

TESTIMONY

February 13, 2025

Committee: Senate – Education, Energy, and the Environment

Bill: SB 256 - Environment - Building Energy Performance Standards - Compliance and Reporting

Position: <u>Unfavorable</u>

Reason for Position:

On behalf of the Maryland Municipal League (MML), representing 160 municipal governments across the state, we respectfully submit this testimony expressing our *opposition* to Senate Bill 256. While we fully support efforts to enhance building energy efficiency and reduce greenhouse gas emissions, the compliance and reporting requirements mandated by Senate Bill 256 impose significant fiscal and administrative burdens on local governments.

The bill requires extensive monitoring and annual reporting of energy performance metrics as set forth in Section 2.1 and Section 3.2 of the bill text. These sections compel building owners—and by extension, municipal entities responsible for public facilities—to collect, analyze, and submit detailed compliance data on a yearly basis. For municipalities already operating under severe budget constraints and limited staffing, these additional obligations are particularly problematic.

The diversion of scarce resources toward fulfilling these reporting requirements risks undermining other critical local priorities such as infrastructure maintenance, public safety, and essential community services. Senate Bill 256 does not adequately account for the challenges faced by historic and aging municipal buildings. Many of these structures were constructed prior to modern energy efficiency standards and retrofitting them to meet the new benchmarks could incur substantial, unexpected costs. The stringent reporting and compliance framework, coupled with the potential for punitive penalties in cases of non-compliance, further exacerbates the fiscal pressures on local governments and threatens to erode municipal home rule.

Finally, the provision in Senate Bill 256 allowing for delayed enforcement, as outlined in Section 4.5 of the bill, is not a viable option for most municipalities. While this provision offers local governments the ability to delay compliance until a later date, it does not address the underlying issue of the administrative and financial burdens municipalities face when dealing with the requirements. Delaying enforcement does not alleviate the need for municipalities to begin preparing for compliance, such as gathering data, performing initial assessments, and allocating resources to long-term planning. These preliminary efforts still impose a significant cost on municipalities,

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especially those with limited staffing and budget resources. As a result, attempting to rely on delayed enforcement only extends the challenge and does not resolve the core concerns related to the implementation of the bill's requirements. For these reasons, the delayed enforcement option in Senate Bill 256 fails to adequately address the fiscal strain that local governments would experience under the proposed standards.

The Maryland Municipal League respectfully expresses our opposition to the provisions of Senate Bill 256 in its current form. We encourage the committee to take these concerns into account and to work collaboratively to develop alternative approaches that support energy efficiency while preserving the critical functions and fiscal health of our municipalities. For more information, please contact Tyler Alexis Brice, Manager of Advocacy and Public Affairs, at tylerb@mdmunicipal.org or 254-652-8110.

Thank you for your consideration.