

Bill No. 11-07
Concerning: Recordation Tax - Rate
Revised: 11-9-07 Draft No. 4
Introduced: May 24, 2007
Enacted: November 13, 2007
Executive: _____
Effective: March 1, 2008
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the Planning Board

AN ACT to:

- (1) revise the rates of the recordation tax;
- (2) specify the use of certain revenue from the recordation tax; and
- ~~[(2)]~~ (3) generally amend the law governing the recordation tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-16B, Recordation Tax

| | |
|---|--|
| Boldface | <i>Heading or defined term.</i> |
| <u>Underlining</u> | <i>Added to existing law by original bill.</i> |
| [Single boldface brackets] | <i>Deleted from existing law by original bill.</i> |
| <u>Double underlining</u> | <i>Added by amendment.</i> |
| [[Double boldface brackets]] | <i>Deleted from existing law or the bill by amendment.</i> |
| * * * | <i>Existing law unaffected by bill.</i> |

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-16B is amended as follows:**

2 **52-16B. Recordation Tax.**

3 (a) ~~[[Rate]]~~ Rates. The ~~[[rate]]~~ rates of the recordation tax, levied under
4 state law, ~~[[is]]~~ are:

5 (1) ~~[\$3.45]~~ ~~[[\$5.60]]~~ ~~[[\$4.25]]~~ \$3.45 for each \$500 or fraction of
6 \$500 of consideration payable or of the principal amount of the
7 debt secured for an instrument of writing, including the amount
8 of any mortgage or deed of trust assumed by a grantee; and

9 (2) if the consideration payable or principal amount of debt secured
10 exceeds [[\$600,000]] \$500,000, an additional [[\$.75]] \$1.55 for
11 each \$500 or fraction of \$500 of the amount over [[\$600,000]]
12 \$500,000.

13 (b) *Exemption.* The first \$50,000 of the consideration payable on the
14 conveyance of any owner-occupied residential property is exempt from
15 the recordation tax if the buyer of that property intends to use the
16 property as the buyer's principal residence by actually occupying the
17 residence for at least 7 months of the 12-month period immediately after
18 the property is conveyed.

19 **Sec. 2. Effective Date.** This Act takes effect on March 1, 2008, and applies to
20 any transaction which occurs on or after that date.

21 **Sec. 3. Allocation of Revenue.** During any fiscal year that begins on or after
22 July 1, 2008, the net revenue attributable to the increase in the rate of the recordation
23 tax enacted in this Act must be reserved for and allocated equally to:

24 (a) the cost of County government capital improvements; and

25 (b) rental assistance programs for low- and moderate-income households,
26 which must not be used to supplant any otherwise available funds.

27 *Approved:*

28

Marilyn J. Praisner, President, County Council Date

29 *Approved:*

30

Isiah Leggett, County Executive Date

31 *This is a correct copy of Council action.*

32

Linda M. Lauer, Clerk of the Council Date