

SENATE BILL 423

N1
SB 971/23 – JPR

4lr1362

By: **Senator James**

Introduced and read first time: January 19, 2024

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Recordation – Procedures**

3 FOR the purpose of requiring the treasurer, tax collector, or director of finance for a county
4 or municipality to provide a certificate enumerating certain taxes, assessments, and
5 charges against a property and to establish certain procedures to facilitate the
6 issuance of the certificate; requiring a collecting agent presented with a certificate to
7 endorse a deed and establishing that this endorsement is sufficient authority for a
8 transfer on the assessment books; requiring the clerk of a circuit court and the State
9 Department of Assessments and Taxation to facilitate the electronic satisfaction of
10 prior approvals and conditions precedent to recording documents or the electronic
11 payment of fees or taxes; and generally relating to the recordation of instruments
12 affecting an interest in real property.

13 BY repealing and reenacting, without amendments,
14 Article – Real Property
15 Section 3–104(a)
16 Annotated Code of Maryland
17 (2023 Replacement Volume)

18 BY repealing and reenacting, with amendments,
19 Article – Real Property
20 Section 3–104(b) and 3–703
21 Annotated Code of Maryland
22 (2023 Replacement Volume)

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

25 **Article – Real Property**

26 3–104.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) The Clerk of the Circuit Court may record an instrument that effects a
2 change of ownership if the instrument is:

3 (i) Endorsed with the certificate of the collector of taxes of the
4 county in which the property is assessed, required under subsection (b) of this section;

5 (ii) 1. Accompanied by a complete intake sheet; or

6 2. Endorsed by the assessment office for the county as
7 provided in subsection (g)(8) of this section; and

8 (iii) Accompanied by a copy of the instrument, and any survey, for
9 submission to the Department of Assessments and Taxation.

10 (2) The Supervisor of Assessments shall transfer ownership of property in
11 the assessment records, effective as of the date of recordation, upon receipt from the Clerk
12 of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey
13 submitted under paragraph (1) of this subsection.

14 (b) (1) (i) Except as provided in subsection (c) of this section, property may
15 not be transferred on the assessment books or records until:

16 1. All public taxes, assessments, and charges currently due
17 and owed on the property have been paid to the treasurer, tax collector, or director of
18 finance of the county in which the property is assessed; and

19 2. All taxes on personal property in the county due by the
20 transferor have been paid when all land owned by the transferor in the county is being
21 transferred.

22 (ii) The certificate of the collecting agent designated by law, showing
23 that all taxes, assessments, and charges have been paid, shall be endorsed on the deed, and
24 the endorsement shall be sufficient authority for transfer on the assessment books.

25 (2) (i) Except as provided in subsection (c) of this section, in Allegany,
26 Cecil, Charles, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, and St.
27 Mary's counties no property may be transferred on the assessment books or records until:

28 1. All public taxes, assessments, any charges due a
29 municipal corporation, and charges due on the property have been paid as required by law;
30 and

31 2. All taxes on personal property in the county due by the
32 transferor have been paid when all land owned by the transferor in the county and
33 municipal corporation is being transferred.

1 (ii) The certificate of the collecting agent and municipal corporation
2 designated by law showing that all taxes, assessments, and charges have been paid, shall
3 be endorsed on the deed and the endorsement shall be sufficient authority for transfer on
4 the assessment books.

5 **(3) (I) ON REQUEST, THE TREASURER, TAX COLLECTOR, OR**
6 **DIRECTOR OF FINANCE FOR A COUNTY OR MUNICIPALITY SHALL ISSUE TO THE**
7 **REQUESTER A CERTIFICATE CLEARLY ENUMERATING BY TYPE AND AMOUNT ANY**
8 **PUBLIC TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR**
9 **MUNICIPALITY AGAINST A PROPERTY LOCATED IN THE COUNTY OR MUNICIPALITY.**

10 **(II) A CERTIFICATE ISSUED UNDER THIS PARAGRAPH SHALL**
11 **BAR ANY CHARGE OR ASSESSMENT AGAINST THE PROPERTY LEVIED ON A BONA FIDE**
12 **PURCHASER FOR VALUE WITH NO NOTICE OF THE CHARGE OR ASSESSMENT PRIOR**
13 **TO THE PURCHASE OF THE PROPERTY.**

14 **(III) A COLLECTING AGENT PRESENTED WITH A CERTIFICATE**
15 **ISSUED UNDER THIS PARAGRAPH WITHIN 45 DAYS AFTER ISSUANCE INDICATING**
16 **THAT ALL TAXES, ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR**
17 **MUNICIPALITY HAVE BEEN PAID SHALL ENDORSE THAT ALL TAXES, ASSESSMENTS,**
18 **AND CHARGES HAVE BEEN PAID AND THE ENDORSEMENT SHALL BE SUFFICIENT**
19 **AUTHORITY FOR TRANSFER ON THE ASSESSMENT BOOKS.**

20 **(IV) A COUNTY OR MUNICIPALITY MAY COLLECT A FEE OF UP TO**
21 **\$55 FOR THE ISSUANCE OF A CERTIFICATE UNDER THIS PARAGRAPH.**

22 **(V) THE PAYMENT OF A FEE AND THE ISSUANCE OF A**
23 **CERTIFICATE UNDER THIS PARAGRAPH MAY NOT PRECLUDE A CLAIM BY A COUNTY**
24 **OR MUNICIPALITY TO PAYMENT OF A CHARGE OR ASSESSMENT AGAINST:**

25 **1. THE OWNER OF THE PROPERTY AT THE TIME OF THE**
26 **ISSUANCE OF THE CERTIFICATE; OR**

27 **2. A PERSON WHO ACQUIRES THE PROPERTY WITH**
28 **KNOWLEDGE OF THE CHARGE OR ASSESSMENT.**

29 **(VI) EACH TREASURER, TAX COLLECTOR, OR DIRECTOR OF**
30 **FINANCE OF A COUNTY OR MUNICIPALITY SHALL ADOPT PROCEDURES TO**
31 **IMPLEMENT THE REQUIREMENTS OF THIS PARAGRAPH.**

32 3-703.

33 (a) In this section, "paper document" means a document received by the clerk of
34 a circuit court in a form that is not electronic.

1 (b) In compliance with any standards established by the Administrative Office of
2 the Courts, the clerk of a circuit court:

3 (1) May receive, index, store, archive, and transmit electronic documents;

4 (2) May provide for access to, and search and retrieval of, documents and
5 information by electronic means;

6 (3) Shall, if the clerk of the circuit court accepts electronic documents for
7 recording, continue to accept paper documents and place entries for electronic and paper
8 documents in the same index;

9 (4) May convert into electronic form:

10 (i) Paper documents accepted for recording; and

11 (ii) Information recorded before the clerk of the circuit court began
12 to record electronic documents;

13 (5) Shall transmit documents in fully verified books to the State Archives
14 for preservation and publication on a website maintained by the State Archives;

15 (6) May accept by electronic means any fee or tax collected as a condition
16 precedent to recording a document; and

17 (7) [May agree] **SHALL COORDINATE** with other State or county officials
18 on procedures or processes to facilitate the electronic satisfaction of prior approvals and
19 conditions precedent to recording documents or the electronic payment of fees or taxes.

20 (c) The State Department of Assessments and Taxation or a county [may]:

21 (1) [Accept] **MAY ACCEPT** by electronic means any fee or tax that the
22 Department or county is authorized to collect as a condition precedent to recording a
23 document; and

24 (2) [Agree] **SHALL COORDINATE** with the clerk of a circuit court or other
25 State official on procedures or processes to facilitate the electronic satisfaction of prior
26 approvals and conditions precedent to recording documents or the electronic payment of
27 fees or taxes.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2024.