



**Bill No:** SB 566—Anne Arundel County- Transfer Tax- Housing Trust Revenue Fund

**Committee:** Judiciary Proceedings

**Date:** 2/17/2021

**Position:** Oppose

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties. Some of the management companies that we represent have property throughout the state, including in Anne Arundel County.

Senate Bill 556 would authorize Anne Arundel County to increase transfer taxes on residential and commercial properties sold in the County that are valued over \$1 million to fund a Housing Trust Special Revenue Fund that will be appropriated to provide affordable housing to moderate and low income to residents in the County.

Many commercial and multifamily housing properties have seen a drastic loss of income due to the Covid-19 pandemic and this bill will exacerbate that economic hardship for the real estate community. Simply put, this is not the time to authorize another tax on this industry as it will cause greater turmoil.

Further, the real estate industry contributes a great deal to County coffers. From FY2010- FY2021, Anne Arundel's total real estate tax revenues have increased nearly \$350 million from \$604 million in FY2010 to \$950 million in FY2021-- a 57% increase. Also, of note, Anne Arundel County has the 4<sup>th</sup> highest local transfer tax rate in the state.

AOBA represents local companies that house Marylanders—predominately in class B and C properties which provide quality unsubsidized affordable housing for working families. Members are well acquainted with the need for increased affordable housing options. However, new and increased taxes will not improve conditions for residents in need of affordable housing. Rather, additional taxes harm the very residents the bill seeks to help as increased expenses may impact residents in various ways.

AOBA would be happy to work with County officials to seek innovative means to fund affordable housing that do not impose an additional tax burden on a financially struggling industry.

**For these reasons AOBA requests and unfavorable report on SB 566.**

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