



Central Maryland Chamber

The Center of Intelligent Business

Legislative Position: Unfavorable

HB831: Reducing Greenhouse gas Emissions- Commercial and Residential Buildings
House Environment and Transportation Committee

March 14, 2022

Dear Chairman Barve and Members of the Committee,

The Central Maryland Chamber of Commerce (CMC) was formed in 2017, a merger of two existing chambers- The Baltimore Washington Corridor Chamber (originally founded in 1948) and the West Anne Arundel County Chamber (originally founded in 1962). The CMC is a regional organization representing approximately 350 businesses in the Central Maryland corridor and exists to be the primary business resource and advocate as the area experiences exponential growth.

The Central Maryland Chamber is writing to oppose HB831.

House Bill 831 requires that the Maryland Department of Environment establishes and adopts new building emissions standards for commercial and residential buildings. The bill also establishes a task force to study and make recommendations on ways to reduce greenhouse gas emissions from the building sector and on future ways of alleviating the cost of retrofitting buildings to meet the emissions reduction standards.

The Central Maryland Chamber is concerned about several items in the bill. First, it requires MDE to adopt new building standards with a 20% reduction in emissions by 2030 and net-zero by 2040, which is ten years ahead of the goals set by the federal government, which most businesses are planning for. With the haste to implement this bill commercial buildings will be unable to meet these goals.

Then the domino effect is that HB831 also imposes a building tax on commercial buildings that cannot reduce their emissions on schedule, with the fee being at least \$51 per ton. Adding an additional tax to struggling businesses at this time is incredibly harmful. With businesses planning around already implemented federal guidelines, this bill would set them up for failure which in many cases, will be beyond their control.

HB831 will cause incredible challenges for businesses and will stifle economic development efforts throughout the state. The legislation, while well-meaning, requires such enormous buildings changes that some industry experts are saying this cannot be done in the timeframe allotted, and with no plan to offset the costs or provide tax incentive for those who will need help to accomplish these goals.

It creates a new tax on businesses who are struggling if they cannot get up to code fast enough, and the goals set are out of line with what our federal government has already set as a goal. Maryland is already suffering from the inability to compete with our neighboring states in retaining our businesses or attracting new businesses. This bill has caused several of our Chamber member companies to actually say they will be looking across state lines for expansion opportunities which is a huge loss of revenue and jobs in our state.

The Central Maryland Chamber requests that you vote unfavorably on SB552.