



House Bill 583

Committee: Environment and Transportation

Date: February 11, 2021

Position: Oppose

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

HB 583 defines a covered building as a commercial or residential building with a gross floor area of 25,000 square feet or more, and requires covered buildings to meet increasing energy usage reductions, resulting in a net zero energy balance by 2033. Further, the bill requires major renovations to achieve a 40% reduction in the building's average annual energy use or a level of energy efficiency that is at least 20% higher than what would be required for a new building under §12-511 of the subtitle.

MMHA is concerned by the bill's definition of a "major renovation," which notes that a major renovation is one that exceeds 50% of the assessed value of the current building. Apartment communities are regularly developed from older buildings that were previously constructed for non-residential purposes. These properties may be older and less kept, which reduces the current assessed value of the property prior to renovation. As such, these buildings would be considered major renovations, and HB 583 would require the renovated bills to have a level of energy efficiency that is at least 20% higher than what is required for a new building under §12-511 of the subtitle.

This new requirement for major renovations will create a barrier for the workgroup created in House Bill 877, which is designed to identify opportunities for renovation of vacant commercial properties into residential or mixed use properties. Though, HB 583 provides local jurisdictions with the choice to waive construction requirements for certain renovations, MMHA is concerned that the legislation will deter the renovation of older buildings into new and affordable residential complexes. For this reason, MMHA respectfully requests an unfavorable report from the committee.

Aaron Greenfield, MMHA Director of Government Affairs