

Chapter 538

(House Bill 469)

AN ACT concerning

**Recordation and Transfer Tax – Principal Residence Surrendered in
Bankruptcy – Exemption**

FOR the purpose of exempting from recordation and State and county transfer taxes certain instruments of writing that transfer certain residential real property surrendered in bankruptcy under certain circumstances; and generally relating to an exemption from recordation and transfer taxes for certain instruments of writing.

BY adding to

Article – Tax – Property
Section 12–108(gg), 13–207(a)(25), and 13–413
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 13–207(a)(23) and (24)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Tax – Property

12–108.

**(GG) AN INSTRUMENT OF WRITING THAT TRANSFERS RESIDENTIAL REAL
PROPERTY IS NOT SUBJECT TO RECORDATION TAX IF:**

**(1) THE PROPERTY IS SUBJECT TO A PURCHASE MONEY MORTGAGE
OR PURCHASE MONEY DEED OF TRUST;**

**(2) THE MORTGAGOR FILED A PETITION FOR BANKRUPTCY UNDER
TITLE 11, CHAPTER 7 OF THE UNITED STATES CODE;**

**(3) THE MORTGAGOR FILED WITH THE BANKRUPTCY COURT A
STATEMENT OF INTENTION TO SURRENDER THE PROPERTY;**

(4) THE PROPERTY WAS THE PRINCIPAL RESIDENCE OF THE MORTGAGOR PRIOR TO THE SURRENDER OF THE PROPERTY IN BANKRUPTCY; AND

(5) THE PROPERTY IS TRANSFERRED FROM THE MORTGAGOR TO THE HOLDER OF THE PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST.

13-207.

(a) An instrument of writing is not subject to transfer tax to the same extent that it is not subject to recordation tax under:

(23) § 12-108(ee) of this article (Transfer to a trust and transfer from a trust under specified circumstances); [or]

(24) § 12-108(ff) of this article (Transfer from a certified community development financial institution); **OR**

(25) § 12-108(GG) OF THIS ARTICLE (TRANSFER OF PRINCIPAL RESIDENCE SURRENDERED IN BANKRUPTCY).

13-413.

AN INSTRUMENT OF WRITING THAT IS EXEMPT FROM RECORDATION TAX UNDER § 12-108(GG) OF THIS ARTICLE (TRANSFER OF PRINCIPAL RESIDENCE SURRENDERED IN BANKRUPTCY) IS NOT SUBJECT TO THE COUNTY TRANSFER TAX.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.