
Reference No: CB-94-1991

AGENDA ITEM SUMMARY

Draft No: 1

Prince George's

Meeting Date: 10/8/91

County Council

Requester: WI

Item Title: An Act providing exemption from recordation

& transfer taxes for first \$30,000 of actual consideration paid by buyer of owner-

occupied residential property, etc.

Sponsors ___ ____

Date Presented 10/8/91 Executive Action __/_/_ __ Committee Referral(1) 10/8/91 FP&GO Effective Date __/__/_

Committee Action (1) 10/28/91 HELD____

Date Introduced _/_/__/
Pub. Hearing Date (1) __/__/__:__:___

Council Action (1) 11/5/91 Rejected_____ Council Votes B_: A_, CA: A_, C_: A_, D_: A_, F_: A_, MC: A_,

M_: N_, P_: A_, WI: N_, __: __, __: __, __: __

Pass/Fail P

Remarks _____

Ralph E. Grutzmacher Resource
Drafter: Legislative Officer Personnel:

LEGISLATIVE HISTORY

Fiscal Policy & Government Operations Date: October 28, 1991

Committee Report

Committee Vote: Held in Committee, 5-2 (In favor: Council Members

Castaldi, Casula, Del Giudice, Fletcher and MacKinnon; Opposed: Council Members Wineland and

Mills)

Paul Fowler, Executive Vice President, P. G. County Association of Realtors, Inc., discussed the need for this legislation and the Realtor's Association support for this legislation. He reminded the Council that this exemption is currently provided on the state level from the .5% state transfer.

The Office of Management and Budget opposes this legislation because it would result in a loss of between 7.8 - 8.2 million dollars in revenue

for FY 93. Based on a statistical study, the average transfer tax in FY 91 was \$1,881 representing an average value of \$125,000 for Residential properties. This exemption would provide tax relief of approximately \$600 for both Transfer and Recordation Taxes, representing relief of 24% for the average transfer.

Noel Temple Wood, resident of Ft. Washington expressed his support for CB-94-1991. He said "this is an important first step toward reduction and eventual elimination of narrow focus taxes and fees which have such a disproportionate and adverse effect on the economic activity in our County". Also, this bill will enhance housing affordability particularly for the first time homebuyers whose typical first home purchase is in the lower end of the price range. He urged the Council to consider and make the changes which will make home ownership attainable for more people in Prince George's County.

The Legislative Officer has reviewed this legislation and finds it to be in proper legislative form.

The estimated fiscal impact on the County resulting from the adoption of this bill will be negative in the amount of approximately \$8,337,150 annually.

BACKGROUND INFORMATION/FISCAL IMPACT (Includes reason for proposal, as well as any unique statutory requirements)

The proposed legislation would provide that the first thirty thousand dollars (\$30,000) of actual consideration paid by the buyer of residentially improved owner-occupied real property is exempted from recordation and transfer taxes. The legislation also corrects references to the Annotated Code of Maryland in this regard.