

HOUSE BILL 469

Q6

7lr0640

By: **Delegate Sydnor**

Introduced and read first time: January 27, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Tax – Principal Residence Surrendered in**
3 **Bankruptcy – Exemption**

4 FOR the purpose of exempting from recordation and State and county transfer taxes certain
5 instruments of writing that transfer certain residential real property surrendered in
6 bankruptcy under certain circumstances; and generally relating to an exemption
7 from recordation and transfer taxes for certain instruments of writing.

8 BY adding to

9 Article – Tax – Property

10 Section 12–108(gg), 13–207(a)(25), and 13–413

11 Annotated Code of Maryland

12 (2012 Replacement Volume and 2016 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – Property

15 Section 13–207(a)(23) and (24)

16 Annotated Code of Maryland

17 (2012 Replacement Volume and 2016 Supplement)

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

20 **Article – Tax – Property**

21 12–108.

22 **(GG) AN INSTRUMENT OF WRITING THAT TRANSFERS RESIDENTIAL REAL**
23 **PROPERTY IS NOT SUBJECT TO RECORDATION TAX IF:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) THE PROPERTY IS SUBJECT TO A PURCHASE MONEY MORTGAGE**
2 **OR PURCHASE MONEY DEED OF TRUST;**

3 **(2) THE MORTGAGOR FILED A PETITION FOR BANKRUPTCY UNDER**
4 **TITLE 11, CHAPTER 7 OF THE UNITED STATES CODE;**

5 **(3) THE MORTGAGOR FILED WITH THE BANKRUPTCY COURT A**
6 **STATEMENT OF INTENTION TO SURRENDER THE PROPERTY;**

7 **(4) THE PROPERTY WAS THE PRINCIPAL RESIDENCE OF THE**
8 **MORTGAGOR PRIOR TO THE SURRENDER OF THE PROPERTY IN BANKRUPTCY; AND**

9 **(5) THE PROPERTY IS TRANSFERRED FROM THE MORTGAGOR TO THE**
10 **HOLDER OF THE PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF**
11 **TRUST.**

12 13–207.

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

15 (23) § 12–108(ee) of this article (Transfer to a trust and transfer from a trust
16 under specified circumstances); [or]

17 (24) § 12–108(ff) of this article (Transfer from a certified community
18 development financial institution); **OR**

19 **(25) § 12–108(GG) OF THIS ARTICLE (TRANSFER OF PRINCIPAL**
20 **RESIDENCE SURRENDERED IN BANKRUPTCY).**

21 13–413.

22 **AN INSTRUMENT OF WRITING THAT IS EXEMPT FROM RECORDATION TAX**
23 **UNDER § 12–108(GG) OF THIS ARTICLE (TRANSFER OF PRINCIPAL RESIDENCE**
24 **SURRENDERED IN BANKRUPTCY) IS NOT SUBJECT TO THE COUNTY TRANSFER TAX.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2017.