

HOUSE BILL 590

Q6

~~EMERGENCY BILL~~

(0lr2721)

EMERGENCY BILL

ENROLLED BILL

— *Ways and Means / Budget and Taxation* —

Introduced by **Delegates Ross ~~and Ivey~~, Ivey, Bartlett, Murphy, and Rice**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Recordation Taxes and State and County Transfer ~~Tax~~ Taxes – Debt Forgiven**
3 **in “Short Sale”**

4 FOR the purpose of clarifying that for the purposes of recordation taxes and the State
5 and county transfer ~~tax~~ taxes, the consideration payable for an instrument of
6 writing to which the tax applies ~~does not include the amount of any debt~~
7 ~~forgiven or assumed by a person other than the grantee~~ includes only the
8 amount paid or delivered in return for the sale of the property and does not
9 include the amount of any debt forgiven or no longer secured by a mortgage or
10 deed of trust; *making this Act an emergency measure*; ~~making this Act an~~
11 ~~emergency measure~~; and generally relating to recordation taxes and State and
12 county transfer ~~tax~~ taxes.

13 BY repealing and reenacting, with amendments,

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.

Italics indicate opposite chamber / conference committee amendments.



1 Article – Tax – Property
 2 Section 12–103(a) and 13–203(a)
 3 Annotated Code of Maryland
 4 (2007 Replacement Volume and 2009 Supplement)

5 BY adding to
 6 Article – Tax – Property
 7 Section 13–412
 8 Annotated Code of Maryland
 9 (2007 Replacement Volume and 2009 Supplement)

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

12 **Article – Tax – Property**

13 12–103.

14 (a) (1) The recordation tax rates under this section are applied to each
 15 \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt
 16 secured for an instrument of writing.

17 (2) The consideration:

18 (I) includes the amount of any mortgage or deed of trust
 19 assumed by the grantee; AND

20 (II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES
 21 ONLY THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE
 22 PROPERTY AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR
 23 ~~ASSUMED BY A PERSON OTHER THAN THE GRANTEE~~ NO LONGER SECURED BY A
 24 MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

25 13–203.

26 (a) (1) Except as provided in subsection (b) of this section, the rate of the
 27 transfer tax is 0.5% of the consideration payable for the instrument of writing.

28 (2) The consideration:

29 (I) includes the amount of any mortgage or deed of trust
 30 assumed by the grantee; AND

31 (II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES
 32 ONLY THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE

1 PROPERTY AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR
2 ASSUMED BY A PERSON OTHER THAN THE GRANTEE NO LONGER SECURED BY A
3 MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

4 13-412.

5 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
6 SUBSECTION, A COUNTY TRANSFER TAX SHALL APPLY TO THE CONSIDERATION
7 PAYABLE FOR AN INSTRUMENT OF WRITING.

8 (2) IF A COUNTY TRANSFER TAX APPLIES TO MORTGAGES OR
9 DEEDS OF ~~TRUSTS~~ TRUST, THE COUNTY TRANSFER TAX SHALL APPLY TO THE
10 CONSIDERATION PAYABLE OR THE PRINCIPAL AMOUNT OF THE DEBT SECURED
11 FOR AN INSTRUMENT OF WRITING.

12 (B) THE CONSIDERATION:

13 (1) INCLUDES THE AMOUNT OF ANY MORTGAGE OR DEED OF
14 TRUST ASSUMED BY THE GRANTEE; AND

15 (2) SUBJECT TO ITEM (1) OF THIS SUBSECTION, INCLUDES ONLY
16 THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE PROPERTY
17 AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR NO LONGER
18 SECURED BY A MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act *is an emergency*
20 *measure, is necessary for the immediate preservation of the public health or safety, has*
21 *been passed by a yea and nay vote supported by three-fifths of all the members elected*
22 *to each of the two Houses of the General Assembly, and shall take effect from the date it*
23 *is enacted* ~~is an emergency measure, is necessary for the immediate preservation of the~~
24 ~~public health or safety, has been passed by a yea and nay vote supported by~~
25 ~~three-fifths of all the members elected to each of the two Houses of the General~~
26 ~~Assembly, and shall take effect from the date it is enacted shall take effect June 1,~~
27 2010.