

Dear Chair Korman and Members of the Committee,

Thank you for the opportunity to testify today on behalf of the Central Maryland Chamber of Commerce (CMC). Founded through the merger of the Baltimore Washington Corridor Chamber (est. 1948) and the West Anne Arundel County Chamber (est. 1962), CMC now represents businesses across Anne Arundel County, Baltimore County, Baltimore City, Carroll County, Harford County, Montgomery County, Howard County, and Prince George's County. CMC serves as a principal business advocate during a period of continued regional growth and economic transition.

HB 79 makes critical, practical adjustments to the implementation of Maryland's Climate Solutions Now Act by clarifying that greenhouse gas reduction requirements, emissions data reporting, and related performance standards, including those for large buildings, must be carried out to the extent economically practicable. This refinement responsibly balances our climate goals with economic reality for Maryland businesses and public institutions.

Current law directs the Maryland Department of the Environment (MDE) to develop Building Energy Performance Standards (BEPS) for covered buildings, generally defined as commercial and multifamily structures with a floor area of 35,000 square feet or larger, to achieve specified emissions reductions, including net-zero direct greenhouse gas emissions by 2040. Covered building owners must also annually measure and report direct emissions data beginning in 2025.

While the Chamber supports market-based solutions that reduce emissions over time, our members remain deeply concerned that the existing statutory framework lacks clear guardrails for economic practicability and affordability. Without such guardrails, compliance costs, particularly for older buildings or small business tenants, could be prohibitive, with expenses passed downstream to consumers and business owners alike. This is especially acute where capital upgrades are mandated, but technology and financing mechanisms are not yet fully mature.

For small businesses and building owners, retrofits and electrification transitions carry very high upfront costs that may not be recoverable in the near term. As costs are passed to tenants, small retailers in shopping centers and ground-level spaces may be forced to choose between expensive upgrades, relocations, or closure.

HB 79's emphasis on economic practicability ensures that businesses are expected to comply to the extent feasible but not penalized for unavoidable economic hardship. It also provides the General Assembly and implementing agencies with flexibility to align compliance timelines and standards with both technological readiness and economic conditions.

By reinforcing economic practicability standards across emissions reductions, reporting, and implementation requirements, HB 79 preserves Maryland's competitiveness and encourages thoughtful investment in decarbonization.

Equally, this bill maintains the state's commitment to climate action while ensuring that the pace and scale of implementation reflect economic conditions; a pragmatic stance that furthers both environmental goals and economic stability.

For these reasons, the Central Maryland Chamber of Commerce respectfully urges the committee to support HB 79. This bill promotes responsible implementation of building performance and emissions standards in a manner that is economically feasible for Maryland's business community.