

SENATE BILL 945

Q6, N1

3lr0771
CF HB 474

By: **Senator Smith**

Introduced and read first time: February 21, 2023

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Sale of Residential Real Property – Offers to Purchase and Transfer Tax**

3 FOR the purpose of requiring a person who offers certain residential real property for sale
4 to a third party, during a certain period of time, to accept an offer to purchase the
5 property made only by certain persons; altering the rate of the State transfer tax
6 payable for an instrument of writing for a sale of certain residential real property
7 under certain circumstances; and generally relating to sales of residential real
8 property and the State transfer tax.

9 BY adding to

10 Article – Real Property
11 Section 10–803
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2022 Supplement)

14 BY repealing and reenacting, with amendments,

15 Article – Tax – Property
16 Section 13–203(a)
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2022 Supplement)

19 BY adding to

20 Article – Tax – Property
21 Section 13–203(c)
22 Annotated Code of Maryland
23 (2019 Replacement Volume and 2022 Supplement)

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

26 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **10-803.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) "COMMUNITY DEVELOPMENT ORGANIZATION" HAS THE MEANING
5 STATED IN § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

6 (3) "REAL ESTATE ENTERPRISE" MEANS A BUSINESS THAT:

7 (I) IS CONDUCTED BY ONE OR MORE INDIVIDUALS;

8 (II) OWNS REAL PROPERTY, INCLUDING IN A TENANCY BY THE
9 ENTIRETY; AND

10 (III) IS INVOLVED IN BUYING, SELLING, LEASING, OR MANAGING
11 REAL PROPERTY.

12 (B) (1) THIS SECTION APPLIES ONLY TO THE SALE OF IMPROVED,
13 SINGLE-FAMILY RESIDENTIAL REAL PROPERTY.

14 (2) THIS SECTION DOES NOT APPLY TO A SALE IN AN ACTION TO
15 FORECLOSE A MORTGAGE, A DEED OF TRUST, OR ANY OTHER LIEN.

16 (C) DURING THE FIRST 30 DAYS AFTER A PERSON OFFERS A PROPERTY
17 SUBJECT TO THIS SECTION FOR SALE TO A THIRD PARTY, THE PERSON MAY ACCEPT
18 AN OFFER TO PURCHASE THE PROPERTY MADE ONLY BY AN INDIVIDUAL, A
19 COMMUNITY DEVELOPMENT ORGANIZATION, A NONPROFIT ORGANIZATION, OR A
20 REAL ESTATE ENTERPRISE THAT OWNS AN INTEREST IN LESS THAN 3% OF ALL
21 RESIDENTIAL REAL PROPERTY LOCATED WITHIN THE COUNTY IN WHICH THE
22 PROPERTY IS LOCATED.

23 **Article – Tax – Property**

24 **13-203.**

25 (a) (1) Except as provided in subsections [(a-1) and (b)] (A-1), (B), AND (C) of
26 this section, the rate of the transfer tax is 0.5% of the consideration payable for the
27 instrument of writing.

28 (2) The consideration:

29 (i) includes the amount of any mortgage or deed of trust assumed

1 by the grantee; and

2 (ii) subject to item (i) of this paragraph, includes only the amount
3 paid or delivered in return for the sale of the property and does not include the amount of
4 any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

5 (C) (1) IN THIS SUBSECTION, “REAL ESTATE ENTERPRISE” MEANS A
6 BUSINESS THAT:

7 (I) IS CONDUCTED BY ONE OR MORE INDIVIDUALS;

8 (II) OWNS REAL PROPERTY, INCLUDING IN A TENANCY BY THE
9 ENTIRETY; AND

10 (III) IS INVOLVED IN BUYING, SELLING, LEASING, OR MANAGING
11 REAL PROPERTY.

12 (2) FOR A SALE OF IMPROVED, SINGLE-FAMILY RESIDENTIAL REAL
13 PROPERTY TO A REAL ESTATE ENTERPRISE OR THE SUBSIDIARY OF A REAL ESTATE
14 ENTERPRISE THAT HAS AN OWNERSHIP INTEREST IN RESIDENTIAL REAL PROPERTY
15 IN THE STATE WITH A TOTAL ASSESSED VALUE EXCEEDING \$12,000,000 OR AN
16 OWNERSHIP INTEREST IN MORE THAN 120 SINGLE-FAMILY RESIDENTIAL REAL
17 PROPERTIES, THE RATE OF THE TRANSFER TAX IS 15% OF THE CONSIDERATION
18 PAYABLE FOR THE INSTRUMENT OF WRITING.

19 (3) THE CONSIDERATION:

20 (I) INCLUDES THE AMOUNT OF ANY MORTGAGE OR DEED OF
21 TRUST ASSUMED BY THE GRANTEE; AND

22 (II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES ONLY
23 THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE PROPERTY AND
24 DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR NO LONGER SECURED
25 BY A MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2023.