

March 3rd, 2026

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

RE: MBIA Letter of Support with Amendment HB 1188 Excess Ownership of Single-Family Residences Excise Tax (End Hedge Fund Control of Maryland Homes Act of 2026)

Dear Chair Wilkins,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB 1188 Excess Ownership of Single-Family Residences Excise Tax (End Hedge Fund Control of Maryland Homes Act of 2026)**.

This bill would limit buyers that own an excess amount of single-family residences in the state from purchasing homes. The bill would also establish an excise tax on large real estate holders the amount of up to 50 percent of the fair market value of a residence. These taxes will be priced into the cost of any homes for sale, driving up costs to individual consumers, and making houses less accessible across the state of Maryland.

The unintended consequences of HB1188 include:

•**Reduced housing supply due to disinvestment** — Large-scale owners may sell off Maryland assets or avoid future acquisitions to escape the tax. That contraction in supply can raise prices and rents for everyone, especially in tight markets.

•**Chilling effect on new construction** — We appreciate that the definition of “Applicable Entity” does not include, “an organization primarily engaged in the construction or rehabilitation of single-family residences”. However, Builders often rely on institutional buyers to purchase new units in bulk, stabilize financing, or absorb early phases of development. If those buyers exit the market, fewer projects pencil out, slowing production of starter homes and workforce housing.

•**Potential to accelerate deterioration of existing homes** — If taxed owners choose to hold but not reinvest, maintenance and capital improvements may decline, harming neighborhood quality.

Maryland is **not** one of the states where institutional Single-Family Rental (SFR) ownership is concentrated. The GAO’s 2024 report notes that institutional investors were most active in **Sun Belt states**—Georgia, Florida, Arizona, Texas—where large volumes of foreclosures after 2008 created bulk-buying opportunities

Institutional ownership of single-family homes in Maryland remains **very small**, and the best available national data shows that large investors are **not major players in Maryland's housing market**. The broader research also shows that institutional activity has **declined sharply since 2022**, and that the real driver of high home prices is the **long-term shortage of housing supply**, not investor concentration.

While we have these concerns and believe that there will be negative unintended consequences. We do support the Maryland Association of Realtors proposed amendments that will narrow the scope of the legislation. These amendments would:

1. Clearly define and limit the scope of the bill to hedge funds and large, publicly traded, or institutional investment entities
2. Exempt small and mid-sized Maryland based property owners who own a limited number of single-family rental properties
3. Ensure that any reporting, taxation, or penalty provisions apply only to the specific class of institutional investors the bill intends to address.

For these reasons, MBIA respectfully requests the Committee give this measure a Favorable report with Amendments. 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 & Means Committee