

CHAPTER 732

(Senate Bill 249)

AN ACT concerning

Recordation Tax - Instrument Securing Future Debts

FOR the purpose of clarifying that the debtor's liability for payment of recordation tax may be satisfied by paying the tax on the amount of debt actually incurred at the time of an advance or ~~on the aggregate principal amount or maximum credit line~~, for a consumer borrower, on the aggregate principal sum, whether expressed as the aggregate principal amount or the maximum credit line, secured by an instrument; altering the period of time within which a certain verification must be filed by the debtor upon the debtor's incurring additional debt; clarifying that to the extent that an additional advance is applied to repay existing debt secured by an instrument, the tax is not due on the advance; ~~requiring the secured party to inform the debtor of the debtor's responsibility to pay the recordation tax and the penalties for failure to do so~~; requiring certain notice under certain circumstances; clarifying the exemption of certain security agreements from the requirement they be recorded and be subject to the recordation; and generally relating to the recordation tax on instruments.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes
 Section 277(a)(2) and (k)
 Annotated Code of Maryland
 (1980 Replacement Volume and 1983 Supplement)

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

Article 81 - Revenue and Taxes

277.

(a) (2) In this section the following word has the meaning indicated.

(i) "Instruments of writing" includes deeds, mortgages, chattel mortgages, bills of sale, leases, deeds of trust, contracts and agreements, and filed financing statements under the Uniform Commercial Code used to publicize any of the types of a secured transaction which, prior to enactment hereof, were subject to this tax.

(ii) The term "instruments of writing" does not include: