



Committee: Budget and Taxation
Testimony on: SB317 - Income Tax - Energy Efficiency Upgrades -Passive Houses
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: February 8, 2023

Dear Chair and Committee Members:

Thank you for allowing our testimony today. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB317.

SB317 creates a State income tax credit for eligible costs for energy efficiency upgrades to “Passive House” standards for residential properties (i.e., standards created and certified by the Passive House Institute). Under SB317, the owner of a single-family residence or a multi-family rental property can claim a tax credit equal to 10% of the total eligible costs incurred during the tax year, not to exceed \$2,000.

In Maryland, direct and indirect emissions from buildings constitute 40 percent of total greenhouse gas emissions. Passive Houses are a voluntary building energy efficiency standard, which reduces the building's environmental footprint, resulting in homes that require little energy for space heating or cooling. Passive houses are an important tool to reduce greenhouse gas emissions from residential building and lower energy costs, but also improve living conditions, especially for communities disproportionately impacted by air pollution.

Passive House is a “conservation first” standard that focuses on improvements to the building envelope and other design features, which deliver dramatically better indoor air quality through continuous, filtered ventilation. This results in reduced respiratory ailments, far greater comfort, and next to no energy bills. The South Baltimore Land Trust is building several passive homes in Curtis Bay to address significant health issues faced by residents. South Baltimore has three times the asthma rate of Maryland, because of its proximity to highways, the Wheelabrator incinerator, landfills, open air coal terminals, and other polluting industries.

SB317 aims to incentive greater adoption of Passive House standards for all of its benefits. We urge a FAVORABLE report for SB317.