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January 15, 2021

The Honorable Anne R. Kaiser  
Chair, Committee on Ways and Means  
Room 131  
House Office Building  
Annapolis, Maryland 21401

RE: HB0060, Income Tax – Green Buildings Tax Credit – Multifamily Housing

Dear Chairwoman Kaiser and Members of the Ways and Means Committee,

On behalf of the U.S. Green Building Council (USGBC), a non-profit organization with nearly 9,000 member companies nationwide, and our strong community in Maryland, I respectfully offer our comments in strong support of HB0060. As a Montgomery County, Maryland resident, I appreciate your consideration of the following remarks.

USGBC is a non-profit organization that is dedicated to transforming the way buildings and communities are designed, built, and operated in order to enable a more environmentally and socially responsible, healthy, and prosperous world. USGBC is perhaps best known for our LEED green building certification system, though we also actively advocate for the advancement of high-performing, cost-effective, and resilient buildings – including schools – that save resources and money. A core area of our work is residential projects, particularly multifamily buildings that are well-designed, constructed, maintained, and operated to reduce utility costs for residents and offer returns on investment for building owners.

USGBC strongly supports House Bill 60 (HB0060), notably the establishment of a new income tax credit to incentivize whole building energy and water efficiency and green building for newly constructed and major renovated multifamily projects. Utilizing ENERGY STAR in conjunction with several green building systems is an exemplary approach to provide highly efficient housing that supports resident health and protects the natural environment.

Green building certification like LEED takes a more holistic approach to sustainability including building materials, site selection, indoor air quality, access to public transit, and other innovative strategies.

The bill would also provide the tax credit to existing buildings that achieve 15% improvement in energy and water efficiency, which is a positive improvement but not as comprehensive or impactful as an ENERGY STAR plus green building certification.

USGBC recommends that the bill give greater incentive for projects to earn third-party green building certification, like LEED, compared with the existing building improvement path. Currently the bill puts projects that earn green building certification on the same level as those that improve energy and water conservation. While improvements to efficiency of energy and water systems of a building are valuable, they do not achieve the same level of whole building sustainability and resilience as does a green building certification. For example, LEED v4.1 [requires](#) compliance with ANSI/ASHRAE/IESNA Standard 90.1-2016, while [offering](#) optional credits and additional points for enhanced energy efficiency. For this reason, we recommend that the tax credit be divided into two tiers, with the “green building” tier receiving the full credit, and an “energy improvement” tier receiving a lesser credit, perhaps 30 percent of the full value.

Learn more about how LEED supports enhanced energy performance in our [advocacy brief](#).

As previously stated, LEED’s comprehensive approach to building performance includes more than energy and water efficiency. LEED addresses areas like site selection, access to mass transit, indoor air quality and comfort, impact on surrounding ecosystems, choice of materials, and more. By adding an enhanced incentive for green building certification above energy and water efficiency, Maryland will support building owners in their sustainability goals, while working to protect the environment, and ensure resident health and wellness.

Independent third-party verification like LEED is a critical factor in building high performing residential projects. LEED certification provides valuable transparency and assurance to the Maryland legislature that tax dollars are being used to support high quality multifamily residential projects. In turn, Maryland building owners and residents can be



encouraged to design, build, and operate their building projects to the highest quality, and have a return on their investment.

By ensuring the enactment of this amendment as part of HB0060, the legislature can ensure that Maryland continues to be a leader in sustainability and fiscal responsibility. We urge the swift passage of HB0060 and we offer our expertise in this area if needed.

Sincerely,



Alysson Blackwelder  
Project Manager, Advocacy and Policy  
U.S. Green Building Council  
Bethesda, Maryland Resident

