

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 660

(Senator Conway)

Judicial Proceedings

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**Baltimore City - Property Deeds - Recording - Fines**

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This bill requires a fine of \$500 to be charged for failure to record a deed that evidences the transfer of ownership of property located in Baltimore City within 45 days after the transfer. The fine amount doubles every 30 days and may not be capped. The fine must be imposed at the time the deed is recorded and be payable to the Director of Finance of Baltimore City. The fine is a lien on the subject property until paid. The bill does not apply to deeds transferring property by inheritance.

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**Fiscal Summary**

**State Effect:** The bill would not materially affect the finances or operations of the Clerk of the Circuit Court for Baltimore City.

**Local Effect:** Potential increase in fine revenue for Baltimore City from deeds recorded more than 45 days after ownership transfers. Expenditures would not be affected.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** Generally, a deed granting a freehold estate, an estate of inheritance, a declaration or limitation of use, or an estate above seven years must be executed and recorded before it may pass or take effect. Generally, a deed or other instrument that effects a change of ownership on the assessment books may not be recorded until the property granted is transferred on the assessment books or records of the county where the property is located.

Generally, property may not be transferred on the assessment books or records until all public taxes, assessments, and charges due on the property have been paid to the treasurer, tax collector, or director of finance where it is assessed. The certificate of the collecting agent showing that all taxes, assessments, and charges have been paid must be endorsed on the deed, and the endorsement is sufficient authority for transfer on the assessment books.

**Background:** Prior to recording a deed in Baltimore City, a person must obtain a lien certificate that certifies that all liens, including tax liens, on the property in favor of the city have been satisfied. The lien certificate must be recorded with the deed.

**Small Business Effect:** Although the bill does not so state, it is assumed that the person recording the deed, often a settlement company or attorney, would be responsible for the fine. Small businesses that are settlement companies or attorney offices that perform settlements could face stiff fines under the bill. While some deeds are not recorded within 45 days for fraudulent reasons, a deed may not be recorded within the bill's 45-day limit for several legitimate reasons. For illustrative purposes, a deed may be held in escrow pending satisfaction of a condition subsequent to the contract, or the person recording the deed may not be able to obtain a lien certificate within the bill's 45-day limit.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Baltimore City, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2003  
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