

## New Maryland Statute: Corporate Articles of Transfer No Longer Needed to Transfer Real Property

29 Aug 2018

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Until August 2018, Maryland was one of the few states that required a state-based corporation that transfers all of its real property assets to execute and file articles of transfer with the State Department of Assessment and Taxation (SDAT). This regulation is outlined in the Corporations and Associations Article of the Annotated Code of Maryland [Section 1-101\(y\) and 3-109](#). The real estate location does not matter, in that the new regulation applies to any property owned by the Maryland-based company. Additionally, this statute does not apply to non-corporate entities such as LLCs. While real estate professionals around the country might think that such a transfer is normally affected by the filing of a deed, Maryland has its own peculiarity.

Apart from the \$100 filing fee, the strict requirements of what the Articles need to contain, and the appointment of a registered agent in Maryland, this process was often overlooked, especially when the property was located in another state where the attorneys or title professionals were not aware that the filing of a deed was not in compliance with the statute.

The legislature has recognized these difficulties and Governor Larry Hogan has signed off on a repeal of the existing laws that will go into effect on October 1, 2018. The law now permits the transfer of corporate-owned real estate to be completed by a deed filed with the land records, rather than articles of transfer recorded with the SDAT.

In a nod to the title industry, the law clarifies that transfers before the October 1, 2018 effective date that were made by deed, rather than by filing of articles of transfer, are valid.

The Bill and related documentation is available for the public to view at the [General Assembly of Maryland website](#).

**TAGGED:** Corporations and Associations Article of the Annotated Code of Maryland Section 1-101(y) and 3-109, State Department of Assessment and Taxation, MD SDAT