

February 28, 2022

The Honorable William C. Smith Jr.  
Senate Judicial Proceedings Committee  
Miller Senate Office Building,  
2 East Wing 11 Bladen St.,  
Annapolis, MD, 21401

**RE: MBIA Letter of Opposition SB 891 Real Property - Sale of Apartment Facilities - Rights of Qualified Organizations**

Dear Chairman Smith:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 891 Real Property - Sale of Apartment Facilities - Rights of Qualified Organizations**. MBIA **Opposes** the Act in its current version.

This bill would prohibit the owner of an apartment complex from selling the complex without first sending notice to the Department of Housing and Community Development. This bill also requires that owners must offer the right of refusal to a qualified organization as defined by this bill. MBIA respectfully opposes this measure. This measure would add up to 10 business days to the sale of a complex dragging out the time and expense and marketing that must be done by the owners.

Potential purchasers will be unwilling to spend considerable time and money to negotiate with the Seller, just for a qualified organization to purchase the property instead. This will restrict the pool of buyers, which artificially depresses the value of the property. Qualified organizations are also not required to make a monetary offer but can potentially veto and other buyers by simply indicating an interest. This effectively means that private purchasers can be forced out of any deal simply by another entity signaling an interest in the property. They can then take up to 2 months to make an offer further dragging out the time and expense of the deal. Additional restrictions will also disincentivize the building of new multifamily projects, which generate significant affordable housing units. The State will lose opportunities to collect recordation and transfer taxes, and to grow its tax base with new residents.

For these reasons, MBIA respectfully requests the committee give this measure an unfavorable report. Thank you for your consideration. For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Judicial Proceedings Committee