



House Bill 1175

Position: Unfavorable

Committee: Environment and Transportation

Date: March 5, 2026

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

House Bill 1175 ("HB 1175) imposes complex administrative requirements and authorizes discretionary tax and fee increases that pose significant risks to housing development and the broader Maryland economy. HB 1175's added complexity, fees, and taxes will divert resources away from actual construction, delay project delivery, and ultimately reduce the number of housing units brought to market.

HB 1175 authorizes local governments to adjust taxes and development fees in ways that could substantially increase costs for projects that do not meet "affordable housing" criteria. This includes development impact fees and excise taxes, which can be levied or increased on private projects, without predictable caps. Additionally, HB 1175 allows for property tax adjustments, including creating subclasses of properties that may face higher tax rates if they do not fall under affordable housing classifications.

HB 1175's combination of new financial obligations and administrative delays creates a high degree of financial uncertainty, which will discourage investment in residential development. In fact, developers may be forced to pass costs on to homebuyers or renters, undermining the goal of improving housing affordability. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 1175.**