

Emergency Bill No. 7-02
Concerning: Recordation Tax - Rates
and Exemption
Revised: 5-8-02 Draft No. 2
Introduced: March 19, 2002
Enacted: May 9, 2002
Executive: May 20, 2002
Effective: July 1, 2002
Sunset Date: None
Ch. 9, Laws of Mont. Co. 2002

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

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 added as follows:**

2 **52-16B. [Reserved] Recordation Tax**

3 (a) *Rate.* The rate of the recordation tax, levied under state law, is
 4 [\$4.50] \$3.45 for each \$500 or fraction of \$500 of consideration
 5 payable or of the principal amount of the debt secured for an
 6 instrument of writing, including the amount of any mortgage or deed
 7 of trust assumed by a grantee.

8 (b) *Exemption.* The first [\$115,000] \$50,000 of the consideration
 9 payable on the conveyance of any owner-occupied residential
 10 property is exempt from the recordation tax if the buyer of that
 11 property intends to use the property as the buyer's principal residence
 12 by actually occupying the residence for at least 7 months of the 12-
 13 month period immediately after the property is conveyed.

14 **Sec. 2. Emergency Effective Date.**

15 The Council declares that an emergency exists and that this legislation is
 16 necessary for the immediate protection of the public health and safety. This Act
 17 takes effect on July 1, 2002, and applies to any [[instrument recorded with the
 18 Clerk of the Circuit Court]] transaction that occurs on or after that date.

19 **Sec. 3. Effect of Previous Actions.**

20 [[This]] Effective July 1, 2002, this Act supersedes Resolution No. 7-182[[,
 21 effective July 1, 2002]]. Any action taken under that resolution before that date,
 22 including the levy and collection of the recordation tax, is ratified and confirmed as
 23 if that action had been taken under authority of a law enacted by the County
 24 Council.

25 **Sec. 4. Allocation of Revenue.**

26 The Council intends to allocate the net revenue attributable to the increase in
 27 the rate of the recordation tax enacted in this Act to the cost of [[constructing new

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

30 *Approved:*

31	/S/	May 13, 2002
Steven A. Silverman, President, County Council		Date

32 *Approved:*

33	/S/	May 20, 2002
Douglas M. Duncan, County Executive		Date

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

35	/S/	May 22, 2002
Mary A. Edgar, CMC, Clerk of the Council		Date