

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2003 and shall be applicable to all taxable years beginning after June 30, 2003.

Approved May 22, 2003.

CHAPTER 411

(House Bill 163)

AN ACT concerning

Recordation Tax - Refinancing Instrument - Exemption for Spouses

FOR the purpose of altering a certain exemption from the recordation tax for a mortgage or deed of trust that secures the refinancing of real property; making this Act an emergency measure; and generally relating to an exemption from the recordation tax for a mortgage or deed of trust that secures the refinancing of real property.

BY repealing and reenacting, with amendments,

Article - Tax - Property

Section 12-108(g)

Annotated Code of Maryland

(2001 Replacement Volume and 2002 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.

(g) (1) In this subsection, "original mortgagor" includes an individual who assumed a debt secured by real property that the individual purchased as a principal residence and who paid the recordation tax on the consideration paid for the property.

(2) A mortgage or deed of trust is not subject to recordation tax to the extent that it secures the refinancing of an amount not greater than the unpaid principal amount secured by an existing mortgage or deed of trust at the time of refinancing [by the original mortgagor] IF THE MORTGAGE OR DEED OF TRUST SECURES THE REFINANCING of real property that is:

(I) used as a principal residence by the original mortgagor; AND

(II) BEING REFINANCED BY THE ORIGINAL MORTGAGOR OR BY THE ORIGINAL MORTGAGOR AND THE SPOUSE OF THE ORIGINAL MORTGAGOR.

(3) To qualify for an exemption under paragraph (2) of this subsection an original mortgagor or agent of the original mortgagor shall include a statement in the