

February 23, 2021

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

RE: Support of HB 1090 (Department of Housing and Community Development – Partnership Rental Housing Program – Alterations (Mixed–Income Housing Act of 2021)) with Amendments.

Dear Chairman Barve:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding HB 1090 Department of Housing and Community Development – Partnership Rental Housing Program – Alterations (Mixed–Income Housing Act of 2021). MBIA Supports the Act with amendments.

This bill would establish and fund the Partnership for Rental Housing Program. MBIA supports this measure with the concept of the bill. The state needs to find some creative ways to make housing more affordable and more attainable. However, by increasing the transfer tax on certain properties, this could disincentivize the sale of properties and drives up the costs of buying a home to consumers by forcing the additional cost of the tax into the price. Additionally, because this tax is based on a percentage and not a flat dollar amount this tax compounds with the expense of the house driving already expensive homes to increase their price more substantially than low cost homes. Generally, progressive taxes disincentivize wealth creation. This could create capital flight and put Maryland at a competitive disadvantage with other jurisdictions . Therefore, we request that the transfer tax portion of this bill be removed from the legislation. We look forward to working with the Sponsor to find a more workable funding source.

For these reasons, MBIA respectfully requests the Committee adopt the proposed amendment and give this measure a favorable report with amendments. 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