

February 19, 2021

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

RE: HB 952 (Real Property – Sale of Apartment Facilities – Rights of Qualified Organizations)

Dear Chairman Barve:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding HB 952 Real Property – Sale of Apartment Facilities – Rights of Qualified Organizations. MBIA **Opposes** the Act in its current version.

This bill would prohibit the owner of an apartment complex from selling the complex without first sending notice to the Department of Housing and Community Development. This bill also requires that owners must offer the right of refusal to a qualified organization as defined by this bill. MBIA respectfully opposes this measure. This measure would add up to 20 business days to the sale of a complex dragging out the time and expense and marketing that must be done by the owners.

Potential purchasers will be unwilling to spend considerable time and money to negotiate with the Seller, just for the a qualified organization to purchase the property instead. This will restrict the pool of buyers, which artificially depresses the value of the property. Additional restrictions will also disincentivize the building of new multifamily projects, which generate significant affordable housing units. The State will lose opportunities to collect recordation and transfer taxes, and to grow its tax base with new residents.

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