

HOUSE BILL 1159

Q1, Q6

8lr0521

By: **Delegates Manno, Barve, Cardin, Eckardt, Elmore, Gilchrist, Haddaway, Hecht, Hucker, Impallaria, Ivey, Kaiser, King, Miller, Montgomery, Olszewski, Rice, Ross, and Stukes**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2008

CHAPTER _____

1 AN ACT concerning

2 **Homeowners' Tax Fairness in Eminent Domain Proceedings Act**

3 FOR the purpose of ~~exempting~~ authorizing the Mayor and City Council of Baltimore
4 City or the governing body of a county to exempt from recordation tax ~~and State~~
5 ~~transfer tax~~ an instrument of writing that transfers certain improved
6 residential real property to an individual who previously owned property that
7 was acquired for public use; providing that a certain recordation tax exemption
8 may apply to the county or Baltimore City transfer tax; providing for certain
9 limitations on the exemption from recordation tax and ~~State~~ transfer tax;
10 defining certain terms; and generally relating to exemptions from recordation
11 and ~~State~~ county transfer taxes.

12 BY adding to

13 Article – Tax – Property

14 Section ~~12-108(dd) and 13-207(a)(22)~~ 12-118 and 13-411

15 Annotated Code of Maryland

16 (2007 Replacement Volume)

17 ~~BY repealing and reenacting, with amendments,~~

18 ~~Article – Tax – Property~~

19 ~~Section 13-207(a)(20) and (21)~~

20 ~~Annotated Code of Maryland~~

21 ~~(2007 Replacement Volume)~~

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

3 **Article - Tax - Property**

4 ~~12-108~~ **12-118.**

5 ~~(DD)~~ **(A)** (1) ~~(H)~~ IN THIS SUBSECTION THE FOLLOWING WORDS
6 HAVE THE MEANINGS INDICATED.

7 ~~(H)~~ **(2)** “ACQUIRED DWELLING” MEANS A DWELLING:

8 ~~1~~ **(I)** THAT WAS OWNED BY A DISPLACED HOMEOWNER;
9 AND

10 ~~2~~ **(II)** THAT BY NEGOTIATION OR CONDEMNATION WAS
11 ACQUIRED FROM THE DISPLACED HOMEOWNER FOR PUBLIC USE BY THE STATE
12 OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE, WHERE
13 THE ACQUIRING AGENCY HAD THE POWER TO ACQUIRE THE DWELLING FOR
14 PUBLIC USE BY CONDEMNATION.

15 ~~(H)~~ **(3)** “ACQUISITION YEAR” MEANS THE TAXABLE YEAR
16 IN WHICH AN ACQUIRED DWELLING WAS ACQUIRED FOR PUBLIC USE BY THE
17 STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE.

18 ~~(IV)~~ **(4)** “AWARDED COMPENSATION” MEANS THE AMOUNT
19 AWARDED TO THE DISPLACED HOMEOWNER FROM THE ACQUIRING AGENCY
20 WHEN THE STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE
21 STATE TOOK POSSESSION OF THE ACQUIRED DWELLING BY NEGOTIATION OR
22 CONDEMNATION.

23 ~~(V)~~ **(5)** “DISPLACED HOMEOWNER” MEANS AN
24 INDIVIDUAL WHOSE LEGAL INTEREST IN A DWELLING WAS TERMINATED
25 THROUGH EITHER NEGOTIATION OR CONDEMNATION IN EXCHANGE FOR
26 AWARDED COMPENSATION.

27 ~~(VI)~~ **(6)** “REPLACEMENT DWELLING” MEANS A DWELLING
28 THAT IS:

29 ~~1~~ **(I)** PURCHASED BY A DISPLACED HOMEOWNER
30 WITHIN 2 TAXABLE YEARS IMMEDIATELY FOLLOWING THE ACQUISITION YEAR;
31 AND

32 ~~2~~ **(II)** IS INTENDED TO BE USED AS THE PRINCIPAL
33 RESIDENCE OF THE DISPLACED HOMEOWNER.

1 ~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS~~
 2 ~~SUBSECTION, AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO~~
 3 ~~IMPROVED RESIDENTIAL REAL PROPERTY TO A DISPLACED HOMEOWNER IS NOT~~
 4 ~~SUBJECT TO THE RECORDATION TAX IF THE IMPROVED RESIDENTIAL REAL~~
 5 ~~PROPERTY CONVEYED TO THE DISPLACED HOMEOWNER QUALIFIES AS A~~
 6 ~~REPLACEMENT DWELLING.~~

7 ~~(3) TO THE EXTENT THAT THE DISPLACED HOMEOWNER'S~~
 8 ~~RESPONSIBILITY FOR THE RECORDATION TAX EXCEEDS THE AMOUNT OF~~
 9 ~~RECORDATION TAX THAT WOULD BE IMPOSED ON 125% OF THE AWARDED~~
 10 ~~COMPENSATION, THE DISPLACED HOMEOWNER SHOULD PAY THE EXCESS.~~

11 (B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
 12 GOVERNING BODY OF A COUNTY MAY EXEMPT, BY LAW, FROM THE
 13 RECORDATION TAX AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO
 14 IMPROVED RESIDENTIAL REAL PROPERTY TO A DISPLACED HOMEOWNER IF THE
 15 IMPROVED RESIDENTIAL REAL PROPERTY CONVEYED TO THE DISPLACED
 16 HOMEOWNER QUALIFIES AS A REPLACEMENT DWELLING.

17 ~~13-207.~~

18 ~~(a) An instrument of writing is not subject to transfer tax to the same extent~~
 19 ~~that it is not subject to recordation tax under:~~

20 ~~(20) § 12-108(aa) of this article (Transfers involving certain Maryland~~
 21 ~~Stadium Authority affiliates); [or]~~

22 ~~(21) § 12-108(cc) of this article (Certain transfers to land trusts); OR~~

23 ~~(22) § 12-108(dd) OF THIS ARTICLE (CERTAIN TRANSFERS TO~~
 24 ~~DISPLACED HOMEOWNERS).~~

25 13-411.

26 AN INSTRUMENT OF WRITING THAT A COUNTY OR BALTIMORE CITY
 27 EXEMPTS FROM RECORDATION TAX UNDER § 12-118 OF THIS ARTICLE MAY BE
 28 EXEMPTED FROM THE COUNTY OR BALTIMORE CITY TRANSFER TAX.

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