

MD House of Delegates HB 0866

Testimony of Darrin Sharp

2/23/23

Good afternoon, Madam Chair Atterbeary, Delegate Ivey, Ways and Means committee members, members of the General Assembly and all assembled.

It is a pleasure to introduce myself to this legislative body. I am Darrin Sharp, Director in the State and Local Tax practice of Clearview Group, a full-service CPA, Consulting and Advisory firm located in Owings Mills, MD. I am a Maryland resident of just under 30 years and a Prince George's County resident of 17 years. I lead the real property tax consulting practice for Clearview Group where I represent commercial property owners on all matters related to real property taxation. Owners and managers of vintage class B and C market and affordable master metered apartment buildings are among the clients that I represent, and this bill is of particular interest to them.

This is an important piece of legislation that provides relief to property owners directly and tenants indirectly as it eliminates the possibility of the tax on utilities being passed thru to tenants as a component of rent. Furthermore, HB866 provides institutional equity for property owners by creating parity with competing ownership structures and for investors considering multi-family acquisition and development opportunities in Maryland and competing jurisdictions.

This an opportunity to set in motion beneficial best practices that resonate with your constituents, and the business community helping to attract investments in our state that maintain and create great places to live. Providers of affordable housing particularly are operating on very tight budgets even now on the back end of the global pandemic. There are scenarios where tenants are foregoing paying rent often for good causes like job losses due to lay-offs, which make relocation a non-option for the tenant meanwhile they are utilizing energy in master metered communities that is not being offset by rental income in some instances. Working from home is becoming an increasing trend, which results in higher energy usage and utility taxes. The socioeconomic benefits of passing HB866 on the working-class Marylander, who is already overly burdened with the rising cost of living far exceed the loss in revenue and is the right thing to do given the

inequality among residents who live in individually metered rental properties, condominiums or single-family homes versus master metered apartment communities that include utilities with rent. Now is the time to act and pass HB866.