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**To:** Members of The Environment & Transportation Committee

**From:** William A. O'Connell, Chair, Legislative Committee, Real Property Section

**Date:** February 19, 2021

**Subject:** **HB 1090** – Department of Housing and Community Development - Partnership Rental Housing Program - Alterations (Mixed-Income Housing Act of 2021)

**Position:** **Opposed**

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The Maryland State Bar Association (MSBA) Real Property Section **opposes House Bill 1090** Department of Housing and Community Development - Partnership Rental Housing Program - Alterations (Mixed-Income Housing Act of 2021) unless it is amended to remove the recording surcharge and increase in recordation taxes.

Maryland currently ranks 5th among all states for highest closing costs, including taxes, imposed in connection with the sale and refinancing of real estate. Increasing the state transfer tax would be detrimental to both the residential and commercial real estate market. The commercial real estate market is presently struggling with many retail, restaurants, and entertainment facilities failing. Office buildings are empty. Authorizing an additional tax to this already struggling sector would be add insult to injury. In addition, there are several other bills being proposed this legislative session seeking to increase transfer taxes and no of it seems to part of thoughtful plan.

In addition, adding a \$50 charge to every instrument that gets recorded in the land records is simply unfair to Maryland residents. Again, we have some of the highest taxes in the nation. Adding another tax to unsuspecting homeowners and businesses is unreasonable. For example, it already costs \$50 to record a release of a deed of trust. This legislation would double that cost to \$100. For many other recordable instruments, the proposed legislation would more than double the cost to record a document in the land records.

For these reasons, the MSBA Real Property Section opposes House Bill 1090 and ask for an **unfavorable report** unless amended to remove the tax increases.

Thank you for your consideration. Please do not hesitate to contact me at (443) 741-4536 or [waoconnell@firstam.com](mailto:waoconnell@firstam.com).

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