
By: **Chairman, Budget and Taxation Committee (By Request - Maryland
Judicial Conference)**

Introduced and read first time: January 19, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax - Residential Property - Affidavit of First-Time**
3 **Ownership**

4 FOR the purpose of requiring that certain first-time Maryland home buyers include
5 a certain required statement in the recitals or in the acknowledgment of the
6 deed or to be submitted with the deed for improved residential real property in
7 order to qualify for a certain exemption from the State transfer tax; and
8 generally relating to an exemption from the State transfer tax for first-time
9 Maryland home buyers.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - Property
12 Section 13-203(b)
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2005 Supplement)

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

17 **Article - Tax - Property**

18 13-203.

19 (b) (1) In this subsection, "first-time Maryland home buyer" means an
20 individual who has never owned in the State residential real property that has been
21 the individual's principal residence.

22 (2) If there are two or more grantees, this subsection does not apply
23 unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor
24 of a purchase money mortgage or purchase money deed of trust as defined in §
25 12-108(i) of this article for the property and the co-maker or guarantor will not
26 occupy the residence as the co-maker's or guarantor's principal residence.

1 (3) Notwithstanding any other provision of law, for a sale of improved
2 residential real property to a first-time Maryland home buyer who will occupy the
3 property as a principal residence, the rate of the transfer tax is 0.25% of the
4 consideration payable for the instrument of writing and the transfer tax shall be paid
5 entirely by the seller.

6 (4) To qualify for the exemption under paragraph (3) of this subsection,
7 each grantee or an agent of the grantee shall provide a statement that is signed under
8 oath by the grantee or agent of the grantee stating that:

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

11 2. the residence will be occupied by the grantee as the
12 grantee's principal residence; or

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

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

18 (5) A statement under paragraph (4) of this subsection by an agent of a
19 grantee shall state that the statement:

20 (i) is based on a diligent inquiry made by the agent with respect to
21 the facts set forth in the statement; and

22 (ii) is true to the best of the knowledge, information, and belief of
23 the agent.

24 (6) TO QUALIFY FOR AN EXEMPTION UNDER PARAGRAPH (3) OF THIS
25 SUBSECTION, THE STATEMENT REQUIRED UNDER PARAGRAPH (4) OR (5) OF THIS
26 SUBSECTION SHALL BE:

27 (I) INCLUDED IN THE RECITALS OR IN THE ACKNOWLEDGMENT OF
28 THE DEED; OR

29 (II) SUBMITTED WITH THE DEED.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2006.