County Council
for Montgomery County, Maryland

By: Councilmember Subin, Council President Silverman, and Councilmember Praisner

An Emergency Act to:

(1) increase the rate of the recordation tax;
(2) exempt a certain amount of the consideration for an owner-occupied residential property from the recordation tax;
(3) confirm certain actions previously taken regarding the recordation tax;
(4) declare the intent of the Council regarding the use of certain revenue from the recordation tax; and
(5) generally amend County law affecting the recordation tax.

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

The County Council for Montgomery County, Maryland approves the following Act:
Sec. 1. Section 52-16B is added as follows:

52-16B. [Reserved] Recordation Tax

(a) Rate. The rate of the recordation tax, levied under state law, is

$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.

(b) Exemption. The first $50,000 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 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. Emergency Effective Date.

The Council declares that an emergency exists and that this legislation is

necessary for the immediate protection of the public health and safety. This Act

takes effect on July 1, 2002, and applies to any [[instrument recorded with the

Clerk of the Circuit Court]] transaction that occurs on or after that date.

Sec. 3. Effect of Previous Actions.

[[This]] Effective July 1, 2002, this Act supersedes Resolution No. 7-182[[,

effective July 1, 2002]]. Any action taken under that resolution before that date,

including the levy and collection of the recordation tax, is ratified and confirmed as

if that action had been taken under authority of a law enacted by the County

Council.

Sec. 4. Allocation of Revenue.

The Council intends to allocate the net revenue attributable to the increase in

the rate of the recordation tax enacted in this Act to the cost of [[constructing new
Approved:

/S/  May 13, 2002

Steven A. Silverman, President, County Council  Date

Approved:

/S/  May 20, 2002

Douglas M. Duncan, County Executive  Date

This is a correct copy of Council action.

/S/  May 22, 2002

Mary A. Edgar, CMC, Clerk of the Council  Date

schools and additions to existing capital improvements to schools and educational technology for Montgomery College.