

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2002 Legislative Session

Bill No. CB-87-2002
 Chapter No. 69
 Proposed and Presented by The Chairman (by request – County Executive)
 Introduced by Council Member Shapiro
 Co-Sponsors _____
 Date of Introduction October 7, 2002

BILL

1 AN ACT concerning

2 Transfer Tax

3 For the purpose of clarifying the definition of a purchase money mortgage or purchase money
 4 deed of trust; clarifying that date upon which an instrument is fully executed for purposes of
 5 applying the transfer tax; and generally relating to the transfer tax.

6 BY repealing and reenacting with amendments:

7 SUBTITLE 10. FINANCE AND TAXATION.

8 Section 10-188,

9 The Prince George's County Code

10 (1999 Edition, 2001 Supplement).

11 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 12 Maryland, that Section 10-188 of the Prince George's County Code be and the same is hereby
 13 repealed and reenacted with the following amendments:

14 SUBTITLE 10. FINANCE AND TAXATION.

15 DIVISION 7. TAXES AND TAX CREDITS.

16 Subdivision 1. Transfer and Recordation Taxes.

17 **Sec. 10-188. Transfer tax; computation; collection; instrument of writing; deferral or**
 18 **abatement.**

19 (a) A tax is imposed at the rate of one and four-tenths percent (1.4%) of actual
 20 consideration paid or to be paid under every instrument of writing conveying title to real
 21 property, or any interest therein, in the County, offered for record and recorded in the County.

(1) Conveyances to the State or any agency thereof or any political subdivision of the State shall not be subject to the tax imposed by this Section.

(b) In the case of a lease for a term of years, not perpetually renewable, the tax provided for in this Section shall be computed and be based upon the capitalization at ten percent (10%) of the average annual rent over the entire term of the lease, including any renewable term, plus the actual consideration other than rent paid or to be paid. Where the average annual rental cannot be determined or accurately estimated from the terms contained in the lease for payment thereof, the tax shall be based upon eighty percent (80%) of the assessed value of the property described in the lease.

(c) The Director of Finance is designated the collecting officer in the County to collect the tax imposed by this Section.

(d) (1) For the purposes of this Section, instrument of writing shall include deeds, mortgages, deeds of trust, leases, contracts and agreements, but shall not include purchase money mortgages, purchase money deeds of trust, assignments of mortgages, or releases. Upon any refinancing of property by the original mortgagor or mortgagors, the tax shall apply only to the consideration over and above the amount of the original mortgage or deed of trust. Any mortgage or deed of trust on a mortgagor's principal residence recorded after the recordation of a purchase money mortgage or purchase money deed of trust, where more than twelve months has elapsed since the recording of the prior mortgage or deed of trust, shall be exempt from the tax imposed by this Section.

(2) For purposes of this Section, "purchase money mortgage" or "purchase money deed of trust" means a mortgage or deed of trust that:

(i) is given by the transferee of real property with respect to the property purchased;

(ii) is delivered as part of the same transaction as the instrument of writing that transfers the property purchased and that is subject to the County transfer tax;

(iii) recites on its face that it secures, in whole or in part, the purchase money for the property or otherwise recites on its face that it is a purchase money mortgage or purchase money deed of trust;

(iv) is fully executed within 30 days of the date that the instrument of writing transferring the property is fully executed; and

(v) is recorded no later than 30 days after the date that the instrument of writing transferring the property is duly recorded.

(3) For the purposes of this Section, the date that an instrument is fully executed is the later of:

(i) the date of the last acknowledgment; or

(ii) the date on the instrument of writing.

(e) Taxes imposed by this Section shall be deferred or abated for not more than one hundred and eighty (180) days on the transfer of property to fulfill the terms of a valid listing agreement, subject to the following requirements and conditions:

(1) The party offering for record an instrument in writing transferring title as part of such listing agreement shall certify, in writing on said instrument, that the transfer of property is to fulfill the terms of a valid listing agreement between the grantor and grantee; that a valid contract has been entered into by the grantor for the purchase of another property; and that it is the intent to transfer all interest in such property to a third party within the same one hundred and eighty (180) days.

(2) There shall be no deferral or abatement of the tax imposed by this Section upon the conveyance of title or interest to a third party.

(3) Failure to offer for record an instrument in writing transferring title to the third party within the same one hundred and eighty (180) days shall result in a lien being placed on such property for the taxes otherwise required by this Section.

SECTION 2. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 29th day of October, 2002.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Peter A. Shapiro
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Wayne K. Curry
County Executive