By: Delegate Hornberger  
Introduced and read first time: February 17, 2022  
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

AN ACT concerning

Recordation and Transfer Taxes – First–Time Maryland Home Buyer – Payment and Exemptions

FOR the purpose of altering the criteria for qualifying as a first–time Maryland home buyer for purposes of payment of and exemptions from recordation and transfer taxes; and generally relating to payment of and exemptions from recordation and transfer taxes.

BY repealing and reenacting, with amendments,

Article – Real Property
Section 14–104(a)
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,

Article – Real Property
Section 14–104(c)(1) and (2)
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 12–103(b)(3), 13–203(b), and 13–409(a)
Annotated Code of Maryland
(2019 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(a) In this section, “first-time Maryland home buyer” means an individual who has [never owned in the State residential real property that has been the individual’s principal residence] NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN THE INDIVIDUAL’S PRINCIPAL RESIDENCE.

(c) (1) The entire amount of recordation tax and local transfer tax shall be paid by the seller of improved, residential real property that is sold to a first-time Maryland home buyer who will occupy the property as a principal residence, unless there is an express agreement between the parties to the agreement that the recordation tax and local transfer tax will not be paid entirely by the seller.

(2) The entire amount of State transfer tax shall be paid by the seller of improved, residential real property that is sold to a first-time Maryland home buyer who will occupy the property as a principal residence.

Article – Tax – Property

(b) (3) The governing body of a county or Baltimore City may provide for an exemption from the recordation tax for an instrument of writing for residentially improved owner-occupied real property if the instrument of writing is accompanied by a statement under oath signed by each grantee that:

(i) 1. the grantee is an individual who has [never owned in the State residential real property that has been the individual’s principal residence] NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN THE INDIVIDUAL’S PRINCIPAL RESIDENCE; and

2. the residence will be occupied by the grantee as the grantee’s principal residence; or

(ii) 1. the grantee is a co–maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12–108(i) of this title for the property; and

2. the grantee will not occupy the residence as the co–maker’s or guarantor’s principal residence.
(b) (1) In this subsection, “first-time Maryland home buyer” means an individual who has [never owned in the State residential real property that has been the individual’s principal residence] NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN THE INDIVIDUAL’S PRINCIPAL RESIDENCE.

(2) If there are two or more grantees, this subsection does not apply unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12–108(i) of this article for the property and the co-maker or guarantor will not occupy the residence as the co-maker’s or guarantor’s principal residence.

(3) Notwithstanding any other provision of law, for a sale of improved residential real property to a first-time Maryland home buyer who will occupy the property as a principal residence, the rate of the transfer tax is 0.25% of the consideration payable for the instrument of writing and the transfer tax shall be paid entirely by the seller.

(4) To qualify for the exemption under paragraph (3) of this subsection, each grantee or an agent of the grantee shall provide a statement that is signed under oath by the grantee or agent of the grantee stating that:

(i) 1. the grantee is an individual who has [never owned in the State residential real property that has been the individual’s principal residence] NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN THE INDIVIDUAL’S PRINCIPAL RESIDENCE; and

2. the residence will be occupied by the grantee as the grantee’s principal residence; or

(ii) 1. the grantee is a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12–108(i) of this article for the property; and

2. the grantee will not occupy the residence as the co-maker’s or guarantor’s principal residence.

(5) A statement under paragraph (4) of this subsection by an agent of a grantee shall state that the statement:

(i) is based on a diligent inquiry made by the agent with respect to the facts set forth in the statement; and

(ii) is true to the best of the knowledge, information, and belief of the agent.
Any county having a county transfer tax may provide for an exemption from the tax for an instrument of writing for residentially improved owner–occupied real property if the instrument of writing is accompanied by a statement under oath signed by each grantee or an agent of the grantee that:

(1) (i) the grantee is an individual who has [never owned in the State residential real property that has been the individual’s principal residence] NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN THE INDIVIDUAL’S PRINCIPAL RESIDENCE; and

   (ii) the residence will be occupied by the grantee as the grantee’s principal residence; or

(2) (i) the grantee is a co–maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12–108(i) of this article for the property; and

   (ii) the grantee will not occupy the residence as the co–maker’s or guarantor’s principal residence.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.