

March 30, 2021

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
Miller Senate Office Building,
3 West Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: HB 852 Property Tax – Tax Sales – Homeowner Protection Program

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding HB 852 Property Tax – Tax Sales – Homeowner Protection Program. MBIA Opposes the Act in its current version.

This bill would increase the transfer tax rate on property valued at over \$1 million and credit that money to a homeowner's protection fund. MBIA respectfully opposes this measure. While this measure is designed to give wealthier citizens a higher tax burden, the measure fails to take into account the fast appreciation of property values that may have pushed properties owned by families with only moderate income above this threshold. This would be punishing property owners that took risks and only recently are in a position that places their property above this value threshold. This measure would act as an impediment to liquidating a high value asset class that many people invest in with the intent of selling in order to build their wealth. This increased transfer tax would also apply to multi-family properties and apartment buildings. This increased cost would be passed on to the tenants. This would have a negative effect on housing affordability.

For these reasons, MBIA respectfully requests the Committee give this measure an 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.

cc: Members of the Senate Budget and Taxation Committee