

February 24, 2025

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

RE: MBIA Letter of Opposition HB 973 Maryland Building Performance Standards – Fossil Fuel Use, Energy Conservation, and Electric– and Solar–Ready Standards (Better Buildings Act of 2025)

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 973 Maryland Building Performance Standards – Fossil Fuel Use, Energy Conservation, and Electric– and Solar–Ready Standards (Better Buildings Act of 2025)**. MBIA **Opposes** the Act in its current version.

This bill requires the Maryland Department of Labor to adopt a requirement that new buildings and significant improvements meet all laundry, water, and space heating demands of the building without the use of fossil fuels, energy conservation requirements, and an electric– and solar–ready standard for certain buildings. While we agree that the State of Maryland should promote sustainability and environmental responsibility, the products needed to build electric-ready buildings are more expensive and are not as widely available on the market as gas alternatives. The measures in the bill will increase costs to the construction process, which will ultimately be passed down to homebuyers.

A specific concern we have the bill is the text on Page 6, lines 14-19, that does not prohibit a local jurisdiction from implementing more stringent requirements than the requirements that are proposed in the bill. The language is overly broad, and does not clearly define the extent to which local jurisdictions can impose additional restrictions. This will create confusion for our members who do business across the State, with every local jurisdiction having different guidelines for reducing the use of fossil fuels.

This bill will further add a disincentive for investment in housing in Maryland. As you know, Maryland currently faces a housing shortage of approximately 96,000 housing units. If nothing changes, that number will increase by 5600 units per year. The National Association of Homebuilders reports that the estimated rent of a Maryland Housing Units is more than 30% of household incomes state wide with 25% of people spending more than 50% of their income on housing. In order to address this problem, we need a concerted effort to make housing available, and affordable to the residents of this state. This bill is a step in the wrong direction.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable 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