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

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

(1) $3.45 [[$5.60]] [[$4.25]] $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; and

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

(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. Effective Date. This Act takes effect on March 1, 2008, and applies to any transaction which occurs on or after that date.

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

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

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

Michael J. Knapp, Vice President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date