



Legislation Details (With Text)

File #: 18-0221 **Version:** 0 **Name:** Recordation and Transfer Taxes - Surtax - Dedicating Surtax Proceeds to Affordable Housing Trust Fund
Type: Ordinance **Status:** Enacted
File created: 4/16/2018 **In control:** City Council
On agenda: **Final action:** 12/12/2018
Enactment date: **Enactment #:** 18-215

Title: Recordation and Transfer Taxes - Surtax - Dedicating Surtax Proceeds to Affordable Housing Trust Fund
For the purpose of imposing a surtax on recordations subject to the recordation tax and a surtax on property transfers subject to the transfer tax; providing for an exemption from these surtaxes for certain residential properties; dedicating the proceeds from these surtaxes to the Affordable Housing Trust Fund created by City Charter Article 1, § 14; correcting, clarifying, and conforming related language; and generally relating to the City's recordation and transfer taxes.

Sponsors: John T. Bullock, President Young, Bill Henry, Ryan Dorsey, Kristerfer Burnett, Brandon M. Scott, Shannon Sneed, Mary Pat Clarke, Robert Stokes, Sr., Sharon Green Middleton, Zeke Cohen, Edward Reisinger, Eric T. Costello, Leon F. Pinkett, III, Isaac "Yitzy" Schleifer

Indexes: Affordable Housing, Recordation, Surtax, Tax, Taxes, Transfer, Trust Fund

Code sections:

Attachments: 1. 18-0221~1st Reader, 2. HCD 18-0221, 3. Planning 18-0221, 4. Law 18-0221, 5. Finance 18-0221, 6. BDC 18-0221, 7. 2nd Reader Amendments 18-0221, 8. 18-0221~3rd Reader, 9. 18-0221~Enr 3rd Reader, 10. Completed File_18-0221

Date	Ver.	Action By	Action	Result
1/14/2019	0	Mayor	Signed by Mayor	
11/19/2018	0	City Council	Recalled from the Mayor's Office	
11/19/2018	0	City Council	Approved and Sent to the Mayor	
10/29/2018	0	City Council	Approved and Sent to the Mayor	
10/15/2018	0	City Council	3rd Reader, for final passage	
10/15/2018	0	Taxation, Finance and Economic Development Committee	Recommended Favorably with Amendment	
9/27/2018	0	Taxation, Finance and Economic Development Committee	Recommended Favorably with Amendment	Pass
8/6/2018	0	Taxation, Finance and Economic Development Committee	Scheduled for a Public Hearing	
7/9/2018	0	Taxation, Finance and Economic Development Committee	Scheduled for a Public Hearing	
4/19/2018	0	City Council President	Refer to Baltimore Development Corporation	
4/19/2018	0	City Council President	Refer to Dept. of Real Estate	
4/19/2018	0	City Council President	Refer to Dept. of Finance	
4/19/2018	0	City Council President	Refer to Board of Estimates	
4/19/2018	0	City Council President	Refer to Dept. of Planning	

4/19/2018	0	City Council President	Refer to Dept. of Housing and Community Development
4/19/2018	0	City Council President	Refer to City Solicitor
4/16/2018	0	City Council	Assigned
4/16/2018	0	City Council	Introduced

Explanation: Capitals indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* **Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*
City of Baltimore
Council Bill

Introduced by: Councilmember Bullock

A Bill Entitled

An Ordinance concerning

Recordation and Transfer Taxes - Surtax - Dedicating Surtax Proceeds to Affordable Housing Trust Fund

For the purpose of imposing a surtax on recordations subject to the recordation tax and a surtax on property transfers subject to the transfer tax; providing for an exemption from these surtaxes for certain residential properties; dedicating the proceeds from these surtaxes to the Affordable Housing Trust Fund created by City Charter Article 1, § 14; correcting, clarifying, and conforming related language; and generally relating to the City's recordation and transfer taxes.

By repealing and reordaining, with amendments

Article 28 - Taxes
Sections 16-1, 17-2(a), and 17-3(a)
Baltimore City Code
(Edition 2000)

By adding

Article 28 - Taxes
Sections 16-3 and 17-15
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 16. Recordation Tax

§ 16-1. Tax imposed.

(a) *In general.*

Pursuant to State Tax-Property Article § 12-103(b), the rate of tax applicable to instruments recorded with the Clerk of the Circuit Court for Baltimore City is:

(1) in the case of instruments conveying title to property[,]:

- (i) \$5 for each \$500 or fractional part of \$500 of the actual consideration paid or to be paid; plus
- (ii) except as provided under subsection (b) of this section, an additional amount (“surtax”) of \$2 for each \$500 or fractional part of \$500 of the actual consideration paid or to be paid; and

(2) in the case of instruments securing a debt[,]:

- (i) \$5 for each \$500 or fractional part of \$500 of the principal amount of the debt secured; plus
- (ii) except as provided under subsection (b) of this section, an additional amount (“surtax”) of \$2 for each \$500 or fractional part of \$500 of the principal amount of the debt secured.

(b) *Exemption from surtax.*

The surtax imposed by subsection (a)(1)(ii) and (a)(2)(ii) of this section does not apply to a conveyance of owner-occupied residential property if 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.

§ 16-3. Dedication of surtax proceeds.

All proceeds from the surtax imposed by §16-1(a)(1)(ii) and (2)(ii) of this subtitle shall be deposited in the continuing, nonlapsing fund created by City Charter Article I, § 14 {“Affordable Housing Trust Fund”}, to be used exclusively for the purposes specified in that section.

Subtitle 17. Transfer Tax

§ 17-2. Tax imposed - In general.

(a) *In general.*

(1) *Imposition of tax.*

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] as follows:

- (i) at the rate of [1½%] 1.5% of the transfer’s taxable basis [thereof], as [hereinafter] defined in § 17-5 {“Taxable basis”} of this subtitle; plus
- (ii) except as provided under paragraph (3) of this subsection, an additional amount (“surtax”) at the rate of 0.6% of that taxable basis.

(2) *Inapplicability of tax to certain short-term renewable leases.*

[Except that the] The tax levied and imposed [hereunder shall] under this section does not apply to any lease or sublease for an initial term of not more than 7 years [which] that contains any provisions for renewal for 1 or more succeeding stated terms of not more than 7 years each, if under [such provision] those provisions for renewal the right to effect or prevent each [such] renewal term [shall be] is optional with either the landlord or the tenant.

(3) *Exemption from surtax.*

The surtax imposed by paragraph (1)(i) of this subsection does not apply to a conveyance of owner-occupied residential property if 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.

§ 17-3. Tax imposed - Corporate transfers.

(a) *In general.*

A tax is hereby levied and imposed upon the transfer of real property affected by filing of articles of sale, lease, exchange, or other transfer of all or substantially all the property and assets of a corporation with respect to the property subject to the certificate required under State Corporations and Associations Article § 3-112, as follows:

- (1) at the rate of [1½%] 1.5% of the transfer's taxable basis [thereof], as [hereinafter] defined in § 17-5 {"Taxable basis"} of this subtitle; plus
- (2) an additional amount ("surtax") at the rate of 0.6% of that taxable basis.

§ 17-15. Dedication of surtax proceeds.

All proceeds from the surtax imposed by § 17-2(a)(1)(ii) and § 17-3(a)(2) of this subtitle shall be deposited in the continuing, nonlapsing fund created by City Charter Article I, § 14 {"Affordable Housing Trust Fund"}, to be used exclusively for the purposes specified in that section.

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 30th day after the date it is enacted.