

February 27, 2020

The Honorable Anne R. Kaiser  
Chair, House Ways and Means Committee  
House Office Building, Room 131  
6 Bladen Street  
Annapolis, MD 21401

**RE: Support of House Bill 1189 (Baltimore City - Property Tax Credit for Newly Constructed Dwellings - Reauthorization and Modification) with Amendment**

Dear Chairwoman Kaiser:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, supports House Bill 1189 (Baltimore City - Property Tax Credit for Newly Constructed Dwellings - Reauthorization and Modification) with amendment.

The purpose of this bill is to reauthorize the Newly Constructed Dwelling Tax Credit in Baltimore City, an existing credit that was first passed by the General Assembly in 2009. The tax credit requires state re-authorization every 5 years. This crucial credit has a successful history of enticing potential new residents to invest in homes in Baltimore City. Without it, many homebuyers would purchase a home in a competing jurisdiction instead of in the City. Passing state-enabling legislation that would allow this credit to continue is essential.

However, this bill as currently drafted limits the City's authority to properties that have an assessed value of \$500,000 or less. We do not understand the basis for this limitation, or for any limitation at all. The existing law has no such cutoff. New construction (and the residents who occupy it) should be encouraged, regardless of value. Further, any cutoff means that a property assessed below that cutoff is eligible, but property assessed above it is not; yet the taxpayer has no control over that assessed value. We would support an amendment that addressed this concern.

We look forward to continuing to work with the Sponsors towards a solution. MBIA respectfully requests the Committee adopt an amendment and give this measure a favorable 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).

cc: House Ways and Means Committee Members