



March 8, 2026

Maryland House of Delegates
Del. Marc Korman, Chair
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: Support for HB1217 – Environment – Building Energy Performance Standards and Energy Use Intensity Targets – Exemptions

Chairman Korman and Members of the Committee,

My name is Ruth Toomey, and I am the Executive Director for the Maryland Tourism Coalition (MTC). MTC is a statewide trade association representing businesses and organizations across every sector of Maryland’s tourism industry. Our mission is to support tourism-related enterprises through education, collaboration, and advocacy.

I respectfully urge the Committee to support House Bill 1217, which provides a practical and economically responsible pathway for implementing Maryland’s Building Energy Performance Standards (BEPS).

Impact on Tourism-Dependent Businesses

Maryland’s tourism economy is a critical driver of jobs, tax revenue, and small business growth. Hotels, conference centers, event venues, and hospitality operators function on long-term capital planning cycles. Their business models depend on predictable reinvestment schedules for major mechanical systems such as:

- HVAC systems
- Commercial boilers and chillers
- Commercial kitchen equipment
- Building automation systems
- Large-scale electrical and lighting infrastructure

These systems are typically designed with life cycles ranging from 20–30 years. HB1217 recognizes this reality by allowing buildings constructed prior to June 1, 2022 to comply with BEPS requirements **when major building systems reach the end of their useful life or fail**, rather than requiring premature replacement.



Avoiding Premature Capital Replacement

Without the lifecycle approach proposed in HB1217, many properties could be forced to replace functioning equipment years before the end of its useful life in order to meet mandated performance thresholds. Premature replacement creates several serious challenges:

Stranded Capital

Hotels and large venues invest millions in mechanical infrastructure. Requiring early replacement strands capital already invested and undermines long-term asset management planning.

Accelerated Financing Requirements

Replacing major systems earlier than planned forces businesses to secure financing under compressed timelines, creating financial strain for properties already operating with thin margins and high debt loads.

Disruption of Long-Term Planning

Hospitality properties plan renovations and infrastructure upgrades years in advance to minimize operational disruptions and maintain guest service standards.

HB1217 addresses these challenges by allowing upgrades to occur when equipment naturally reaches the end of its lifecycle.

Maintaining Maryland's Competitiveness

Tourism is a highly competitive interstate industry. Neighboring states do not currently impose similarly aggressive building performance timelines on existing hospitality infrastructure.

When large capital compliance costs are passed through to:

- Room rates
- Venue rental fees
- Convention pricing
- Event production costs

Maryland becomes less competitive as a destination for conferences, sporting events, and large gatherings. HB1217 provides a balanced approach that allows Maryland to continue pursuing emissions reductions while maintaining competitiveness in the regional tourism marketplace.



Protecting Reinvestment in Guest Experience

Capital budgets for hospitality properties are finite. When operators must redirect millions toward early mechanical replacement, those funds are no longer available for investments that directly benefit visitors and local economies, including:

- Property renovations
- Guest room upgrades
- Safety improvements
- Workforce development
- Tourism marketing

Aligning energy upgrades with equipment replacement cycles allows businesses to pursue efficiency improvements without sacrificing investments that sustain Maryland's tourism economy.

Infrastructure and Grid Readiness

The electrification pathways often associated with BEPS compliance can significantly increase building electrical demand. For large hotels and convention facilities, electrification may require:

- Upgraded electrical service
- New transformers and switchgear
- Expanded electrical capacity for heating and cooling systems

Allowing upgrades to occur at natural replacement points gives utilities and building owners time to plan for the necessary infrastructure improvements.

Environmental Lifecycle Considerations

Replacing equipment prematurely may also produce unintended environmental consequences, including:

- Disposal of functioning systems
- Increased material waste
- Additional embodied carbon associated with manufacturing and transporting replacement equipment

Lifecycle-based upgrades encourage more efficient use of existing resources while still enabling long-term emissions reductions.



Why HB1217 Matters

House Bill 1217 provides a practical solution by:

- Aligning BEPS compliance with equipment lifecycle realities
- Preventing premature capital replacement
- Supporting long-term infrastructure planning
- Maintaining Maryland's competitiveness as a tourism destination
- Allowing continued progress toward environmental goals

This approach ensures that climate policy is implemented in a way that is economically sustainable for the businesses that support Maryland's visitor economy.

Conclusion

Maryland's tourism industry is a cornerstone of the state's economy, supporting thousands of jobs and generating significant tax revenue across every region of the state.

HB1217 represents a thoughtful and balanced adjustment that allows Maryland to pursue its climate objectives while recognizing the operational realities of large commercial properties that serve visitors, conventions, and events.

For these reasons, the Maryland Tourism Coalition respectfully urges the Committee to provide a **favorable report on HB1217**.

Respectfully submitted,

Ruth Toomey
Executive Director
Maryland Tourism Coalition