

SENATE BILL 884

N1

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By: **Senator James**

Introduced and read first time: February 2, 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 to provide a certificate enumerating certain taxes, assessments, and charges against
5 a property and to establish certain procedures to facilitate the issuance of the
6 certificate; requiring a collecting agent presented with a certificate to endorse a deed
7 on payment of transfer and recordation taxes and all charges stated in the certificate
8 and establishing that this endorsement is sufficient authority for a transfer on the
9 assessment books; requiring the clerk of a circuit court and the State Department of
10 Assessments and Taxation to facilitate the electronic satisfaction of prior approvals
11 and conditions precedent to recording documents or the electronic payment of fees or
12 taxes; and generally relating to the recordation of instruments affecting an interest
13 in real property.

14 BY repealing and reenacting, without amendments,
15 Article – Real Property
16 Section 3–104(a)
17 Annotated Code of Maryland
18 (2023 Replacement Volume)

19 BY repealing and reenacting, with amendments,
20 Article – Real Property
21 Section 3–104(b) and 3–703
22 Annotated Code of Maryland
23 (2023 Replacement Volume)

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

26 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 3–104.

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

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

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

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

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

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

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

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

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

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

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

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

32 2. All taxes on personal property in the county due by the
33 transferor have been paid when all land owned by the transferor in the county and
34 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 SHALL ISSUE TO THE REQUESTER A
7 CERTIFICATE CLEARLY ENUMERATING BY TYPE AND AMOUNT ANY PUBLIC TAXES,
8 ASSESSMENTS, AND CHARGES DUE TO THE COUNTY OR MUNICIPALITY AGAINST A
9 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 SHALL
16 ENDORSE THE DEED AS REQUIRED UNDER PARAGRAPH (1)(II) OR (2)(II) OF THIS
17 SUBSECTION ON PAYMENT OF ALL CHARGES SET FORTH IN THE CERTIFICATE AS
18 WELL AS ANY APPLICABLE TRANSFER OR RECORDATION TAXES.

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

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

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

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

28 (VI) EACH TREASURER, TAX COLLECTOR, OR DIRECTOR OF
29 FINANCE OF A COUNTY SHALL ADOPT PROCEDURES TO IMPLEMENT THE
30 REQUIREMENTS OF THIS PARAGRAPH, INCLUDING PROCEDURES FOR OBTAINING A
31 STATEMENT ON A CERTIFICATE ISSUED UNDER THIS PARAGRAPH OF ALL TAXES,
32 ASSESSMENTS, AND CHARGES DUE TO A MUNICIPALITY ON THE TRANSFER OF
33 OWNERSHIP OF A PROPERTY.

1 (a) In this section, “paper document” means a document received by the clerk of
2 a circuit court in a form that is not electronic.

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

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

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

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

11 (4) May convert into electronic form:

12 (i) Paper documents accepted for recording; and

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

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

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

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

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

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

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

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