



## House Bill 641

**Committee: Ways and Means**

**Bill: House Bill 641 State Property Tax - Transportation Funding (Transportation Funding Act of 2025)**

**Date: February 11<sup>th</sup>, 2025**

**Position: Unfavorable**

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The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members house more than 538,000 residents of the State of Maryland. MMHA's membership consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities and more than 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 641 ("HB 641") requires 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 and programs. Additionally, this legislation requires, on or before February 15 each year, the Board of Public Works to approve, reject, or modify the proposed State property tax as well as imposes a State property tax at the rates and on the classes and subclasses of property that the Board of Public Works approves.

While we understand that the difficult budgetary realities that the state is facing will impact on transportation funding, MMHA urges the committee to find another alternative than HB641. As written, it is anticipated that the passage of HB641 would lead to more opportunities for lawmakers to levy taxes on industries, including the multi-housing providers. According to Maryland's Department of Housing and Community Development Secretary Jake Day, Maryland currently lacks **96,000** affordable housing units. The Maryland General Assembly should resist authorizing new taxes that could possibly jeopardize efforts to improve housing affordability in Maryland. Investment into the multi-housing industry in the state already appears to be faltering, as according to Co-Star, the total sales volume of multi-family properties plummeted to \$1.89 billion in 2024, below the five-year average of \$4.47 billion (**about a 58% decline**)<sup>1</sup>.

Additionally, as written, MMHA is concerned that HB 641 may be in violation of the uniformity in taxation provision of Article 15 of the Declaration of Rights within the Maryland Constitution. This article specifies that the State shall "by uniform rules, provide for the separate assessment, classification and sub-classification of land, improvements on land, and personal property . . . and all taxes . . . shall be uniform within each class or sub-class . . ."<sup>2</sup>. Specifically, the provision that may run afoul with this is 7-1076.1 (3)(II) lines 19-28 of page 2 of HB641. For these reasons, MMHA would respectfully request an **unfavorable report** on HB641.

Please contact Matthew Pipkin, Jr. at (443) 995-4342 or [mpipkin@mmhaonline.org](mailto:mpipkin@mmhaonline.org) with any questions.

<sup>1</sup>Maryland House Environment and Transportation Committee. *State of Rental Housing*. Written and Presented by Aaron Greenfield, Esq. and Brian Anleu., 14 Jan. 2025. [https://mgaleg.maryland.gov/meeting\\_material/2025/ent%20-%20133813519729648824%20-%20State%20of%20Housing%20Presentation%202025.pdf](https://mgaleg.maryland.gov/meeting_material/2025/ent%20-%20133813519729648824%20-%20State%20of%20Housing%20Presentation%202025.pdf)

<sup>2</sup>Department of Legislative Services. (2018). Guide to the property tax structure in Maryland (p. 1). Annapolis, MD: Maryland General Assembly. Retrieved from <https://dls.maryland.gov/pubs/prod/InterGovMatters/LocFinTaxRte/Guide-to-the-Property-Tax-Structure-in-Maryland.pdf>