

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 153 (Chair, Environment and Transportation Committee)(By  
Request - Departmental - Labor)

Environment and Transportation

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**Public Safety - Maryland Building Performance Standards**

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This departmental bill extends the period of time, from 18 months to 36 months, by which the Maryland Department of Labor (MDL) must adopt, by regulation, each subsequent version of the Maryland Building Performance Standards (MBPS) after it is issued.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** The bill does not materially affect local operations or finances.

**Small Business Effect:** MDL has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) disagrees with this assessment as discussed below.

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**Analysis**

**Current Law/Background:** MDL is required to adopt, as MBPS, the most recent version of the International Building Code (IBC), including the International Energy Conservation Code (IECC), along with applicable modifications authorized in Title 12 of the Public Safety Article. Within 18 months of the release of each new version of IBC, MDL is required to review the new version, consider modifications, and adopt specified modifications related to energy conservation and efficiency. MDL is prohibited from adopting any modification that is more stringent than IBC, except that an energy conservation requirement may be more stringent than IECC. MDL and local governments may also adopt by regulation the International Green Construction Code.

Chapter 673 of 2018 transferred administration of MBPS from the Department of Housing and Community Development to MDL. MDL currently incorporates by reference the 2018 IBC, including the 2018 IECC, with modifications, as MBPS. In general, the standards apply to all buildings and structures within the State for which a building permit application is received by a local government. The International Code Council (ICC) develops and publishes IBC. ICC was established in 1994 as a nonprofit organization dedicated to developing a single set of comprehensive and coordinated national model construction codes, including IBC, which has been adopted by all 50 states as well as thousands of local jurisdictions.

MDL advises that IBC and IECC are updated every three years and that it takes approximately 30 months to adopt both of the codes at the State and local levels.

**Small Business Effect:** DLS disagrees that the bill's impact on small businesses is meaningful. Although IBC and IECC are updated on a three-year cycle, changes between subsequent editions are generally incremental in nature. Under the bill, MDL is still required to adopt the most recent version of IBC and IECC as MBPS, meaning builders must still adopt any resulting changes. Thus, the overall effect on builders is not expected to be significant.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Washington and Worcester counties; cities of Salisbury and Westminster; towns of Bel Air and Leonardtown; Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - January 31, 2020  
mr/mcr

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Analysis by: Thomas S. Elder

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Safety – Maryland Building Performance Standards

BILL NUMBER: HB 153

PREPARED BY:

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

Building codes are updated on a 3 year cycle. The State of Maryland adopts new codes within 18 months of first publication of an updated code and the Counties have 12 months from the State adoption to adopt their own versions of the new codes. Builders and homeowners have to comply with building codes adopted by the local jurisdiction in order to have building plans approved and to construct the new buildings. Adoption of a new code requires review of existing building drawings to ensure compliance with new codes, and revision of those drawings as needed. The cost of reviewing and updating drawings depends upon the complexity of the building and the extent of changes in the code requirements. Additionally, changes in building code requirements often require changes to the construction of the building such as different mechanical systems, changes to stair geometry, or different methods of construction.

A large percentage of homes built in Maryland are built by national or regional builders. Construction drawings meet the adopted code in each state. When Maryland adopts a new code before other states in the region, construction drawings are revised and changes are made specifically for the Maryland housing market. These changes raise the cost of homes in Maryland in comparison to neighboring states and make homes less affordable for Maryland residents. By allowing Maryland to review new codes and choose to adopt the codes when appropriate, Maryland home prices will be more competitive with surrounding states that have similar building codes and more affordable to Maryland residents.