

March 5, 2025

The Honorable Guy Guzzone
Chairman, Budget and Taxation Committee
3 Miller West Senate Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition SB935 - Transportation - Regional Authorities - Established

Dear Chair Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding SB935 - Transportation - Regional Authorities - Established. MBIA **Opposes** the Act in its current version.

This bill establishes three new regional transportation authorities for the Baltimore Region, Capital Region, and Southern Maryland Region, each covering specific counties. These authorities will be responsible for developing and implementing regional transportation plans, overseeing transportation programs, and advocating for transportation needs.

The bill also allows counties in these regions to impose additional sales tax surcharges (up to 1%), hotel surcharges (up to 2%), and property transfer tax surcharges (up to 0.15%) to fund transportation projects. The concern from the industry is how the transportation funds in the proposed bill will be financed, which calls for new surcharges, specifically a property transfer tax surcharge. In the last two years, both Anne Arundel and Montgomery County have increased their recordation and transfer taxes. This comes at a time when we are facing a housing crisis from both an inventory and affordability standpoint. Adding surcharges at a time when goods are skyrocketing is not going to incentivize consumers to spend more.

These surcharges will only add to the bottom-line costs of goods, regulation and high cost are synonymous with the state of Maryland. Economic development should be the focus, looking at ways to create new commercial tax bases as opposed to adding to the cost of an already high state to live and conduct business in.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee