

ORDINANCE NO. 2500

AN ORDINANCE TO AMEND CHAPTER 103, ARTICLE IV, SECTION 103-19D. OF THE CODE OF SUSSEX COUNTY TO LIMIT THE "FIRST-TIME HOME BUYER" TRANSFER TAX EXCEPTION TO THE GRANTEE'S ONE-HALF OF THE SUSSEX COUNTY REALTY TRANSFER TAX

WHEREAS, Chapter 103, Article IV, Section 103-19D. of the Code of Sussex County currently excepts from the Sussex County Realty Transfer Tax transactions where all grantees qualify as first-time home buyers under Section 103-18H.; and

WHEREAS, Section 103-19A. provides that the Sussex County transfer tax shall be split equally between the grantor and grantee unless otherwise agreed to by the parties; and

WHEREAS, Sussex County desires to amend Chapter 103, Article IV, Section 103-19D. to limit the first-time home buyer exception solely to the grantee's portion of the Sussex County realty transfer tax as defined in Section 103-19A, (typically one-half (1/2) of the total Sussex County transfer tax); and

WHEREAS, grantors shall still be subject to and required to pay grantor's portion of the Sussex County realty transfer tax as defined in Section 103-19A, (typically one-half (1/2) of the total Sussex County transfer tax); and

WHEREAS, for purposes of the first-time home buyer exception, grantor and grantee shall be prohibited from contractually modifying the apportionment of the transfer tax, as stated in Section 103-19A to decrease the grantor's portion of the transfer tax;

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. The Code of Sussex County, Chapter 103, Article IV, Section 103-19D., entitled "Rate of tax; when payable; exception", is hereby amended by deleting the language in brackets and inserting the underlined language in its place and stead as follows:

"D. [There shall be no tax imposed on those] On transfers where all grantees qualify as first-time home buyers, no transfer tax shall be imposed on the grantee's portion of any transfer tax as defined in § 103-19A. hereof. For purposes of this article, "first-time home buyer" shall have that meaning given in § 103-18H. The first-time home buyer exception shall apply only to the grantee's portion of the transfer tax as defined in § 103-19A. hereof and shall not relieve the grantor from payment of grantor's portion of the transfer tax as defined in § 103-19A. hereof. For purposes of the first-time home buyer exception, grantor and grantee shall be prohibited from contractually modifying the apportionment of the transfer tax as set forth in § 103-19A. to decrease the grantor's portion of the transfer tax. This provision shall apply to all contracts entered into as of July 1, 2017, the effective date hereof."

Section 2. Effective Date. This Ordinance shall become effective on July 1, 2017.

Synopsis

This Ordinance amends Sussex County Code, Chapter 103, Article IV, Section 103-19D. to provide that the first-time home buyer exception to the Sussex County transfer tax shall apply solely to the grantee's portion of the transfer tax as defined in Section 103-19A. Grantor shall still be subject to payment of grantor's portion of the transfer tax as defined in Section 103-19A. The grantor and grantee shall be prohibited from contractually modifying the apportionment of the transfer tax as stated therein to decrease the grantor's portion of the transfer tax. This provision shall apply to all contracts entered into as of July 1, 2017.

Deleted language is in brackets. Additional text is underlined.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE NO. 2500 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 13TH DAY OF JUNE 2017.

**ROBIN A. GRIFFITH
CLERK OF THE COUNCIL**