



**Bill Title:** House Bill 790, Income Tax – Green Buildings Tax Credit – Multifamily Housing

**Committee:** Ways & Means

**Date:** February 20, 2020

**Position:** Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies.

House Bill 790 allows a credit against the State income tax for costs, paid or incurred after July 1, 2020 by an owner of multifamily housing to meet energy and water efficiency standards. This bill requires the Maryland Energy Administration (MEA) to issue an initial tax credit certificate on application of the owner under certain circumstances and subject to certain limitations. MEA is prohibited from issuing tax credit certificates totaling more than \$1,000,000 in aggregate.

Multifamily building owners are among the first to feel the squeeze of rising energy prices. As energy bills rise, upward pressure is put on rents, financial institutions become increasingly concerned about risk to loan portfolios, and residents continue to demand comfortable homes. Energy efficiency upgrades provide a solution by improving the bottom line for multifamily building owners, decreasing pressure on rents, decreasing financial risk and improving tenant comfort. Consequently, building owners nationwide are looking for ways to improve the efficiency of their buildings.

Passage of House Bill 790 would be an impactful tool for multifamily owners to invest in energy and water efficiency.

For the foregoing reasons, MMHA respectfully requests a **favorable report on House Bill 790.**

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