

February 11, 2025

The Honorable Vanessa Atterbeary
Chairs, Ways and Means Committee
130 Taylor Office Building
6 Bladen St., Annapolis, MD, 21401

RE: MBIA Letter of Opposition HB641 - State Property Tax - Transportation Funding

Dear Chair Atterbeary:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **State Property Tax - Transportation Funding**. MBIA **opposes** the Act in its current version.

HB641 would require the Governor, after consultation with the Secretary of Transportation, to submit each year to the Board of Public Works and the General Assembly a proposal for a State property tax to support transportation projects by or before February 15 each year and the Board of Public Works must reject, approve, or modify the proposal.

Maryland is facing a series of fiscal problems including how to pay for road and transit projects. State and local leaders are finding it more challenging to keep up with the cost of basic maintenance. While everything is on the table, increases the states already high tax rates, including transfer and recordation is not the solution. Increases on these tax classes are regressive and can lead to decreases in population, real incomes, real estate transactions, investment in structures, and quality of the built environment.

A new tax that then goes into a trust fund and is “supposed” to be allocated for transportation projects yet it seems these funds are not spent to improve infrastructure or the fund needs more money. Understanding the need to find revenue and that one time funding mechanisms are not sustainable the state needs to be actively pursuing ways to increase investment and retain current businesses.

For these reasons, MBIA respectfully urges the Committee to give this measure a **UN Favorable** 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 Ways and Means Committee