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**]** *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:**

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

(a) *Rates*. The rates and the allocations of the recordation tax, levied under **[**state law**]** Md. Tax-Property Code §§12-101 to 12-118, as amended, are:

(1) **[**$3.45**]** for each $500 or fraction of $500 of consideration payable or of the principal amount of the debt secured for an instrument of writing, including the amount of any mortgage or deed of trust assumed by a grantee;

(A) **[[** $2.20**]]** $2.08, of which the net revenue must be reserved for and allocated to the County general fund; and

(B) **[[**$2.00**]]** $2.37, of which the net revenue must be reserved for and allocated to the cost of capital improvements to schools; and

(2) if the consideration payable or principal amount of debt secured exceeds $500,000, an additional **[**$1.55**]** $2.30 for each $500 or fraction of $500 of the amount over $500,000, of which the net revenue must be reserved for and allocated equally to:

(A) the cost of County government capital improvements; and

(B) rent assistance for low and moderate income households, which must not be used to supplant any otherwise available funds.

(b) *Exemption*. The first **[[**$50,000**]]** $100,000 of the consideration payable on the conveyance of any owner-occupied residential property is exempt from the recordation tax if the buyer of that property is an individual and intends to use the property as the buyer’s principal residence by actually occupying the residence for at least 7 months of the 12-month period immediately after the property is conveyed.

 **Sec. 2. Prior allocations.**

The allocation of recordation tax revenue made in Section 1 replaces each allocation of recordation tax revenue established in previously enacted uncodified legislation.

**Sec. 3. Expedited Effective Date.**

 The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law, and applies to any transaction which occurs on or after **[[**July 1, 2016**]]** September 1, 2016.

*Approved:*

/s/ 5/18/16

Nancy Floreen, President, County Council Date

*Approved:*

/s/ 5/25/16

Isiah Leggett, County Executive Date

*This is a correct copy of Council action.*

/s/ 5/26/16

Linda M. Lauer, Clerk of the Council Date