

February 20, 2024

The Honorable Marc Korman
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: HB 751- Sale of Residential Real Property- Offers to Purchase and Transfer Tax

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 751 - Sales of Residential Real Property – Offers to Purchase and Transfer Tax**. MBIA **Opposes** the Act in its current version.

This bill would limit the potential purchasers for a home on the market to buyers that own less than 10% of the total local real estate market for 30 days. The bill would also establish a transfer tax on large real estate holders in the amount of 15% of the consideration. MBIA respectfully opposes this measure. The establishment of a transfer tax on large scale real estate holdings is an unfair tax that would raise the cost of buying homes for individual purchasers. These taxes will be priced into the cost of any homes for sale driving up costs to individual consumers and making houses less accessible across the state of Maryland.

While we encourage home ownership, there is a market, specifically in Maryland, for those that do not want the transactional cost of owning a home. MBIA members are providing housing to those that may want this type of product and should not be penalized for this. We understand the concern about out of state investors, but should not be penalized for building a product that the market supports. We need to continue to incentivize investment in the State of Maryland. We have a housing shortage in the state of Maryland. This is a step backward in making sure we encourage investment and supply of housing in the State.

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.

cc: Members of the House Environment & Transportation Committee