



February 21, 2024

The Honorable Marc Korman, Chair  
House Environment and Transportation Committee  
House Office Building, Room 251  
6 Bladen St., Annapolis, MD 21401

**Oppose: HB 889 – Building Code – Construction and Renovation of Housing – Electric Vehicle Charging**

Dear, Chair Korman and Committee Members:

NAIOP represents 22,000+ commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets. NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play.

On behalf of our member companies, I am writing to oppose HB 988 which requires installation of electric vehicle charging equipment in existing multifamily buildings and new construction. NAIOP's opposition is based on the following considerations:

- The MEA study of multifamily electric vehicle charging estimated the cost of equipment at 50% of multifamily parking spaces would be \$7.4 billion. Installing electric vehicle charging equipment at Individual parking spaces was estimated to cost between \$43,000 and \$47,000 for larger multifamily buildings. The estimated costs did not include the offsite utility costs to bring electricity supply to the location.
- The bill would impose significant costs on multifamily building owners and occupants before providing incentives, and grants at a scale. The MEA study estimated the state Electric Vehicle Supply and Equipment Rebate Program would need to offer \$660 million under its current structure to retrofit 50% of existing multifamily parking spaces. The FY24 funding for the program was \$2.5 million.
- The electric vehicle charging requirements will coincide with building energy performance requirements in the Climate Solutions Now Act. For condominium buildings the cost of installation would necessarily need to be included in reserve studies and funded.
- The definition of “major renovation” is inconsistent with the International Building Code and presents an inappropriately low trigger. The building codes require modifications to meet current code provisions when a renovation affects 50% of the floor area. The bill requires installation of EV charging capabilities any time the electric panel capacity is expanded or when repaving or trenching near parking areas. This would activate the requirements when multifamily buildings replace fossil fuel heat and hot water equipment to meet the requirements of the Climate Solutions Now Act, at repaving a parking area or repairing a water line.

- The definition of multifamily does not follow the building code use group categories that differentiate between building use types. As a result, the provisions of the bill likely apply to mixed-use buildings, hotels, dormitories, rooming houses, and transitional housing in addition to residential apartments and condominium units.
- The bill's definitions of EV parking spaces are inconsistent with the building code definitions. The bill omits *EV Ready Space* from the building code definitions. This means there is no defined level of service that can be preinstalled without securing and reserving electric capacity. Bringing additional power to the site can be costly to building owners and residents.
- The bill applies state-wide, but EV registrations are concentrated in a few central Maryland counties.
- Our members are interested in syncing the installation of equipment with the rise in demand so that equipment and capacity do not go unused. The MDE's estimates assume that many manufacturers would use offsets allowed by Advanced Clean Cars II to reduce EV sales during the early years of the program.
- The codes adopted by Maryland will contain requirements for EV installation. While we respect the authority of the General Assembly to override building and energy codes, we believe that power should be reserved and used in a limited fashion.

**For these reasons, NAIOP respectfully requests your unfavorable report on HB 889.**

Sincerely,



Tom Ballentine, Vice President for Policy  
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members  
Nick Manis – Manis, Canning Assoc.