

March 3, 2026

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

**RE: MBIA Letter of Opposition HB 1213 - State Transfer Tax - Rate - Alterations (Housing Affordability for Buyers and Sellers)**

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 1213**. The industry opposes this legislation altering the State transfer tax rate for instruments of writing recorded on or after July 1, 2026.

Increasing the State transfer tax will further burden Maryland's already strained housing market. At a time when affordability remains a top concern for families, first-time homebuyers, and seniors looking to downsize, raising transaction costs moves us in the wrong direction. Transfer taxes are paid at closing, often in large lump sums, making them especially impactful for buyers who are already stretching to afford down payments, closing costs, and rising interest rates.

Higher transfer taxes can also slow real estate activity, reducing mobility for homeowners and discouraging investment. This may have ripple effects throughout the broader economy, including construction, lending, and local small businesses that depend on a healthy housing market. In many communities, particularly those working to attract new residents and redevelopment, increasing transaction costs may make Maryland less competitive compared to neighboring states.

Additionally, relying on transfer taxes for additional revenue can create volatility in state finances. Real estate markets fluctuate with economic cycles, and revenues tied to property transactions are inherently less stable than broad-based revenue sources.

Lastly, in October of 2025, Comptroller Brook Lierman issued [State of the Economy Series: Housing and The Economy](#). Maryland's Comptroller has made the state's housing crisis unmistakably clear: **high and rising housing costs are now a defining drag on Maryland's economy**, pushing residents out and eroding the state's long-term competitiveness. This report shows that housing prices have climbed sharply, supply remains far below demand, and the financial burden on families is growing in ways that ripple across the broader economy.

## What the Comptroller's Report Says About Housing Costs

The report highlights several interconnected pressures:

- **Housing costs have risen dramatically**, mirroring a national trend of more than 60% growth in recent years. About half of Maryland residents now struggle to afford a place to live.
- **Marylanders are leaving the state**, especially younger and middle-income households, in search of lower-cost, less-regulated housing markets. Out-migration has been steady for more than a decade.
- **A severe housing shortage is driving prices even higher**, particularly in job-rich regions where production has lagged for years.

These trends reinforce each other: limited supply raises prices, high prices push residents out, and population loss weakens the tax base and economic dynamism. This is not the time to make the cost of housing even higher.

For these reasons, MBIA respectfully requests the Committee give this measure a unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the House Ways and Means Committee