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Environment and Transportation
Committee

Subcommittees

Energy

Motor Vehicle and Transportation

Non-Energy Utilities

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 3, 2026

Dear Chair Wilkins, Vice Chair Feldmark, and Distinguished Members of the Ways and Means Committee,

For the record, I am Delegate Ryan Nawrocki requesting a favorable report on House Bill 1398.

As amended, this bill temporarily suspends the State transfer tax from July 1, 2026, through June 30, 2029, for homes owned by seniors. The State transfer tax is a one-time tax imposed when real property is conveyed and collected when a deed is recorded.

This legislation addresses affordability, specifically, affordability for seniors, while simultaneously helping working families enter the housing market.

Across Maryland, many seniors are living in homes that no longer meet their needs. They want to downsize, relocate closer to family, or move into accessible housing. But the cost of selling, including the State transfer tax, imposes a financial penalty. As a result, seniors often stay in larger homes longer than they otherwise would, not because they prefer to, but because moving has become too expensive.

When seniors cannot afford to move, the housing market freezes.

Family-sized homes remain occupied while young couples and working families search for inventory that does not exist. Our housing shortage is therefore not only a construction problem but also a mobility problem.

HB 1398 helps unlock that mobility.

By temporarily suspending the transfer tax for seniors, we remove a barrier to downsizing. Seniors gain flexibility to move into appropriate housing while freeing existing homes for the next generation, increasing supply without subsidies, mandates, or new government programs.

The economic impact is also substantial. According to Maryland REALTORS®, each home sale generates approximately \$100,000 in additional economic activity, supporting small businesses, contractors, lenders, realtors, and local service providers. Increased transactions also generate **recordation and transfer revenues at the local level**, meaning counties may actually experience increased collections due to higher transaction volume.

I also want to respectfully acknowledge concerns raised by the Maryland Department of Agriculture regarding funding for the Maryland Agricultural Land Preservation Foundation.

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Land preservation is important, and I share the goal of protecting Maryland's farmland. However, housing mobility and land preservation are not competing priorities. In fact, they are connected.

When existing homes do not turn over, demand shifts outward, and development pressure moves onto agricultural land. When seniors can downsize, and existing housing stock is utilized efficiently, we reduce the need to build on farmland in the first place. Encouraging turnover in established communities is one of the most effective ways to relieve development pressure on rural land.

Additionally, this bill is temporary, a three-year suspension, not a repeal. The General Assembly retains the ability to evaluate fiscal impacts while also considering the increased economic activity generated by higher transaction volume. More sales mean more local revenues and broader economic growth, which partially offsets the short-term revenue reduction.

Maryland faces a housing affordability crisis affecting both retirees on fixed incomes and young families trying to purchase their first home. This bill connects those two challenges with one solution, helping seniors move when they are ready, opening homes for the next generation, and reducing pressure to develop farmland.

For these reasons, I respectfully request a favorable report on House Bill 1398.

Thank you.

A handwritten signature in blue ink, appearing to read "Ryan Nawrocki".

Delegate Ryan Nawrocki