

SECTION 3-7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989.

Approved May 25, 1989.

CHAPTER 591

(Senate Bill 554)

AN ACT concerning

Recordation and Transfer Taxes - Exemption

FOR the purpose of clarifying that the exemption from recordation and transfer taxes for transfers between certain relatives applies only to the mortgage or deed of trust indebtedness assumed by the transferee.

BY repealing and reenacting, with amendments,

Article - Tax - Property
Section 12-108(c) and 13-207(a)
Annotated Code of Maryland
(1986 Volume and 1988 Supplement)

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

Article - Tax - Property

12-108.

(c) [The] WHEN PROPERTY IS TRANSFERRED SUBJECT TO A MORTGAGE OR DEED OF TRUST, THE recordation tax does not apply to the principal amount of debt [secured by a mortgage or deed of trust on property transferred by an instrument of writing] ASSUMED BY THE TRANSFEREE, if the [transferor] INSTRUMENT OF WRITING transfers the property FROM THE TRANSFEROR to a:

- (1) spouse or former spouse;
- (2) son or daughter;
- (3) parent;
- (4) son-in-law or daughter-in-law; or
- (5) parent-in-law.