

HOUSE BILL 1159

Q1, Q6

8lr0521

By: **Delegates Manno, Barve, Cardin, Eckardt, Elmore, Gilchrist, Haddaway, Hecht, Hucker, Impallaria, Ivey, Kaiser, King, Miller, Montgomery, Olszewski, Rice, Ross, and Stukes**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Tax Fairness in Eminent Domain Proceedings Act**

3 FOR the purpose of exempting from recordation tax and State transfer tax an
4 instrument of writing that transfers certain improved residential real property
5 to an individual who previously owned property that was acquired for public
6 use; providing for certain limitations on the exemption from recordation tax and
7 State transfer tax; defining certain terms; and generally relating to exemptions
8 from recordation and State transfer taxes.

9 BY adding to

10 Article – Tax – Property
11 Section 12–108(dd) and 13–207(a)(22)
12 Annotated Code of Maryland
13 (2007 Replacement Volume)

14 BY repealing and reenacting, with amendments,

15 Article – Tax – Property
16 Section 13–207(a)(20) and (21)
17 Annotated Code of Maryland
18 (2007 Replacement Volume)

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

21 **Article – Tax – Property**

22 12–108.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (DD) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE
2 THE MEANINGS INDICATED.

3 (II) "ACQUIRED DWELLING" MEANS A DWELLING:

4 1. THAT WAS OWNED BY A DISPLACED HOMEOWNER;
5 AND

6 2. THAT BY NEGOTIATION OR CONDEMNATION WAS
7 ACQUIRED FROM THE DISPLACED HOMEOWNER FOR PUBLIC USE BY THE STATE
8 OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE, WHERE
9 THE ACQUIRING AGENCY HAD THE POWER TO ACQUIRE THE DWELLING FOR
10 PUBLIC USE BY CONDEMNATION.

11 (III) "ACQUISITION YEAR" MEANS THE TAXABLE YEAR IN
12 WHICH AN ACQUIRED DWELLING WAS ACQUIRED FOR PUBLIC USE BY THE STATE
13 OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE.

14 (IV) "AWARDED COMPENSATION" MEANS THE AMOUNT
15 AWARDED TO THE DISPLACED HOMEOWNER FROM THE ACQUIRING AGENCY
16 WHEN THE STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE
17 STATE TOOK POSSESSION OF THE ACQUIRED DWELLING BY NEGOTIATION OR
18 CONDEMNATION.

19 (V) "DISPLACED HOMEOWNER" MEANS AN INDIVIDUAL
20 WHOSE LEGAL INTEREST IN A DWELLING WAS TERMINATED THROUGH EITHER
21 NEGOTIATION OR CONDEMNATION IN EXCHANGE FOR AWARDED
22 COMPENSATION.

23 (VI) "REPLACEMENT DWELLING" MEANS A DWELLING THAT
24 IS:

25 1. PURCHASED BY A DISPLACED HOMEOWNER
26 WITHIN 2 TAXABLE YEARS IMMEDIATELY FOLLOWING THE ACQUISITION YEAR;
27 AND

28 2. IS INTENDED TO BE USED AS THE PRINCIPAL
29 RESIDENCE OF THE DISPLACED HOMEOWNER.

30 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
31 SUBSECTION, AN INSTRUMENT OF WRITING THAT TRANSFERS TITLE TO
32 IMPROVED RESIDENTIAL REAL PROPERTY TO A DISPLACED HOMEOWNER IS NOT
33 SUBJECT TO THE RECORDATION TAX IF THE IMPROVED RESIDENTIAL REAL

1 PROPERTY CONVEYED TO THE DISPLACED HOMEOWNER QUALIFIES AS A
2 REPLACEMENT DWELLING.

3 (3) TO THE EXTENT THAT THE DISPLACED HOMEOWNER'S
4 RESPONSIBILITY FOR THE RECORDATION TAX EXCEEDS THE AMOUNT OF
5 RECORDATION TAX THAT WOULD BE IMPOSED ON 125% OF THE AWARDED
6 COMPENSATION, THE DISPLACED HOMEOWNER SHOULD PAY THE EXCESS.

7 13-207.

8 (a) An instrument of writing is not subject to transfer tax to the same extent
9 that it is not subject to recordation tax under:

10 (20) § 12-108(aa) of this article (Transfers involving certain Maryland
11 Stadium Authority affiliates); [or]

12 (21) § 12-108(cc) of this article (Certain transfers to land trusts); OR

13 (22) § 12-108(DD) OF THIS ARTICLE (CERTAIN TRANSFERS TO
14 DISPLACED HOMEOWNERS).

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2008.