



House Bill 1213

Position: Unfavorable

Committee: Ways and Means

Date: March 3, 2026

Founded in 1968, the Maryland Chamber of Commerce (“Maryland Chamber”) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

House Bill 1213’s (HB 1213) proposed restructuring and increase of the State transfer tax would significantly raise transaction costs on many commercial real estate sales across Maryland. These increased costs would directly affect businesses that buy, sell, lease, and develop property, including small and mid-sized companies that rely on commercial real estate to grow and operate.

For many businesses, real estate transactions are not speculative investments—they are essential operational decisions. Transfer taxes are a critical variable within the cost of doing business, and increasing those costs would:

- Discourage new commercial development and redevelopment projects;
- Reduce capital investment in local communities;
- Increase rents for small businesses and residential tenants; and
- Slow economic growth and job creation.

Higher transfer tax rates on higher-value properties could disproportionately impact multifamily housing developers and commercial real estate investors, potentially undermining the very goal of increasing housing supply and affordability.

Maryland businesses are already navigating inflationary pressures, workforce shortages, higher borrowing costs, and increased regulatory burdens. Adding further transactional tax increases at this time risks sending investment from employers to other states. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 1213.**