

March 5, 2024

The Honorable Marc Korman
Chair, Environment & Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD, 21401

RE: HB 1295 - Real Property - Residential Rental Apartments - Air-Conditioning Requirements

Dear Chairman Korman,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion **HB 1295 - Real Property - Residential Rental Apartments - Air-Conditioning Requirements**. MBIA is taking a position of **Favorable with Amendments**.

HB requires a landlord to provide air-conditioning to certain residential rental units in a certain manner beginning June 1, 2024, for newly constructed residential rental units and beginning October 1, 2024, for residential rental units that undergo renovation that includes the replacement of electrical systems or heating systems.

Currently in Maryland, a landlord must provide a safe and habitable dwelling for their tenants. This is known as the implied warrant of habitability and ensures tenants the right to a dwelling that meets basic living standards. Maryland requires landlords to provide access to heat, light, electricity, hot/cold running water, and adequate sewage disposal. Air conditioning is not one of the utilities that a landlord must provide, except for in Montgomery County. It is rare for newly constructed rental units to not provide air conditioning and in most new units, the climate control is done so by the tenant. We do not have concerns or oppose the new construction language in the legislation. Our concerns are primarily with the

While we appreciate the intent, we do have concerns in regards to the cost effect this would have on current residents that undergo replacements that would trigger this requirement. One of the arguments that was brought up during the discussion in Montgomery county was that supplying new cooling systems to these units could property owners anywhere from \$500 to \$2,000 per unit. This would ultimately increase costs for renters on the backend.

Recommendations:

- *Sec C – (1) Lines 9-11, “FOR AN AIR–CONDITIONING SYSTEM THAT IS NOT UNDER THE CONTROL OF THE TENANT, THE LANDLORD SHALL MAINTAIN THE TEMPERATURE IN THE UNIT AT NOT GREATER THAN 80 DEGREES FAHRENHEIT”*
 - o This is in line with the Montgomery County law
- *“A landlord may apply for, and the Director (Housing authority) may grant, an extension of up to six months to comply with the requirements if the Director finds that: the landlord must make electrical upgrades to the rental housing to comply with the requirements and making the upgrades would cause financial hardship to the 46 landlord”*

For these reasons, MBIA respectfully urges the Committee to give this measure a **favorable with amendment** 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 House Environment & Transportation Committee