

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



MICHAEL HIGGS
Director

CORBETT WEBB
Deputy Director

301 W. Preston Street, Room 801, Baltimore, Maryland 21201
Legislative Director: Jonathan.Glaser@Maryland.gov
1-888-246-5941 TTY: 1-800-735-2258
www.dat.maryland.gov

HEARING DATE: March 8, 2022

BILL: HB1345

TITLE: Sales of Residential Real Property - Offers to Purchase and Transfer Tax

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) finds HB1345 to be in violation of Maryland and federal due process clauses as this bill is intended to limit who can purchase a property for the first 30 days after a person offers a property for sale. Further, this bill changes the transfer tax rate for transactions that fall under certain metrics which SDAT does not track.

The bill would have an operational impact on SDAT due to tracking and reporting requirements that are required to provide information to other agencies in order for the enforcement of the proposed law.

This bill will also likely require the Clerk of the Court to create forms to document each transaction, or each document filed may be required to include an affidavit stating the sale of the property is to an owner with an assessed value of property not exceeding \$12,000,000.

For all intents and purposes, the law will be unenforceable because SDAT does not track the ownership of corporations, LLCs, or other entities.

For these reasons, SDAT offers this Letter of Information and strongly urges a reconsideration of HB1345 in its current form.