

# SENATE BILL 725

N1, Q6

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CF HB 1009

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By: Senator Waldstreicher

Introduced and read first time: February 6, 2026

Assigned to: Judicial Proceedings and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transfer of Real Property – Recordation Certification and State Transfer Tax**  
3 **(Land Transfer Accountability Act)**

4 FOR the purpose of prohibiting a clerk of the circuit court from recording an instrument  
5 that effects a change of ownership of real property from the United States to certain  
6 persons unless the instrument is accompanied by a certain certificate; requiring the  
7 Office of the Attorney General and the State Department of Assessments and  
8 Taxation to review certain changes of ownership of real property and issue a certain  
9 certificate subject to certain requirements; requiring the clerk of each circuit court,  
10 in conjunction with the Administrative Office of the Courts, to establish certain  
11 uniform statewide procedures for receiving and recording certain certificates;  
12 establishing a State transfer tax rate on an instrument of writing that conveys title  
13 to certain real property that was formerly held and conveyed by the United States;  
14 and generally relating to real property instruments and the State transfer tax.

15 BY repealing and reenacting, with amendments,  
16 Article – Real Property  
17 Section 3–104(a)  
18 Annotated Code of Maryland  
19 (2023 Replacement Volume and 2025 Supplement)

20 BY adding to  
21 Article – Real Property  
22 Section 3–104.3  
23 Annotated Code of Maryland  
24 (2023 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article – Tax – Property  
27 Section 13–203(a) and 13–209(a)  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2019 Replacement Volume and 2025 Supplement)

2 BY adding to  
3 Article – Tax – Property  
4 Section 13–203(c)  
5 Annotated Code of Maryland  
6 (2019 Replacement Volume and 2025 Supplement)

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

9 **Article – Real Property**

10 3–104.

11 (a) (1) [The] **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE**  
12 clerk of the circuit court may record an instrument that effects a change of ownership if the  
13 instrument is:

14 (i) Endorsed with the certificate of the collector of taxes of the  
15 county in which the property is assessed, required under subsection (b) of this section;

16 (ii) 1. Accompanied by a complete intake sheet; or

17 2. Endorsed by the assessment office for the county as  
18 provided in subsection (g)(8) of this section; and

19 (iii) Accompanied by a copy of the instrument, and any survey, for  
20 submission to the Department of Assessments and Taxation.

21 (2) The Supervisor of Assessments shall transfer ownership of property in  
22 the assessment records, effective as of the date of recordation, on receipt from the clerk of  
23 the circuit court of a copy of the instrument, the completed intake sheet, and any survey  
24 submitted under paragraph (1) of this subsection or documents received through an  
25 electronic recordation system.

26 (3) (I) **THIS PARAGRAPH DOES NOT APPLY TO THE RECORDATION**  
27 **OF AN INSTRUMENT THAT EFFECTS A CHANGE OF OWNERSHIP FROM THE UNITED**  
28 **STATES TO:**

29 1. THE UNITED STATES OR A PUBLIC  
30 INSTRUMENTALITY OF THE UNITED STATES;

31 2. THE STATE;

1                   3.     A COUNTY, A MUNICIPAL CORPORATION, OR ANY  
2 OTHER POLITICAL SUBDIVISION OF THE STATE;

3                   4.     A PUBLIC INSTRUMENTALITY OF THE STATE; OR

4                   5.     ANY GOVERNMENTAL UNIT OF THE STATE.

5                   (ii)    THE CLERK OF THE CIRCUIT COURT MAY NOT RECORD AN  
6 INSTRUMENT THAT EFFECTS A CHANGE OF OWNERSHIP OF PROPERTY FROM THE  
7 UNITED STATES TO ANOTHER PERSON UNLESS THE INSTRUMENT IS ACCCOMPANIED  
8 BY A CERTIFICATE OF COMPLIANCE ISSUED IN ACCORDANCE WITH § 3-104.3 OF  
9 THIS SUBTITLE.

10                 3-104.3.

11                 (A)    (1)    IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
12 INDICATED.

13                 (2)    “CERTIFICATE OF COMPLIANCE” MEANS A CERTIFICATE ISSUED  
14 BY THE OFFICE AND THE DEPARTMENT CERTIFYING THAT A CHANGE OF  
15 OWNERSHIP, AND ANY RELATED INSTRUMENT THAT EFFECTS THE CHANGE,  
16 COMPLIES WITH ALL APPLICABLE STATE AND FEDERAL LAWS, RULES, AND  
17 REGULATIONS.

18                 (3)    “DEPARTMENT” MEANS THE STATE DEPARTMENT OF  
19 ASSESSMENTS AND TAXATION.

20                 (4)    “OFFICE” MEANS THE OFFICE OF THE ATTORNEY GENERAL.

21                 (5)    “REQUEST FORM” MEANS A FORM PROVIDED BY THE OFFICE AND  
22 THE DEPARTMENT THAT A PARTY TO A CHANGE OF OWNERSHIP USES TO REQUEST  
23 A CERTIFICATE OF COMPLIANCE.

24                 (B)    THIS SECTION APPLIES TO THE ISSUANCE OF A CERTIFICATE OF  
25 COMPLIANCE FOR AN INSTRUMENT THAT EFFECTS A CHANGE OF OWNERSHIP OF  
26 REAL PROPERTY FROM THE UNITED STATES TO ANOTHER PERSON IN ACCORDANCE  
27 WITH § 3-104(A)(3) OF THIS SUBTITLE.

28                 (C)    (1)    TO REQUEST A CERTIFICATE OF COMPLIANCE, A PARTY TO A  
29 CHANGE OF OWNERSHIP SHALL SUBMIT:

30                   (I)    A COMPLETED REQUEST FORM TO THE OFFICE AND THE  
31 DEPARTMENT; AND

1 (II) ANY OTHER INFORMATION THAT THE OFFICE AND THE  
2 DEPARTMENT REQUIRE.

**1. ISSUE A CERTIFICATE OF COMPLIANCE;**

22 (III) A DENIAL UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH  
23 SHALL PROVIDE THE REASONS AND LEGAL BASIS FOR THE DENIAL.

24 (4) IF A REQUEST IS DENIED, A PARTY MAY RESUBMIT A REQUEST  
25 FORM TO THE OFFICE AND THE DEPARTMENT AFTER CORRECTING ALL  
26 DEFICIENCIES IDENTIFIED UNDER PARAGRAPH (3)(III) OF THIS SUBSECTION.

27 (D) THE OFFICE AND THE DEPARTMENT SHALL:

28 (1) DEVELOP A STANDARDIZED REQUEST FORM;

**(3) ESTABLISH STANDARDS AND PROCEDURES FOR:**

## (I) THE RECEIPT AND PROCESSING OF REQUEST FORMS;

**(II) THE LEGAL REVIEW OF CHANGES OF OWNERSHIP AND  
MENTS THAT ARE SUBJECT TO THIS SECTION; AND**

### (III) THE ISSUANCE OF CERTIFICATES OF COMPLIANCE.

**(E) (1) THE OFFICE AND THE DEPARTMENT SHALL ESTABLISH FEES FOR:**

**(I) THE REVIEW OF A CHANGE OF OWNERSHIP UNDER  
2) OF THIS SECTION; AND**

**(II) THE ISSUANCE OF A CERTIFICATE OF COMPLIANCE.**

(2) THE OFFICE AND THE DEPARTMENT SHALL ESTABLISH THE FEES  
AGRAPHRAPH (1) OF THIS SUBSECTION IN AN AMOUNT THAT IS SUFFICIENT  
COSTS OF CARRYING OUT THIS SECTION.

(3) THE FEES COLLECTED UNDER THIS SUBSECTION SHALL BE IN THE GENERAL FUND OF THE STATE.

15 (F) THE CLERK OF EACH CIRCUIT COURT, IN CONJUNCTION WITH THE  
16 ADMINISTRATIVE OFFICE OF THE COURTS, SHALL ESTABLISH UNIFORM STATEWIDE  
17 PROCEDURES TO RECEIVE AND RECORD CERTIFICATES OF COMPLIANCE ISSUED  
18 UNDER THIS SECTION.

19 (G) THE OFFICE AND THE DEPARTMENT SHALL ADOPT REGULATIONS TO  
20 IMPLEMENT THIS SECTION.

## Article – Tax – Property

22 13-203.

26 (2) The consideration:

27 (i) includes the amount of any mortgage or deed of trust assumed  
28 by the grantee; and

4 (C) (1) THE RATE OF THE TRANSFER TAX IS 2% OF THE VALUE OF THE  
5 REAL PROPERTY DETERMINED BY THE DEPARTMENT AT THE DATE OF FINALITY  
6 IMMEDIATELY PRECEDING THE DATE OF TRANSFER FOR AN INSTRUMENT OF  
7 WRITING THAT CONVEYS TITLE TO REAL PROPERTY IF:

11 (II) THE TITLE FROM THE UNITED STATES UNDER ITEM (I) OF  
12 THIS PARAGRAPH WAS CONVEYED ON OR AFTER JULY 1, 2026.

16 13-209.

7 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or  
8 the application of any provision of this Act to any person or circumstance is held invalid for  
9 any reason in a court of competent jurisdiction, the invalidity does not affect other  
10 provisions or any other application of this Act that can be given effect without the invalid  
11 provision or application, and for this purpose the provisions of this Act are declared  
12 severable.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
14 1, 2026, and shall be applicable to instruments of writing recorded on or after July 1, 2026.