

HOUSE BILL 751

Q6, N1
HB 474/23 – ENT & W&M

4lr1296
CF 4lr3337

By: **Delegate Amprey**

Introduced and read first time: January 31, 2024

Assigned to: Environment and Transportation and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sale of Residential Real Property – Offers to Purchase and Transfer Tax**

3 FOR the purpose of requiring a person who offers certain residential real property for sale
4 to a third party, during a certain period of time, to accept an offer to purchase the
5 property made only by certain persons; altering the rate of the State transfer tax
6 payable for an instrument of writing for a sale of certain residential real property
7 under certain circumstances; and generally relating to sales of residential real
8 property and the State transfer tax.

9 BY adding to
10 Article – Real Property
11 Section 10–804
12 Annotated Code of Maryland
13 (2023 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 13–203(a)
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2023 Supplement)

19 BY adding to
20 Article – Tax – Property
21 Section 13–203(c)
22 Annotated Code of Maryland
23 (2019 Replacement Volume and 2023 Supplement)

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

26 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



10-804.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "COMMUNITY DEVELOPMENT ORGANIZATION" HAS THE MEANING STATED IN § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

(3) "REAL ESTATE ENTERPRISE" MEANS A BUSINESS THAT:

(I) IS CONDUCTED BY ONE OR MORE INDIVIDUALS;

(II) OWNS REAL PROPERTY, INCLUDING IN A TENANCY BY THE ENTIRETY; AND

(III) IS INVOLVED IN BUYING, SELLING, LEASING, OR MANAGING REAL PROPERTY.

(B) (1) THIS SECTION APPLIES ONLY TO THE SALE OF IMPROVED, SINGLE-FAMILY RESIDENTIAL REAL PROPERTY.

(2) THIS SECTION DOES NOT APPLY TO A SALE IN AN ACTION TO FORECLOSE A MORTGAGE, A DEED OF TRUST, OR ANY OTHER LIEN.

(C) DURING THE FIRST 30 DAYS AFTER A PERSON OFFERS A PROPERTY SUBJECT TO THIS SECTION FOR SALE TO A THIRD PARTY, THE PERSON MAY ACCEPT AN OFFER TO PURCHASE THE PROPERTY MADE ONLY BY AN INDIVIDUAL, A COMMUNITY DEVELOPMENT ORGANIZATION, A NONPROFIT ORGANIZATION, OR A REAL ESTATE ENTERPRISE THAT OWNS AN INTEREST IN LESS THAN 3% OF ALL RESIDENTIAL REAL PROPERTY LOCATED WITHIN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

Article – Tax – Property

13-203.

(a) (1) Except as provided in subsections (a-1) [and], (b), AND (C) of this section, the rate of the transfer tax is 0.5% of the consideration payable for the instrument of writing.

(2) The consideration:

(i) includes the amount of any mortgage or deed of trust assumed

by the grantee; and

(ii) subject to item (i) of this paragraph, includes only the amount paid or delivered in return for the sale of the property and does not include the amount of any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

(C) (1) IN THIS SUBSECTION, “REAL ESTATE ENTERPRISE” MEANS A BUSINESS THAT:

(I) IS CONDUCTED BY ONE OR MORE INDIVIDUALS;

(II) OWNS REAL PROPERTY, INCLUDING IN A TENANCY BY THE ENTIRETY; AND

(III) IS INVOLVED IN BUYING, SELLING, LEASING, OR MANAGING REAL PROPERTY.

(2) FOR A SALE OF IMPROVED, SINGLE-FAMILY RESIDENTIAL REAL PROPERTY TO A REAL ESTATE ENTERPRISE OR THE SUBSIDIARY OF A REAL ESTATE ENTERPRISE THAT HAS AN OWNERSHIP INTEREST IN RESIDENTIAL REAL PROPERTY IN THE STATE WITH A TOTAL ASSESSED VALUE EXCEEDING \$12,000,000 OR AN OWNERSHIP INTEREST IN MORE THAN 120 SINGLE-FAMILY RESIDENTIAL REAL PROPERTIES, THE RATE OF THE TRANSFER TAX IS 15% OF THE CONSIDERATION PAYABLE FOR THE INSTRUMENT OF WRITING.

(3) THE CONSIDERATION:

(I) INCLUDES THE AMOUNT OF ANY MORTGAGE OR DEED OF TRUST ASSUMED BY THE GRANTEE; AND

(II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES ONLY THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE PROPERTY AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR NO LONGER SECURED BY A MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.