



March 10, 2025

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

Unfavorable: HB 1496 – Construction and Renovation of Housing – Electric Vehicle Charging

Dear, Chair Korman and Committee Members:

NAIOP represents 22,000+ commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets. NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play.

On behalf of our member companies, I am writing to oppose HB 1496 which requires installation of electric vehicle charging equipment in existing multifamily buildings and new construction.

NAIOP supported HB 380 that the committee passed in 2023; this bill is considerably different. Our opposition is based on the following considerations:

- Our members recognize the transition to electric vehicles is underway and will meet the needs of their tenants and customers as the market develops.
- An investment-grade apartment building will provide 400 spaces of on-site parking. Bringing additional power to the site and reserving capacity will be costly to building owners and residents. Unused capacity can be withdrawn by utilities.
- Synchronizing the installation of equipment and reservation of electric capacity with the rise in demand in our buildings will reduce the opportunity for equipment and electric capacity to go unused while waiting for the market to mature.
- The MEA study of multifamily electric vehicle charging estimated the cost of installing equipment at 50% of multifamily parking spaces would be \$7.4 billion. The estimated costs did not include the offsite utility costs to bring electricity supply to the location.
- MEA's cost estimates confirm that, for multifamily buildings, the cost to retrofit individual parking spaces with EV charging equipment is roughly \$47,000 vs. \$43,000 to install in new construction. This would suggest it is more cost-effective to install equipment as market demand develops vs preinstalling equipment.
- The bill would impose significant costs on multifamily building owners and occupants at a time when federal and state incentives are highly uncertain. The MEA study estimated the state Electric Vehicle Supply and Equipment Rebate Program would need to offer \$660 million under its current structure to retrofit 50% of existing multifamily parking spaces. This data predates recent cuts in federal funds.

- The definition of “major renovation” is inconsistent with the International Building Code and presents an inappropriately low trigger. The building codes require modifications to meet current code provisions when alterations affect 50% or more of the building area. The bill requires installation of EV charging capabilities any time the electric panel capacity is expanded or when repaving or trenching near parking areas. The definition ensures that electric vehicle charging requirements will coincide with and add compliance costs to buildings making energy modifications to comply with the Building Energy Performance Standards.
- The bill’s definitions of EV parking spaces are inconsistent with the energy code. The bill omits **EV Capable spaces** from the definitions. This means there is no defined level of service that can be preinstalled without securing and reserving electric capacity.
- There is no phase-in period. The bill applies to building permit applications submitted on or after October 1, 2025. This effective date will apply the bill to buildings that completed electric load calculations and received utility commitments before its introduction.
- The bill applies state-wide, but EV registrations are concentrated in a few central Maryland jurisdictions, most of which have local installation requirements.
- The definition of multifamily does not follow the building code use group categories that differentiate between residential building use types. As a result, the bill applies to mixed-use buildings, hotels, dormitories, and nursing homes in addition to residential apartments and condominium units.

For these reasons, NAIOP respectfully requests your unfavorable report on HB 1496.

Sincerely,



Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.