Expedited Bill No. ______15-16

Concerning: Recordation Tax - Rates - Allocations - Amendments

Revised: May 18, 2016 Draft No. 5

Introduced: April 19, 2016

Enacted: May 18, 2016

Executive: May 25, 2016

Effective: September 1, 2016

Sunset Date: None

Ch. _19 _, Laws of Mont. Co. _____2016

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Floreen

AN EXPEDITED ACT to:

- (1) increase the rate of the recordation tax levied under state law for certain transactions;
- (2) allocate the revenue received from the recordation tax for certain uses; and
- (3) generally amend the law governing the recordation tax

By amending

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

Boldface Heading or defined term.
Underlining Added to existing law by original bill.

[Single boldface brackets]

Added to existing taw by original bill.

Deleted from existing law by original bill.

Double underlining Added by amendment.

[[Double boldface brackets]] Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

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

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

1

2	52-16B. Rec	ordation Tax.
3	(a)	Rates. The rates and the allocations of the recordation tax, levied under
4		[state law] Md. Tax-Property Code §§12-101 to 12-118, as amended, are:
5		(1) [\$3.45] for each \$500 or fraction of \$500 of consideration payable
6		or of the principal amount of the debt secured for an instrument of
7		writing, including the amount of any mortgage or deed of trust
8		assumed by a grantee;
9		(A) [[\$2.20]] \$2.08, of which the net revenue must be reserved
10		for and allocated to the County general fund; and
11		(B) [[\$2.00]] \$2.37, of which the net revenue must be reserved
12		for and allocated to the cost of capital improvements to
13		schools; and
14		(2) if the consideration payable or principal amount of debt secured
15		exceeds \$500,000, an additional [\$1.55] \$2.30 for each \$500 or
16		fraction of \$500 of the amount over \$500,000, of which the net
17		revenue must be reserved for and allocated equally to:
18		(A) the cost of County government capital improvements; and
19		(B) rent assistance for low and moderate income households,
20		which must not be used to supplant any otherwise available
21		<u>funds</u> .
22	(b)	Exemption. The first [[\$50,000]] \$100,000 of the consideration payable
23		on the conveyance of any owner-occupied residential property is exempt
24		from the recordation tax if the buyer of that property is an individual and
25		intends to use the property as the buyer's principal residence by actually
26		occupying the residence for at least 7 months of the 12-month period
27		immediately after the property is conveyed.

28	Sec. 2. Prior allocations.		
29	The allocation of recordation tax revenue made in Section 1 replaces each		
30	allocation of recordation tax revenue established in previously enacted uncodified		
31	legislation.		
32	Sec. 3. Expedited Effective Date.		
33	The Council declares that this legislation is necessary for the immediate		
34	protection of the public interest. This Act takes effect on the date on which it becomes		
35	law, and applies to any transaction which occurs on or after [[July 1, 2016]] September		
36	<u>1, 2016</u> .		
37	Approved:		
38	May 18,20/6 Nancy Floreen, President, County Council Date		
39	Approved:		
40	Isiah Leggett, County Executive Mby 35,206 Date		
41	This is a correct copy of Council action.		
42	Jenda M. James 5/26/16 Linda M. Lawar Clark of the Council Date		
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