

HOUSE BILL 820

Q1, Q6, L2

9lr1293

By: **Montgomery County Delegation**

Introduced and read first time: February 11, 2009

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County Employees – Property, Recordation, and Transfer Taxes**

3 **MC 932–09**

4 FOR the purpose of authorizing the governing body of Montgomery County to grant,
5 by law, a tax credit against the county property tax imposed on certain
6 owner–occupied residential real property purchased by certain individuals after
7 a certain date; authorizing Montgomery County to provide, by law, for the
8 amount and duration of the credit and certain other provisions to carry out the
9 credit; authorizing the governing body of Montgomery County to grant, by law,
10 a recordation tax exemption for transfers of residential real property to certain
11 individuals; authorizing Montgomery County to provide, by law, for certain
12 other provisions to carry out the exemption; authorizing the governing body of
13 Montgomery County to provide, by law, an exemption from the Montgomery
14 County transfer tax for the sale of certain property to certain individuals;
15 defining certain terms; providing for a technical correction; and generally
16 relating to property, recordation, and transfer taxes.

17 BY adding to

18 Article – Tax – Property
19 Section 9–317(f) and 12–119
20 Annotated Code of Maryland
21 (2007 Replacement Volume and 2008 Supplement)

22 BY repealing and reenacting, with amendments,

23 The Public Local Laws of Montgomery County
24 Section 52–20(a)
25 Article 16 – Public Local Laws of Maryland
26 (2004 Edition and December 2008 Supplement, as amended)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 The Public Local Laws of Montgomery County
2 Section 52–20(f)
3 Article 16 – Public Local Laws of Maryland
4 (2004 Edition and December 2008 Supplement, as amended)

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

7 **Article – Tax – Property**

8 9–317.

9 (F) (1) IN THIS SUBSECTION, “MONTGOMERY COUNTY EMPLOYEE”
10 MEANS AN EMPLOYEE OF:

11 (I) MONTGOMERY COUNTY OR ANY OF ITS
12 INSTRUMENTALITIES;

13 (II) MONTGOMERY COLLEGE;

14 (III) MONTGOMERY COUNTY PUBLIC SCHOOLS;

15 (IV) THE MARYLAND–NATIONAL CAPITAL PARK AND
16 PLANNING COMMISSION;

17 (V) THE WASHINGTON SUBURBAN SANITARY COMMISSION;

18 (VI) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE
19 ASSIGNED TO THE MONTGOMERY COUNTY DEPARTMENT OF HEALTH AND
20 HUMAN SERVICES;

21 (VII) THE DEPARTMENT OF HUMAN RESOURCES ASSIGNED
22 TO THE MONTGOMERY COUNTY DEPARTMENT OF HEALTH AND HUMAN
23 SERVICES;

24 (VIII) A COMMERCIAL DISTRICT MANAGEMENT AUTHORITY IN
25 MONTGOMERY COUNTY, AS DEFINED IN ARTICLE 25A, § 5(FF) OF THE CODE;
26 OR

27 (IX) THE MONTGOMERY COUNTY HOUSING OPPORTUNITIES
28 COMMISSION.

29 (2) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY
30 GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED

1 ON OWNER–OCCUPIED RESIDENTIAL REAL PROPERTY PURCHASED BY A
2 MONTGOMERY COUNTY EMPLOYEE AFTER JUNE 30, 2009.

3 (3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
4 THE GOVERNING BODY OF MONTGOMERY COUNTY MAY PROVIDE FOR THE
5 AMOUNT AND DURATION OF THE CREDIT GRANTED UNDER THIS SUBSECTION
6 AND ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROPERTY TAX
7 CREDIT UNDER THIS SUBSECTION.

8 (II) THE CREDIT MAY NOT BE GRANTED FOR ANY TAXABLE
9 YEAR AFTER THE 5TH TAXABLE YEAR AFTER THE PURCHASE OF THE REAL
10 PROPERTY.

11 12–119.

12 (A) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY, BY LAW,
13 EXEMPT FROM THE RECORDATION TAX AN INSTRUMENT OF WRITING THAT
14 TRANSFERS RESIDENTIAL REAL PROPERTY TO A MONTGOMERY COUNTY
15 EMPLOYEE, AS DEFINED IN § 9–317(F) OF THIS ARTICLE, WHO WILL OCCUPY
16 THE PROPERTY AS A PRINCIPAL RESIDENCE.

17 (B) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY PROVIDE,
18 BY LAW, FOR ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THE
19 RECORDATION TAX EXEMPTION UNDER THIS SECTION.

20 **Article 16 – Montgomery County**

21 52–20.

22 (a) The county council for Montgomery County is empowered and authorized
23 to levy and impose by resolution or ordinance a tax to be paid and collected on the
24 transfer in Montgomery County of:

25 (1) Any fee simple interest in real property, except by way of
26 mortgage, deed of trust, or deed of trust for the benefit of creditors;

27 (2) Stock or other evidence of ownership in a cooperative housing
28 corporation or similar entity; [and]

29 (3) Any leasehold interest in real property, where such lease contains
30 a covenant for perpetual renewal; and

31 (4) Any nonresidential leasehold interest in real property where there
32 is a simultaneous or subsequent transfer of the fee interest in the real property to:

- 1 (i) Any transferee or assignee of the leasehold; or
2 (ii) Any entity in which a transferee or assignee of the leasehold
3 has any interest.

4 (F) THE COUNTY COUNCIL IS FURTHER EMPOWERED AND AUTHORIZED
5 TO PROVIDE BY RESOLUTION OR ORDINANCE AN EXEMPTION WHERE THE
6 TRANSFER OF ANY INTEREST IN REAL PROPERTY IS TO A MONTGOMERY
7 COUNTY EMPLOYEE, AS DEFINED IN § 9-317(F) OF THE TAX - PROPERTY
8 ARTICLE OF THE ANNOTATED CODE OF MARYLAND, WHO HAS A LEGAL
9 INTEREST IN THE PROPERTY AND WILL OCCUPY THE PROPERTY AS A PRINCIPAL
10 RESIDENCE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2009.