

HOUSE BILL 1310

Q6

4lr2248

By: **Delegate Wilson**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation Tax – Home Equity Loan Modifications – Exemption**

3 FOR the purpose of altering a certain exemption from the recordation tax as it relates
4 to home equity loan modifications under certain circumstances; defining certain
5 terms; and generally relating to an exemption from the recordation tax for
6 certain home equity loan modifications.

7 BY repealing and reenacting, without amendments,
8 Article – Tax – Property
9 Section 12–101(l)
10 Annotated Code of Maryland
11 (2012 Replacement Volume and 2013 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – Property
14 Section 12–108(e)
15 Annotated Code of Maryland
16 (2012 Replacement Volume and 2013 Supplement)

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

19 **Article – Tax – Property**

20 12–101.

21 (l) (1) “Supplemental instrument of writing” means an instrument of
22 writing that confirms, corrects, modifies, supplements, or amends and restates a
23 previously recorded instrument of writing, regardless of whether recordation tax was
24 paid on such instrument of writing.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) “Supplemental instrument of writing” includes an instrument of
2 writing that secures a debt and grants a security interest in property in addition to or
3 in substitution for property described in the previously recorded instrument of writing.

4 12–108.

5 (e) **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
6 **SUBSECTION, A supplemental instrument of writing is not subject to recordation tax**
7 **except to the extent that:**

8 **[(1)] (I)** actual consideration is payable on the supplemental
9 instrument of writing; or

10 **[(2)] (II)** the amount of unpaid outstanding principal debt is
11 increased by the supplemental instrument of writing.

12 **(2) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS**
13 **HAVE THE MEANINGS INDICATED.**

14 **2. “HOME EQUITY LOAN” MEANS A LINE OF BANK**
15 **CREDIT GIVEN TO A HOMEOWNER, USING AS COLLATERAL THE HOMEOWNER’S**
16 **EQUITY IN THE HOMEOWNER’S PRINCIPAL RESIDENCE.**

17 **3. “SUPPLEMENTAL HOME EQUITY LOAN” MEANS A**
18 **HOME EQUITY LOAN THAT MODIFIES A PREVIOUSLY RECORDED HOME EQUITY**
19 **LOAN.**

20 **(II) A SUPPLEMENTAL HOME EQUITY LOAN IS NOT SUBJECT**
21 **TO RECORDATION TAX EXCEPT TO THE EXTENT THAT:**

22 **1. ACTUAL CONSIDERATION IS PAYABLE ON THE**
23 **SUPPLEMENTAL HOME EQUITY LOAN; OR**

24 **2. THE AMOUNT OF DEBT SECURED IS INCREASED BY**
25 **THE SUPPLEMENTAL HOME EQUITY LOAN.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2014.