

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

March 3, 2026

The Honorable, Kriselda Valderrama, Chair
House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable Jheanelle K. Wilkins, Chair
House Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

Unfavorable: HB 1175 – Land Use – Residential Housing – Oversight, Regulation and Taxation

Dear Chair, Valderrama, Chair Wilkins, and Committee Members:

The NAIOP Maryland Chapters represent approximately seven hundred companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your unfavorable report on HB 1175.

While we appreciate the intent to address the critical issue of affordable housing in Maryland, we have significant concerns about the consequences of the taxes proposed in this legislation and the lack of attention in the bill to increasing development capacity in local jurisdictions. Our position is based, in part, on the following rationale:

- **Housing Production Targets Will Not Create Development Capacity** – The bill proposes publishing non-binding housing production targets for the state and each local jurisdiction. There is no requirement for local jurisdictions to alter their comprehensive plans and zoning regulations to provide development capacity sufficient to meet those targets. Without requirements that local governments increase development capacity, it is unlikely that any noteworthy progress toward the published targets will be achieved.
- **Higher Taxes and Fees on Existing Land and Buildings Will Not Incentivize New Development** – The bill authorizes numerous new taxes and fees as well authority to set higher rates for existing taxes based on land value, improvement status, ownership, and other factors. Taxes and fees affect home prices not the quantity of homes or rate of housing production. The main barriers to housing production in Maryland's local jurisdictions are the lack of land zoned for development and limitations on permitted density.

For these reasons, NAIOP respectfully recommends your unfavorable report on HB 1175.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Economic Matters Committee Members
Ways and Means Committee Members
Nick Manis – Manis, Canning Assoc.