or deed of trust,
14 or submit with the mortgage or deed of trust, an affidavit under oath, signed by the
15 original mortgagor OR AGENT OF THE ORIGINAL MORTGAGOR, stating:

16 (i) that the individual is the original mortgagor OR AGENT OF THE
17 ORIGINAL MORTGAGOR;

18 (ii) that the mortgaged property is the principal residence of the
19 original mortgagor; and

20 (iii) the amount of unpaid principal of the original mortgage or deed
21 of trust that is being refinanced.

22 (4) A STATEMENT UNDER PARAGRAPH (3) OF THIS SUBSECTION BY AN
23 AGENT OF THE ORIGINAL MORTGAGOR SHALL STATE THAT THE STATEMENT:

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

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

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