

February 16, 2023

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

RE: HB 474 Sales of Residential Real Property – Offers to Purchase and Transfer Tax

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 474 Sales of Residential Real Property – Offers to Purchase and Transfer Tax**. MBIA **Opposes** the Act in its current version.

This bill would limit the potential purchasers for a home on the market to buyers that own less than 3% of the total local real estate market for 30 days. The bill would also establish a transfer tax on large real estate holders in the amount of 15% of the consideration. MBIA respectfully opposes this measure. The establishment of a transfer tax on large scale real estate holdings is an unfair tax that would raise the cost of buying homes for individual purchasers. These taxes will be priced into the cost of any homes for sale driving up costs to individual consumers and making houses less accessible across the state of Maryland.

This bill is a solution looking for a problem. Due to the cost of land in Maryland, there does not appear to be a large amount of outside investment in single family housing. There are some local developers and builders that are investing in our communities and building to rent. While homeownership is a goal for a lot of people, it is not for everyone. There is a market for build to rent single family and town homes. The high transactional cost of buying is challenging for some and for those that are somewhat transient not always realistic.

This bill will create a disincentive to invest in housing in the state of Maryland. Maryland has a supply and an affordability issue. This bill will not help move us forward to solve the issue.

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