
By: **Delegates Hixson, Healey, Howard, Marriott, and Patterson**

Introduced and read first time: January 16, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and County Transfer Taxes - Exemption for First-Time Home**
3 **Buyers**

4 FOR the purpose of requiring the governing body of a county or Baltimore City to
5 provide for an exemption from the local recordation tax for certain instruments
6 of writing for certain residentially improved owner-occupied real property if the
7 instruments of writing are accompanied by certain statements under oath;
8 requiring the governing body of a county or Baltimore City that has a county
9 transfer tax to provide an exemption from the tax for certain instruments of
10 writing for certain residentially improved owner-occupied real property if the
11 instruments of writing are accompanied by certain statements under oath; and
12 generally relating to local recordation and county transfer taxes.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - Property
15 Section 12-103(b) and 13-409
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2005 Supplement)

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

20 **Article - Tax - Property**

21 12-103.

22 (b) (1) The Mayor and City Council of Baltimore City or the governing body
23 of a county may set, by law, the recordation tax rate in the county.

24 (2) The Mayor and City Council of Baltimore City or the governing body
25 of a county may provide for an exemption from the tax of a specified amount of the
26 consideration payable on the conveyance of owner-occupied residential property if the
27 buyer intends to use the property as the buyer's principal residence by actually
28 occupying the residence for at least 7 months of a 12-month period.

1 (3) The governing body of a county or Baltimore City [may] SHALL
2 provide for an exemption from the recordation tax for an instrument of writing for
3 residentially improved owner-occupied real property if the instrument of writing is
4 accompanied by a statement under oath signed by each grantee that:

5 (i) 1. the grantee is an individual who has never owned in the
6 State residential real property that has been the individual's principal residence; and

7 2. the residence will be occupied by the grantee as the
8 grantee's principal residence; or

9 (ii) 1. the grantee is a co-maker or guarantor of a purchase
10 money mortgage or purchase money deed of trust as defined in § 12-108(i) of this title
11 for the property; and

12 2. the grantee will not occupy the residence as the
13 co-maker's or guarantor's principal residence.

14 13-409.

15 (a) Any county having a county transfer tax [may] SHALL provide for an
16 exemption from the tax for an instrument of writing for residentially improved
17 owner-occupied real property if the instrument of writing is accompanied by a
18 statement under oath signed by each grantee or an agent of the grantee that:

19 (1) (i) the grantee is an individual who has never owned in the State
20 residential real property that has been the individual's principal residence; and

21 (ii) the residence will be occupied by the grantee as the grantee's
22 principal residence; or

23 (2) (i) the grantee is a co-maker or guarantor of a purchase money
24 mortgage or purchase money deed of trust as defined in § 12-108(i) of this article for
25 the property; and

26 (ii) the grantee will not occupy the residence as the co-maker's or
27 guarantor's principal residence.

28 (b) A statement under subsection (a) of this section by an agent of a grantee
29 shall state that the statement:

30 (1) is based on a diligent inquiry made by the agent with respect to the
31 facts set forth in the statement; and

32 (2) is true to the best of the knowledge, information, and belief of the
33 agent.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2006.