

HOUSE BILL 402

Q8

8lr2148

By: **St. Mary's County Delegation**

Introduced and read first time: January 28, 2008

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: February 19, 2008

CHAPTER _____

1 AN ACT concerning

2 **St. Mary's County – Transfer Tax – Termination Provision**

3 FOR the purpose of extending to a certain date the termination provision relating to
4 the authority of the County Commissioners of St. Mary's County to impose a
5 real property transfer tax; and generally relating to the authority for the
6 County Commissioners of St. Mary's County to impose a transfer tax.

7 BY repealing and reenacting, with amendments,
8 The Public Local Laws of St. Mary's County
9 Section 138–1
10 Article 19 – Public Local Laws of Maryland
11 (2007 Edition, as amended)

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

14 **Article 19 – St. Mary's County**

15 138–1.

16 A. (1) In this section “instrument of writing” means a written instrument
17 that conveys title to, or a leasehold interest in, real property.

18 (2) “Instrument of writing” includes:

19 (a) A deed or contract;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 (b) A lease;
- 2 (c) An assignment of a lessee's interest;
- 3 (d) Articles of transfer;
- 4 (e) Articles of merger or other document which evidences a
5 merger of foreign corporations or foreign limited partnerships; and
- 6 (f) Articles of consolidation or other document which evidences
7 a consolidation of foreign corporations.

8 (3) "Instrument of writing" does not include:

- 9 (a) A mortgage, deed of trust, or other contract that creates an
10 encumbrance on real property; or
- 11 (b) A security agreement, as defined in § 12-101(e) of the
12 Tax – Property Article of the Annotated Code of Maryland.

13 B. The County Commissioners may impose a transfer tax on an instrument
14 of writing:

- 15 (1) Recorded with the Clerk of the Circuit Court for St. Mary's County;
16 or
- 17 (2) Filed with the State Department of Assessments and Taxation.

18 C. A transfer tax under this section:

- 19 (1) Shall be established by ordinance;
- 20 (2) May not exceed one (1) percent; and
- 21 (3) Does not apply to:
- 22 (a) An instrument of writing exempt from the State transfer tax
23 under § 13-207 of the Tax – Property Article of the Annotated Code of Maryland; or
- 24 (b) A transfer of land subject to the agricultural land transfer
25 tax under Title 13, Subtitle 3 of the Tax – Property Article of the Annotated Code of
26 Maryland.

27 D. (1) The proceeds from the transfer tax may only be used to pay for
28 capital projects.

1 (2) The County Commissioners shall state in the county budget each
2 year:

3 (a) An estimate of the revenue to be received from the transfer
4 tax for both the current and the ensuing fiscal years;

5 (b) The revenue received from the transfer tax during the
6 previous fiscal year; and

7 (c) The capital projects for which the County Commissioners
8 anticipate the proceeds from the transfer tax will be used.

9 E. Before the county imposes a transfer tax under this section, the County
10 Commissioners shall hold a public hearing that:

11 (1) Shall be advertised by publication in a newspaper of general
12 circulation in the county at least ten (10) days before the hearing; and

13 (2) May not be part of the annual budget hearing.

14 F. The authority granted to impose a transfer tax under this section shall
15 terminate and be of no effect after [July 1, 2010] **JULY 1, 2020**.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.