

March 8, 2023

The Honorable Kumar P. Barve
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: MBIA Letter of Opposition HB 840 Climate, Labor, and Environmental Equity Act of 2023

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 840 Climate, Labor, and Environmental Equity Act of 2023**. MBIA **Opposes** the Act in its current version.

This bill lays out new review restrictions on projects in underserved communities requiring an EJ score review to determine a permit impact and instituting new fees. MBIA respectfully opposes this measure. While we agree that achieving environmental equity in communities that have been overburdened and underdeveloped is a laudable goal this bill, would have the opposite effect of what is intended. The bill as written gives the Department of the Environment the ability to review all projects in these communities. This adds a significant time burden as the necessary reviews and reports are generated on the projects increasing the cost to develop in areas where the potential margins are already lower due to existing economic circumstances. This disincentivizes development in exactly the areas in which we want to encourage it and would exacerbate those existing conditions as developers avoid the new time, personnel, review, and general difficulty that this bill generates in those areas. The bill also imposes a fee to cover the costs of implementation of this new program imposing even more cost.

In most cases new construction and redevelopment already falls under stricter and more environmentally sound requirements than older buildings and the simple act of re-developing or building new projects has the potential to raise the environmental equity threshold without a regulatory burden. Imposing costs for all building permits reduced the capacity of developers to meet this community need and ultimately harms overburdened communities by leaving them in the same economic circumstances responsible for the inequity in the first place.

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