**2013 LEGISLATIVE CHANGES**

**EFFECTIVE DATE:**

The amendments to the recordation tax laws apply to instruments of writing that are recorded on or after July 1, 2013.

**INDEMNITY DEEDS OF TRUST (IDOTS) TP § 12-105(f)(7):**

Recordation Tax will be collected on an IDOT or series of IDOTs that secure the guaranty of a loan, or a series of loans, equaling more than $3 million. The recordation tax is computed upon the loan amount secured by the IDOT. If an IDOT is exempt from recordation tax, the exemption should be noted on the first page.

If there is a combination of taxable and non-taxable collateral or the property securing the guaranty is located in more than one County (or more than one state), then the recordation tax on the IDOT may be based on an allocation under TP § 12-105(a) or the stated amount secured on the face of the IDOT.

The following documents will need to be presented with an IDOT:

* A copy of the note.
* A copy of the Guarantee Agreement.
* The HUD-1 settlement statement or other closing statement.
* IDOT affidavit (revised version available online) and
* The loan agreement if the loan amount is $3 million or greater.

**SUPPLEMENTAL INSTRUMENTS TP § 12-108(e):**

Recordation tax will be collected on any “new money” or the difference between money advanced under the supplemental instrument and the outstanding principal balance of the secured loan as of the date of the supplemental instrument.

The following documents will need to be presented with the Supplemental instrument:

* Affidavit for refinances and supplements (available on line) and
* The HUD-1 settlement statement or other closing statement

**REFINANCE OF EXISTING MORTGAGES TP § 12-108(g):**

All loans are eligible for the refinance exemption (no longer limited to a personal residence).

The following documents will need to be presented with the new deed of trust:

- Affidavit for refinances and supplements (revised version available online) and

-The HUD-1 settlement statement or other closing statement

**TRANSFERS BETWEEN CERTAIN CORPORATIONS AND LIMITED LIABILITY COMPANIES TP§ 12-108(P):**

A transfer of real property between (i) a wholly owned subsidiary and parent corporation and/or limited liability company or (ii) two or more subsidiary entities owned by the same parent corporation or limited liability company, are exempt from recordation tax if the parent entity is the original owner of the subsidiary entity or became an owner through gift or bequest from an original owner. A transfer of real property “UP” the chain or from a subsidiary entity to its parent entity for no consideration or for the issuance, cancellation or surrender of the subsidiary’s ownership interest is exempt IF: (i) the parent entity previously owned that real property; or (ii) currently owns the subsidiary and has held the ownership of the subsidiary for more than 18 months; or (iii) acquires the ownership interest of the subsidiary which has been in existence and owned the real property for more than 2 years.

Partnerships and business trusts are not included in this exemption.

**Additional information & affidavits may be found on the Howard County, Maryland website: www.howardcountymd.gov.**