



Real Property Section

To: Environment and Transportation (House)

From: Legislative Committee of the Real Property Section Counsel

Date: February 16, 2024 [Hearing Date February 20, 2024]

Subject: **HB751 -- Sale of Residential Real Property - Offers to Purchase and Transfer Tax**

Position: **Opposed**

The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes House Bill 751 – Sale of Residential Real Property - Offers to Purchase and Transfer Tax.**

This bill would limit the potential purchasers for a home on the market to buyers that own less than 3% 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. At the outset, it would appear that the bill seeks to create an unlawful and unconstitutional taking by the government without just compensation.

In addition, the bill is exceptionally broad in its scope. How would one know that an offer to purchase is one that cannot be accepted within the first 30 days “a person offers a property for sale”. When does the 30 days begin to run? When the property is listed with a broker? When a posting is made on Craig’s List or Facebook? What happens if a prohibited offer is accepted?

Finally, increasing transfer taxes just make purchasing real property more difficult as it raises the bar to entry. Maryland already has one of the highest cost barriers to entry in the nation.

For these reasons, the Real Property Section Counsel of the MSBA **opposes HB 751** and asks for an **unfavorable report**. Thank you for your consideration.