

CHAPTER 534

(House Bill 1159)

AN ACT concerning

Homeowners' Tax Fairness in Eminent Domain Proceedings Act

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

BY adding to

Article – Tax – Property

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

Annotated Code of Maryland

(2007 Replacement Volume)

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

~~Article – Tax – Property~~

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

~~Annotated Code of Maryland~~

~~(2007 Replacement Volume)~~

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

Article – Tax – Property

~~12-108~~ 12-118.

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

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

~~I~~ (I) THAT WAS OWNED BY A DISPLACED HOMEOWNER;

AND

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

~~(III)~~ (3) "ACQUISITION YEAR" MEANS THE TAXABLE YEAR IN WHICH AN ACQUIRED DWELLING WAS ACQUIRED FOR PUBLIC USE BY THE STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE.

~~(IV)~~ (4) "AWARDED COMPENSATION" MEANS THE AMOUNT AWARDED TO THE DISPLACED HOMEOWNER FROM THE ACQUIRING AGENCY WHEN THE STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE TOOK POSSESSION OF THE ACQUIRED DWELLING BY NEGOTIATION OR CONDEMNATION.

~~(V)~~ (5) "DISPLACED HOMEOWNER" MEANS AN INDIVIDUAL WHOSE LEGAL INTEREST IN A DWELLING WAS TERMINATED THROUGH EITHER NEGOTIATION OR CONDEMNATION IN EXCHANGE FOR AWARDED COMPENSATION.

~~(VI)~~ (6) "REPLACEMENT DWELLING" MEANS A DWELLING THAT IS:

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

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

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

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

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

~~13-207.~~

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

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

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

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

13-411.

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

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

Approved by the Governor, May 13, 2008.