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To: Members of the Senate Budget & Taxation Committee
From: MLTA Legislative Committee
Date: March 3, 2025 [Hearing date: March 5, 2025]
Subject: **SB 881** – Transportation – Regional Transportation Authorities
Position: **Unfavorable**

The Maryland Land Title Association (MLTA) is a professional organization working on behalf of title industry service providers and consumers and is comprised of agents, abstractors, attorneys, and underwriters. **MLTA is opposed to Senate Bill 881 – Transportation – Regional Transportation Authorities.**

This bill would establish a “transportation authority transfer tax surcharge” of 0.15% on an instrument of writing that transfers nonresidential property and is recorded with the clerk of the circuit court for Anne Arundel County, Baltimore City, Baltimore County, Calvert County, Charles County, Frederick County, Howard County, Montgomery County, Prince George’s County or St. Mary’s County.

It is well known that Maryland ranks among the highest of all states for closing costs, including taxes, imposed in connection with the sale of real property. Increasing the state transfer tax on the purchase and sale of commercial real estate would be damaging to Maryland’s already fragile, and some would say hostile, business environment. As you are no doubt aware, the commercial real estate market is presently struggling due to continued fallout from the COVID pandemic as well as relatively high interest rates. Many people who formerly worked in offices are now working from home, with the result that more than a few office buildings are largely, or even entirely, unoccupied. Increasing the taxation on commercial property would only discourage businesses looking to move into, or expand existing operations in, Maryland.

For these reasons, the MLTA respectfully requests that you return an unfavorable recommendation for Senate Bill 881.

Thank you.