



Committee: Budget and Taxation

Testimony on: SB0045 - Income Tax - Energy Efficiency Upgrades -Passive Houses

Organization: Climate Justice Wing of the Maryland Legislative Coalition

Submitting: Diana Younts, Co-Chair

Position: Favorable

Hearing Date: January 18, 2022

Dear Mr Chairman and Committee Members:

Thank you for allowing our testimony today in support of SB0045. The MLC Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB0045.

This bill creates a State income tax credit for the eligible costs incurred for energy efficiency upgrades to “Passive House” residences – i.e., those that use components certified by the Passive House Institute and bring the building into compliance with criteria established by the Institute. Passive Houses are a voluntary standard for energy efficiency in a building, which reduces the building's ecological footprint, resulting in ultra-low energy buildings that require little energy for space heating or cooling. Under SB0045, the owner of a single-family residence or a multi-family rental property can claim a tax credit equal to 10% of the total eligible costs incurred during the tax year, not to exceed \$2,000.

In Maryland, buildings through both direct and indirect emissions are 40 percent of Maryland’s greenhouse gas emissions. Passive houses, because of their low energy needs, are both an important solution to the substantial greenhouse gas emissions by buildings and an important solution to indoor air quality issues faced by Marylanders in our front-line communities most negatively affected by the cumulative impact of polluting industries and transportation corridors. For instance, the South Baltimore Land Trust is building a number of passive houses in the Baltimore community of Curtis Bay as part of the solution to the significant health issues faced by those communities as a result of the concentration of polluting industries and highways in and through their communities. That community has three times the asthma rate of Maryland because of its proximity to the Wheelabrator incinerator, landfills, open air coal terminals, other polluting industries and highways, which cumulatively emit nitrogen oxide, methane, chromium, lead, cadmium, mercury, hydrochloric

acid, and other pollutants.

Passive House is a “conservation first” standard that focuses on improvements to the building envelope and passive design to deliver dramatic energy savings. Passive Houses deliver dramatically improved indoor air quality through better building techniques and continuous, filtered, energy recovery ventilation, resulting in reduced respiratory ailments, far greater comfort, and next to no energy bills.

The reduced energy demand through air-sealing, super insulation and passive solar principles means that any renewable energy applied offsets a larger percentage (if not all) of the buildings’ remaining energy demand. Passive House typically achieves between 60% and 80% energy use reductions. In other words Passive House is a proven pathway to zero energy.

Senate Bill 0045 aims to address reforms to energy consumption policies and standards that need to be set to sustain and achieve a healthy global ecosystem. For these reasons we urge a favorable report for SB045.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement
Clean Water Action
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate change and sustainability advisory committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for

Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative Ministry of Maryland
Concerned Citizens Against Industrial Cafos
Wicomico NAACP

Chesapeake Physicians for Social
Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor Peoples Campaign
Labor for Sustainability
The Nature Conservancy
Clean Air Prince Georges
350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action
Mid-Atlantic Earth Holders
Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference,
Environmental Justice Committee