



February 28, 2020

The Honorable Kumar P. Barve, Chair
House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

Oppose: HB 1149 – Social Housing Act

Dear Chairman, Barve and Committee Members:

On behalf of the NAIOP Maryland Chapters, representing more than 700 companies that develop and own commercial, industrial and mixed-use real estate I am writing to oppose the funding source in HB 1149, a 70% increase in the state transfer tax.

Commercial real estate already generates more net tax revenue than any other land use category. As the political will to increase broad based taxes has diminished more and more pressure has been placed on transfer, recordation and excise taxes that the commercial real estate industry pays in disproportionate amounts.

The transfer of social costs from the public balance sheet into development balance sheets is an increasingly difficult burden. Given the recognized and “*off the books*” costs of the social and environmental issues of the day, we urge legislators at all levels of government to be disciplined and resist the continued use of narrow real estate taxes.

For these reasons, NAIOP respectfully requests your unfavorable report on House Bill 1149.

Sincerely,

A handwritten signature in blue ink that reads "Tom Ballentine". The signature is written in a cursive style and is positioned above the typed name.

Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters -*The Association for Commercial Real Estate*

cc: House Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.