

Board of Directors
Leisure World Community Corporation
3701 Rossmoor Boulevard
Silver Spring, MD 20906

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION ON FEBRUARY 27, 2025
BEFORE THE SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE-
SB 807 - ENVIRONMENT – LOCAL BUILDING ENERGY PERFORMANCE
STANDARDS - AUTHORIZATION**

FAVORABLE WITH AMENDMENTS

Honorable Chair Brian Feldman and Vice Chair Cheryl Kagan and Members of the Senate Education, Energy, the Environment Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a senior (55+) adult community in Silver Spring Maryland, located on 610 acres. The community was constructed over a 60-year period as a self-contained community and has a wide range of property values. The average age of the residents of Leisure World is 78 and many of these seniors are on limited or fixed incomes that are challenged with the current housing costs.

Leisure World supports the goal of reducing greenhouse gases though it must be recognized that our community faces significant financial challenges in meeting the Maryland's Building Environmental Performance Standards (BEPS) and associated reporting regulations. At Leisure World there are 32 buildings with over 3000 units that are subject to Maryland's BEPS and impacted by SB 807.

SB 807 exempts buildings covered by county BEPS from Maryland's BEPS provided the county standards are at least as stringent as the state's standards. Montgomery County is the only jurisdiction in Maryland that has local BEPS standards. However, unlike the state standards, Montgomery County does not ban the use of natural gas. Consequently, the requirements of Montgomery County are not as stringent as the state.

Leisure World urges the Committee to amend SB 807 to grandfather counties and cities that as of June 1, 2025, have adopted local BEPS standards that have a goal to increase energy efficiency and reduce greenhouse gas emissions so that buildings in those jurisdictions do not need to meet the State's BEPS requirements. This would effectively exempt buildings in Montgomery County from being subject to state BEPS.

Montgomery County buildings should not have to comply with two sets of standards that have different implementation timelines and compliance requirements. Montgomery County BEPS program is based on a set of energy use intensity (EUI) targets that reduce energy consumption, reducing both grid and building emissions. The state's program is based on two sets of targets: one for EUI and one for actual building emissions.

While the county standards are not as stringent as the state's, they provide several advantages over the state's standards:

1. Montgomery County BEPS applies to more buildings than the state standards because it applies to buildings 25,000 square feet or more compared to buildings 35,000 square feet or more for the state.
2. The county standards will achieve results sooner because all buildings are required to comply by 2035 compared to 2040 for the state.
3. 15 – 20% of the building's covered by state BEPS are in Montgomery County, so grandfathering the county will reduce the administrative burden on the state; and
4. The county standards will still result in significant emissions reductions without negatively impacting housing affordability.

Montgomery County has adopted almost all of the BEPS' regulations needed to implement its program and expects to finalize the remainder of its regulations by the end of the month. It has hired staff, implemented reporting requirements, and enforced requirements. This effort is years ahead of the state. In fact, the state has yet to set its EUI targets and will not do so until 2027. The county with its requirements is on a path to substantially increase energy efficiency and reduce greenhouse gas emissions in the private sector and county buildings.

Without a provision to grandfather the Montgomery County BEPS requirements, buildings in Leisure World as well as the rest of the County will face unnecessary costs for meeting different targets, different implementation deadlines, duplicate reporting requirements, different alternative compliance pathways, and multiple sets of penalties for failing to meet the requirements. Having dual requirements causes the need to unnecessarily expend limited government resources to implement essentially duplicate programs. Building owners will need to unnecessarily expend additional funds to meet duplicative requirements. The result can only increase costs for Marylanders and make Maryland an undesirable State for businesses and residences. From the Leisure World perspective, it will increase housing costs that are already too high.

Grandfathering Montgomery County has the clear benefit of focusing the limited resources of the state on jurisdictions that have not yet established and begun implementing BEPS requirements and programs.

For the above reasons, Leisure World requests amendments to SB 807.

Respectfully submitted,

Patricia Hempstead
Chair of the Board of Directors