



Legislation Text

File #: 20-0530, Version: 0

Introductory*

City of Baltimore Council Bill

Introduced by: Councilmember Dorsey

A Bill Entitled

An Ordinance concerning

Post-COVID-19 Foreclosure Disincentive Act of 2020

For the purpose of temporarily setting the transfer tax on certain foreclosed properties in Baltimore City at 100% of the property's taxable basis; providing for a special effective date; and providing for an termination date.

By repealing and re-ordaining

Article 28 - Taxes

Section(s) 17-2

Baltimore City Code

(Edition 2000)

Section 1. Be it ordained by the Mayor and City Council of Baltimore, That the Laws of Baltimore City read as follows:

Baltimore City Code

Article 28. Taxes

Subtitle 17. Transfer Tax

§ 17-2. Tax imposed - In general.

(a) In general.

- (1) A tax is hereby levied and imposed upon the transfer of any estate of inheritance or freehold, of any declaration or limitation of use, or any estate above 7 years, in Baltimore City, at the rate of 1½% of the taxable basis thereof, as hereinafter defined.
- (2) Except that the tax levied and imposed hereunder shall not apply to any lease or sublease for an initial term of not more than 7 years which contains any provisions for renewal for 1 or more succeeding stated terms of not more than 7 years each, if under such provision for renewal the right to effect or prevent each such renewal term shall be optional with either the landlord or the tenant.

(a-1) Foreclosed properties.

Notwithstanding any other provision of this subtitle, the rate of tax on a transfer of any real property pursuant to a foreclosure of a mortgage is 100% of the taxable basis of the property.

(b) *When payable.*

Said tax shall be payable before the written instrument intending to effect such transfer shall be offered to the Clerk of the Circuit Court for Baltimore City for recordation.

(c) *How payable; receipt.*

(1) The payment of the tax levied and imposed hereunder:

- (i) shall be made to the Director of Finance of Baltimore City, at a place designated by the said Director of Finance; and
- (ii) shall be evidenced by the affixing of an official receipt upon such written instrument by the Director of Finance or his authorized representative.

(2) Such receipt shall be in such form as may be designated by the Director of Finance.

(d) *Partial exemption for owner-occupied residence.*

(1) *In general.*

The tax imposed by this subtitle does not apply to the first \$22,000 of the consideration payable on the conveyance of owner-occupied residential property if:

- (i) the total consideration payable on the conveyance is less than \$250,000; and
- (ii) the instrument in writing is accompanied by a statement, signed under oath by the buyer, that the buyer will use the property as the buyer's principal residence by actually occupying the property for at least 7 months of the 12-month period immediately following the conveyance.

(2) *Application.*

- (i) Except as specified in subparagraph (ii) of this paragraph, the buyer shall receive the entire exemption provided by this subsection (d), irrespective of (A) any contractual provisions concerning the division of taxes between the buyer and the seller and (B) the presumption under State Real Property Article § 14-104(b) {"Division of ... Tax: Presumption"}.
- (ii) The seller shall receive the entire exemption provided by this subsection (d) if (A) the seller has agreed by contract to pay the entire amount of the tax imposed by this subtitle or (B) the seller is responsible for paying the entire amount of the tax under State Real Property Article § 14-104(c) {"Division of ... Tax: First-time Maryland Home-buyers"}.

Section 2. And be it further ordained, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

Section 3. And be it further ordained, That this Ordinance takes effect on the date it is enacted. It will remain effective through 1 year following the expiration of the catastrophic health emergency declared by the Governor on March 5, 2020, as amended or extended by the Governor; and, immediately after that date, with

no further action by the Mayor and City Council, this Ordinance will be abrogated and of no further effect.