

# SENATE BILL 566

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CF 11r1616

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By: **Senator Elfreth (By Request – Anne Arundel County Administration)**

Introduced and read first time: January 26, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Transfer Tax – Housing Trust Special Revenue Fund**

3 FOR the purpose of authorizing the governing body of Anne Arundel County to increase  
4 the rate of the transfer tax imposed on certain written instruments conveying title  
5 to property or a leasehold interest in real property; requiring any revenue derived  
6 from a higher transfer tax rate to be distributed to a certain special fund;  
7 establishing a Housing Trust Special Revenue Fund and requiring that certain  
8 revenue attributable to certain transfer and recordation tax rates be paid into the  
9 fund; providing that the fund is a special, nonlapsing fund; requiring that revenue  
10 paid into the fund be dedicated and appropriated to provide housing for certain  
11 individuals; repealing certain obsolete language; making stylistic and conforming  
12 changes; and generally relating to the transfer tax and the creation of a special fund  
13 for certain types of housing in Anne Arundel County.

14 BY repealing and reenacting, with amendments,  
15 The Public Local Laws of Anne Arundel County  
16 Section 4–3A–102 and 4–11–111  
17 Article 2 – Public Local Laws of Maryland  
18 (2005 Edition and June 2020 Supplement, as amended)

19 BY adding to  
20 The Public Local Laws of Anne Arundel County  
21 Section 4–11–122  
22 Article 2 – Public Local Laws of Maryland  
23 (2005 Edition and June 2020 Supplement, as amended)

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

26 **Article 2 – Anne Arundel County**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 4-3A-102.

2 (A) The County Council of Anne Arundel County may impose a tax on every  
3 written instrument conveying title to real property or a leasehold interest in real property,  
4 offered for record and recorded among the land records in Anne Arundel County subject to  
5 the same conditions and procedures as the State Transfer Tax imposed under the  
6 Tax-Property Article, Title 13, Subtitle 2, of the State Code[, provided that].

7 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
8 the maximum rate of THE tax imposed under [the provisions of] this section shall not  
9 exceed 1% of the actual consideration paid or to be paid for the conveyance of title[, and  
10 provided that revenues].

11 (2) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY MAY, BY  
12 RESOLUTION, INCREASE THE RATE OF THE TAX IMPOSED UNDER THIS SECTION ON  
13 A WRITTEN INSTRUMENT CONVEYING TITLE TO REAL PROPERTY OR A LEASEHOLD  
14 INTEREST IN REAL PROPERTY IF THE ACTUAL CONSIDERATION PAID OR TO BE PAID  
15 FOR THE CONVEYANCE OF TITLE IS \$1,000,000 OR MORE.

16 (C) (1) REVENUE derived from [this County] THE tax RATE IMPOSED  
17 UNDER SUBSECTION (B)(1) OF THIS SECTION shall be expended as provided by the  
18 County budget.

19 (2) REVENUE DERIVED FROM THE TAX RATE IMPOSED UNDER  
20 SUBSECTION (B)(2) OF THIS SECTION SHALL BE DISTRIBUTED TO THE SPECIAL FUND  
21 ESTABLISHED UNDER § 4-11-122 OF THIS CODE.

22 (D) The condition in the Tax-Property Article, § 13-209, of the State Code,  
23 relating to the use of transfer tax funds [to pay principal and interest on certificates of  
24 indebtedness issued pursuant to the “Outdoor Recreation Land Loan of 1969” or] for  
25 funding of projects under “Program Open Space” do not apply to revenues derived from the  
26 County tax.

27 (E) The tax shall be collected by the Controller.

28 4-11-111.

29 Anne Arundel County may dedicate and, as provided in the annual County budget,  
30 expend:

31 (1) up to 50% of the revenues received from the transfer tax RATE  
32 IMPOSED UNDER § 4-3A-102(B)(1) OF THIS CODE in each fiscal year for the payment  
33 of debts and costs incurred for the construction of water and wastewater facilities; and

34 (2) if the County has an Agricultural Land Preservation Program certified

1 under the State Finance and Procurement Article, § 5–408, of the State Code, up to 20% of  
2 the revenues received from the transfer tax **RATE IMPOSED UNDER § 4–3A–102(B)(1)**  
3 **OF THIS CODE** in each fiscal year for the purchase of agricultural easements under the  
4 County Agricultural Land Preservation Program.

5 **4–11–122.**

6 **(A) THERE IS A HOUSING TRUST SPECIAL REVENUE FUND INTO WHICH**  
7 **SHALL BE PAID THE REVENUE ATTRIBUTABLE TO:**

8 **(1) ANY TRANSFER TAX RATE IMPOSED UNDER § 4–3A–102(B)(2) OF**  
9 **THIS CODE; AND**

10 **(2) ANY SPECIAL RECORDATION TAX RATE IN EXCESS OF THE**  
11 **GENERALLY APPLICABLE RATE THAT IS IMPOSED ON AN INSTRUMENT OF WRITING**  
12 **FOR WHICH THE CONSIDERATION PAYABLE OR THE PRINCIPAL AMOUNT OF DEBT**  
13 **SECURED IS \$1,000,000 OR MORE.**

14 **(B) THE HOUSING TRUST SPECIAL REVENUE FUND IS A SPECIAL,**  
15 **NONLAPSING FUND.**

16 **(C) THE REVENUE PAID INTO THE HOUSING TRUST SPECIAL REVENUE**  
17 **FUND SHALL BE DEDICATED AND APPROPRIATED TO PROVIDE AFFORDABLE**  
18 **HOUSING FOR MODERATE– AND LOW–INCOME INDIVIDUALS IN THE COUNTY**  
19 **INCLUDING THE CITY OF ANNAPOLIS.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2021.