

MBIA Testimony SB 198.pdf

Uploaded by: Graf, Lori

Position: FAV

January 26, 2021

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
Miller Senate Office Building,
3 West Wing 11 Bladen St.,
Annapolis, MD, 21401

RE:

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the **Income Tax – Credit for Energy Efficiency Upgrades – Passive Houses**. MBIA Supports the Act in its current version.

This tax credit will make it much easier for builders to implement energy efficiency upgrades and will by extension have a positive environmental impact. Allowing the credit to be rolled over in a state of emergency will allow builders to take advantage of the credit immediately, while still allowing for the flexibility needed to implement responsible spending during the COVID-19 pandemic. This will also assist in housing affordability which is a major concern in this state.

MBIA supports the current version of the bill and respectfully requests the committee give this measure a favorable 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: Senate Budget and Taxation Committee

MD Catholic Conference_FAV_SB0198.pdf

Uploaded by: Kraska, MJ

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

January 26, 2021

SB198

Income Tax - Credit for Energy Efficiency Upgrades - Passive Houses

Senate Budget & Taxation

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 198 this bill allows a tax credit for the installation of energy efficiency products in residential properties, which would bring those residences in compliance with the Passive House Standard, as set by the Passive House Institute. Qualifying residential properties include the taxpayer’s residence or a single-family or multifamily residential rental unit. The tax credit may not exceed the littlest of 10% of the total costs paid or incurred by the owner for an energy efficiency upgrade or \$2,000. An “energy efficiency upgrade measure” is defined as energy efficiency improvement to the building envelope or duct system that meets or exceeds the minimum value for the improved component established by the version of the international energy conservation code (IECC). Such upgrade measures include the following: additional insulation, replacement of windows with more 2 efficient windows; storm windows; weather stripping and caulking; and duct sealing and insulation.

In his encyclical, *On Care for Our Common Home (Laudato Si')*, Pope Francis tells us, “Whenever these questions are raised, some react by accusing others of irrationally attempting to stand in the way of progress and human development. But we need to grow in the conviction that a decrease in the pace of production and consumption can at times give rise to another form of progress and development. Efforts to promote a sustainable use of natural resources are not a waste of money, but rather an investment capable of providing other economic benefits in the medium term... We know how unsustainable is the behavior of those who constantly consume and destroy, while others are not yet able to live in a way worthy of their human dignity”.

Senate Bill 198 aims to address the much needed reforms to energy consumption policies and standards to be set to sustain and achieve a healthy global ecosystem. We encourage discussion around the components and goals outlined in this legislation and hope they are a catalyst for meaningful ecological policy reform.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 198.

SB 198.pdf

Uploaded by: Mitchell, Susan

Position: FAV



Senate Bill 198 – Income Tax – Credit for Energy Efficiency Upgrades – Passive Houses

Position: Support

On behalf of Maryland REALTORS® and our 28,000+ members, we support SB 198 which allows for tax credits for certain energy efficiency upgrades when a homeowner obtains a tax credit certificate from the Maryland Energy Administration.

Our members -- *who represent buyers and sellers alike throughout Maryland* -- can attest to the growing demand for energy efficient upgrades such as additional insulation; energy efficient windows and storm windows; improved weather stripping and caulking; duct sealing and insulation and the like which will make homes more airtight and efficient.

According to REALTOR.COM, projects seeking certification have been growing for many reasons: People crave a smaller carbon footprint, protection from unpredictable energy costs, and the independence of living *off the grid* -- many passive houses can eventually achieve off-the-grid status with solar panels.

Eco-conscious homeowners are attracted to the energy conservation, both for environmental reasons and to ensure lower, future energy bills which actually may be enabling them to be a first-time homebuyer.

Maryland REALTORS® respectfully encourages a favorable report of SB 198.

For more information, please contact bill.castelli@mdrealtor.org or susan.mitchell@mdrealtor.org or lisa.may@mdrealtor.org

SB0198 Income Tax - Credit - Passive Houses-AIA MD

Uploaded by: Verbeke, Jennifer

Position: FWA



AIA
Maryland

Promoting Maryland Architecture Since 1965

21 January, 2021

Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Re: Letter of Recommendations for SB0198
Income Tax – Credit for Energy Efficiency Upgrades – Passive Houses

Dear Senator Guzzone:

I am writing to voice AIA Maryland's concerns for Senate Bill 0198. AIA Maryland represents nearly 2,000 architects in the state of Maryland and advocates for the profession and the quality of the built environment. As architects we work every day to design the future now, including addressing the changing climate. The economic benefit in this bill encourages homeowners to make upgrades to their home which would increase the energy efficiency and therefore better the environment while also decreasing the burden on fuel and utility consumption.

While we strongly support the intent of this bill to promote and incentivize energy efficiency upgrades in the residential sector, we find the text of this policy note to be confusing. The description references the Passive House Institute, while the analysis focuses on the International Energy Conservation Code. These are two separate entities with different requirements and different goals. Currently, the Maryland Building Performance Standards is the law related to building codes and adopts and modifies the International Code Council Codes, of which the IECC is a part. The goal of the IECC is to make optimal use of fossil fuels and renewable energy sources.

Please note that there are several different groups that promote Passive House, including the Passive House Institute and the Passive House Institute US, Inc. which is a completely different entity from the Passive House Institute with a different certification process and a different approach to climates. For the purposes of this letter, we have referenced the Passive House Institute standards, not PHIUS, as that was the term noted in the preamble. The North American Passive House Network is a group within the US that promotes PHI, rather than PHIUS.

The Passive House Institute is an independent research institute that is dedicated to developing a building standard that is energy efficient, comfortable and affordable. The goal of the PHI is to use as little energy and fossil fuel as possible while maintaining the interior comfort of the occupants, with energy savings of approximately 90% when compared with typical building stock. PHI does not recognize climate zones, of which the ICC codes rely on. All Passive House standards from any of the organizations are above and beyond the requirements of the IECC and would therefore be acceptable to local governing jurisdictions. The IECC is the code minimum that is enforced within Maryland.

The bill summary notes four areas for energy efficiency upgrades and that a tax credit could be claimed if a taxpayer meets or exceeds the minimum R-value of the component, as established by the current version of the IECC.

1. Additional Insulation: The PHI recommends a U-value of 0.15 for the entire building, while the IECC focuses on U and R-values per tables, dependent on the element, such as walls, floors or ceilings. Meeting or exceeding the prescribed R-value of the IECC would not necessarily correspond to meeting PHI certification.

The American Institute of Architects

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2. Energy Efficient Windows and Storm Windows: The IECC requires a minimum U-Factor for windows of 0.32 for Climate Zone 4 (Garrett County is Climate Zone 5, which requires U= 0.30). The PHI requires a minimum U-Factor for windows of 0.80.
3. Weatherstripping and Caulking: A tightly sealed building results in less drafts and less energy loss and higher comfort. The IECC requires an air tightness of 3 air changes per hour. The PHI requires an air tightness of a maximum of 0.6 air changes per hour.
4. Duct sealing and insulation: The IECC recommends various R-values of duct insulation dependent on location within the building, whereas the PHI includes these numbers within the U-value calculation. Sealing, like weatherstripping, results in less energy loss.

We recognize that while many of these items are regulated by building permit for new or renovated work, much of this could be done to retrofit an existing home without the help of a building professional. An understanding of the requirements with clear definitions would lead to greater success in practical implementation of this bill for all constituents, not just those in building professions.

AIA Maryland and its membership encourages steps to improve the quality of Maryland's built environment, especially those items which address the changing climate. Therefore, AIA Maryland respectfully asks for the committee's thoughtful consideration of the above stated concerns.

Sincerely,



Jennifer Verbeke, AIA
President, AIA Maryland

cc: Budget and Taxation Committee:
Jim Rosapepe – Vice Chair
Paul D. Corderman
Adelaide C. Eckardt
George C. Edwards
Sarah K. Elfreth
Melony Griffith
Nancy J. King
Cory V. McCray
Douglas J.J. Peters
Johnny Ray Salling
Ronald N. Young
Craig J. Zucker

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SB0198 (HB0074) - LOI.pdf

Uploaded by: Fahrig, Landon

Position: INFO



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, Senate Budget & Taxation Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB0198 – Income Tax - Credit for Energy Efficiency Upgrades - Passive Houses
DATE: January 26, 2021

MEA POSITION: Letter of Information

MEA appreciates the Delegate's approach that preserves existing, tried and true, programs by leaving the Strategic Energy Investment Fund (SEIF) unmolested. SB74 instead offers a tax benefit for the installation of energy efficiency upgrades in residential structures. MEA offers the following information on the bill.

MEA takes no issue with providing a tax credit of 10% of the total cost of energy efficiency upgrades to a home. However, it may be advantageous to adopt a level greater than 10% for low-to-moderate income (LMI) housing, as these houses are more likely to require costly building envelope work.

The bill limits the application of the credit to a single year, and the tax credit is non-refundable. Both of these limitations may mitigate the benefit to applicants with lower comparative incomes. Generally speaking, those with lower incomes owe a lesser amount in taxes to being with. This means that it is likely that some lower income applicants will not be able to realize the full benefit of the tax credit in a single year.

Passive House has been around for a while, and is well respected. However, it is not a US organization nor is it focused on US buildings. An alternative would seek similar guidance from the Green Building Council that is tailored to the US or Maryland market.

Lastly, MEA notes that eligible energy efficiency upgrades include weatherstripping, that has a very quick cost payback period, but also replacement windows, that have an extremely long payback period. Potentially the bill could limit window replacements to broken windows or single pane windows that are not historic. This would likely increase the efficiency of the program.