

HOUSE BILL 1417

Q6, N1

2lr3152

By: **Delegate Hornberger**

Introduced and read first time: February 17, 2022

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

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

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

8 BY repealing and reenacting, with amendments,
9 Article – Real Property
10 Section 14–104(a)
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Real Property
15 Section 14–104(c)(1) and (2)
16 Annotated Code of Maryland
17 (2015 Replacement Volume and 2021 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – Property
20 Section 12–103(b)(3), 13–203(b), and 13–409(a)
21 Annotated Code of Maryland
22 (2019 Replacement Volume and 2021 Supplement)

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

25 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 14-104.

2 (a) In this section, “first-time Maryland home buyer” means an individual who
3 has [never owned in the State residential real property that has been the individual’s
4 principal residence] **NOT, EITHER INDIVIDUALLY OR JOINTLY, OWNED OR PURCHASED**
5 **IN THE LAST 7 YEARS RESIDENTIAL REAL PROPERTY IN THE STATE THAT HAS BEEN**
6 **THE INDIVIDUAL’S PRINCIPAL RESIDENCE.**

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

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

15 **Article – Tax – Property**

16 12-103.

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

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

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

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

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

33 13-203.

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

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

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

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

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

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

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

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

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

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

34 (ii) is true to the best of the knowledge, information, and belief of the
35 agent.

1 13-409.

2 (a) Any county having a county transfer tax may provide for an exemption from
3 the tax for an instrument of writing for residentially improved owner-occupied real
4 property if the instrument of writing is accompanied by a statement under oath signed by
5 each grantee or an agent of the grantee that:

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

11 (ii) the residence will be occupied by the grantee as the grantee's
12 principal residence; or

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

16 (ii) the grantee will not occupy the residence as the co-maker's or
17 guarantor's principal residence.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2022.