BILL NO. 93- 3

AS AMENDED

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 93-3 (AS AMENDED)

Introduced by Council President Wilson at the request of the County Executive

Legislative Day No. 93-4 Date February 2, 1993

AN ACT to add new Article IV, Transfer tax to Chapter 123, Finance and Taxation, of the Harford County Code, as amended, to provide for the imposition of a transfer tax on certain instruments of writing; providing for the rate of the tax; providing for certain exemptions or credits; providing for the collection and distribution of the tax; and generally relating to a transfer tax in Harford County.

By the Council, February 2, 1993

Introduced, read first time, ordered posted and public hearing scheduled

on: March 2, 1993

at: 7:00 p.m.

By Order: Doris Poulsen, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on March 2, 1993, and concluded on, March 2, 1993

Doris Poulsen, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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WHEREAS, The General Assembly enacted House Bill No. 1481 effective July 1, 1992, which authorized the County Council to impose a transfer tax; and

WHEREAS, Certain exemptions, credits, rate, collection and distribution methods were mandated by House Bill No. 1481; and

WHEREAS, It is in the best interest of the County that a transfer tax be imposed in accordance with the State enabling legislation.

NOW THEREFORE,

Be It Enacted By The County Council of Harford County, Maryland that new Article IV, Transfer Tax, be added to Chapter 123, Finance and Taxation, of the Harford County Code, as amended; all to read as follows:

Chapter 123 Finance and Taxation.

Article IV Transfer Tax.

§ 123-50. ESTABLISHMENT.

A. DEFINITION.

(1) IN THIS ARTICLE "INSTRUMENT OF WRITING" MEANS A WRITTEN INSTRUMENT THAT CONVEYS TITLE TO, OR A LEASEHOLD INTEREST IN, REAL PROPERTY.

(2) "INSTRUMENT OF WRITING" INCLUDES:

(A) A DEED OR CONTRACT;

(B) A LEASE;

(C) AN ASSIGNMENT OF A LESSEE'S INTEREST;

(D) ARTICLES OF TRANSFER;

(E) ARTICLES OF MERGER OR OTHER DOCUMENT WHICH EVIDENCES A MERGER OF FOREIGN CORPORATIONS OR FOREIGN LIMITED PARTNERSHIPS; AND

(F) ARTICLES OF CONSOLIDATION OR OTHER DOCUMENT WHICH EVIDENCES A CONSOLIDATION OF FOREIGN CORPORATIONS.

(3) "INSTRUMENT OF WRITING" DOES NOT INCLUDE:

(A) A MORTGAGE, DEED OF TRUST, OR OTHER CONTRACT THAT CREATES AN ENCUMBRANCE ON REAL PROPERTY; OR

(B) A SECURITY AGREEMENT, AS DEFINED IN § 12-101(E) OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

B. THE TRANSFER TAX IS IMPOSED ON AN INSTRUMENT OF WRITING:

(1) RECORDED WITH THE CLERK OF THE CIRCUIT COURT FOR HARFORD COUNTY; OR

(2) FILED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.

C. A TRANSFER TAX UNDER THIS SECTION:

(1) SHALL BE IMPOSED AT THE RATE OF 1% <u>OF THE CONSIDERATION PAYABLE FOR THE INSTRUMENT OF WRITING</u>; AND

(2) DOES NOT APPLY TO:

(A) AN INSTRUMENT OF WRITING EXEMPT FROM THE STATE TRANSFER TAX UNDER § 13-207 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND;

(B) A TRANSFER OF LAND SUBJECT TO THE AGRICULTURAL LAND TRANSFER TAX UNDER TITLE 13, SUBTITLE 3 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND; OR

(C) THE FIRST $30,000 OF CONSIDERATION PAYABLE FOR AN INSTRUMENT OF WRITING FOR RESIDENTIALLY-IMPROVED, OWNER-OCCUPIED REAL PROPERTY, PROVIDED THAT THE INSTRUMENT OF WRITING IS ACCOMPANIED BY A STATEMENT UNDER OATH SIGNED BY THE GRANTEE THAT THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE.

D. THE EXEMPTION PROVIDED UNDER SUBSECTION C(3)(C) OF THIS ARTICLE SHALL BE APPLIED AGAINST THE GRANTEE'S TRANSFER TAX PAYMENT REQUIRED UNDER THIS SECTION, UNLESS THE GRANTOR HAS AGREED BY CONTRACT TO PAY THE ENTIRE COUNTY TRANSFER TAX, IN WHICH CASE THE EXEMPTION SHALL BE APPLIED AGAINST THE GRANTOR'S TRANSFER TAX.

§ 123-51. COLLECTION.

THE TREASURER OF HARFORD COUNTY SHALL COLLECT THE TRANSFER TAX.

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§ 123-52. DISTRIBUTION.

THE PROCEEDS OF THE TRANSFER TAX RECEIVED BY THE TREASURER UNDER § 123-51 OF THIS ARTICLE SHALL BE DISTRIBUTED AS FOLLOWS:

(1) 50% SHALL BE DEDICATED TO THE COUNTY'S AGRICULTURAL LAND PRESERVATION PROGRAM; AND

(2) 50% SHALL BE DEDICATED TO FUND SCHOOL SITE ~~ACQUISITION OR~~ ACQUISITION, SCHOOL ~~CONSTRUCTION~~ CONSTRUCTION, OR TO PAY INDEBTEDNESS INCURRED ON OR AFTER JULY 1, 1993 FOR SCHOOL SITE ACQUISITION OR SCHOOL CONSTRUCTION.

§ 123-53. EXEMPTION OR CREDITS.

THE COUNTY COUNCIL, BY LAW, MAY PROVIDE FOR EXEMPTIONS FROM OR CREDITS AGAINST THE TRANSFER TAX IMPOSED UNDER THIS ARTICLE.

Section 2. And Be It Further Enacted, That the transfer tax imposed by this Act does not apply to an instrument of writing that conveys title to real property and is recorded or filed on or before December 31, 1993 if:

A. a fully executed contract of sale for the property is entered into on or before June 30, 1993; and

B. closing and the transfer of legal title to the property are completed on or before December 31, 1993, to the same person who executed the contract as the buyer.

Section ~~2~~ 3. And Be It Further Enacted that this Act shall take effect ~~sixty (60) calendar days from the date it becomes law~~ on July 1, 1993.

EFFECTIVE: July 1, 1993

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HARFORD COUNTY BILL NO. 93-3 as amended

(Brief Title) Transfer Tax

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Doris Poulsen
Secretary of the Council

Date April 6, 1993

ENROLLED

Floyd D. Gibson
President of the Council

Date April 6, 1993

BY THE COUNCIL

Read the third time.

Passed: LSD 93-10, April 6, 1993

Failed of Passage: _____

By Order

Doris Poulsen, Secretary

Sealed with the County Seal and presented to the County Executive for approval this 8th day of April, 199__ at 12:00 p. m.

Doris Poulsen, Secretary

BY THE EXECUTIVE

Eileen M. Rehrmann
COUNTY EXECUTIVE

APPROVED: Date April 20, 1993

BY THE COUNCIL

This Bill (No. 93-3, as amended), having been approved by the Executive and returned to the Council, becomes law on April 20, 1993.

Doris Poulsen, Secretary

EFFECTIVE DATE: July 1, 1993

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