



**House Bill 49** – Environment – Building Energy Performance Standards – Compliance and Reporting

**Position: Unfavorable**

The Maryland REALTORS® oppose HB 49, as drafted, which seeks to provide greater clarity regarding alternative compliance measures for meeting building energy performance standards (BEP).

The Maryland REALTORS® represents both residential and commercial real estate agents and brokers. Although it appreciates the Department's efforts to find an alternative compliance pathway for buildings unable to meet future performance targets, it is hard to evaluate the impact of the current bill.

HB 49 sets a fee based on a building's failure to meet greenhouse gas emission reduction targets and energy use intensity targets that have not even been set in place. Moreover, the fee, itself, is also not set. While newer buildings are likely to have an easier compliance path for BEP standards, many older buildings in Maryland will have expensive energy retrofits or alternative compliance costs. Those costs are not only borne by building owners but by the building's residential and commercial tenants.

Added to the uncertainty over these costs, residential building owners also have rent control caps in Prince George's and Montgomery Counties. As an example, about 60% of the buildings in Montgomery County must meet both the rent cap as well as the county's BEP requirements. Although the county BEP requirements impact more buildings than the State's, if over half of the buildings in the county must meet both of these requirements, it places more uncertainty over how much of the compliance costs building owners will be permitted to recover.

For these reasons, the Maryland REALTORS® recommend an unfavorable report.

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