

Bill No. 17-23
Concerning: Taxation - Recordation
Tax Rates – Amendments
Revised: 5/3/2023 Draft No. 2
Introduced: March 21, 2023
Enacted: May 9, 2023
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Mink
Co-sponsor: Councilmember Jawando

AN ACT to:

- (1) increase the rate of the recordation tax levied under state law for certain transactions;
- (2) allocate the revenue received from the recordation tax for certain uses; and
- (3) generally amend the law governing the recordation tax.

By amending
Montgomery County Code
Chapter 52, Taxation
Section 52-16B

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-16B is amended as follows:**

2 **52-16B. Recordation Tax.**

3 (a) *Rates.* The rates and the allocations of the recordation tax, levied under
4 Md. Tax- Property Code §§12-101 to 12-118, as amended, are:

5 (1) for each \$500 or fraction of \$500 of consideration payable or of
6 the principal amount of the debt secured for an instrument of
7 writing, including the amount of any mortgage or deed of trust
8 assumed by a grantee;

9 (A) \$2.08, of which the net revenue must be reserved for and
10 allocated to the County general fund; and

11 (B) ~~[\$2.37] [[\$3.79]]~~ \$2.37, of which the net revenue must be
12 reserved for and allocated to the cost of capital
13 improvements to public schools; and

14 (2) if the consideration payable or principal amount of debt secured:

15 (A) exceeds \$500,000 and is less than or equal to \$600,000, an
16 additional ~~[\$2.30] [[\$3.45]]~~ \$2.30 for each \$500 or
17 fraction of \$500 of the amount over \$500,000 ~~[, of which~~
18 the net revenue must be reserved for and allocated equally
19 to:

20 (A) the cost of County government capital
21 improvements; and

22 (B) rent assistance for low and moderate income
23 households, which must not be used to supplant any
24 otherwise available funds.]; and

25 (B) exceeds \$600,000 and less than or equal to \$750,000, an
26 additional \$5.75 for each \$500 or fraction of \$500 of the
27 amount over \$600,000; and

28 (C) exceeds \$750,000 and less than or equal to \$1,000,000, an
29 additional \$6.33 for each \$500 or fraction of \$500 of the
30 amount over \$750,000; and

31 ~~[(3)]~~(D) [[if the consideration payable or principal amount of debt
32 secured for a single-family dwelling unit]] exceeds
33 \$1,000,000, an additional ~~[\$1.15]] \$6.90 for each \$500 or~~
34 fraction of \$500 of the amount over \$1,000,000 [[, of
35 which the net revenue must be reserved for and allocated
36 equally:

37 (A) the cost of County government capital
38 improvements; and

39 (B) rent assistance for low and moderate income
40 households, which must not be used to supplant any
41 otherwise available funds]].

42 (3) Allocation of revenue collected. The net revenue collected under
43 paragraph (2) must be reserved for and allocated as follows:


44 (A) one-third for the cost of County government capital
45 improvements; and

46 (B) one-third for rent assistance for low and moderate income
47 households, which must not be used to supplant any
48 otherwise available funds; and

49 (C) one-third for the cost of capital improvements for public
50 schools.

51 **Sec 2. Effective date.** This Act takes effect on ~~[[July 1, 2023]]~~ October 1,
52 2023, and must apply to any transaction which occurs on or after ~~[[July 1, 2023]]~~
53 October 1, 2023.

Approved:


_____ 5/12/2023
Evan Glass, President, County Council Date

Approved:

Marc Elrich, County Executive Date

This is a correct copy of Council action.

Judy Rupp, Clerk of the Council Date