SENATE BILL 778

M3, M4 5lr3008

By: **Senator Gallion**
Introduced and read first time: January 27, 2025
Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

AN ACT concerning

Environment – Building Energy Performance Standards – Agricultural Buildings

FOR the purpose of prohibiting the Department of the Environment from requiring an owner, lessor, lessee, or operator of an agricultural building to apply to the Department for an exemption from certain building energy performance standards; and generally relating to building energy performance standards and agricultural buildings.

BY repealing and reenacting, without amendments,
Article – Environment
Section 2–1601(a), (b), and (e)
Annotated Code of Maryland
(2013 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – Environment
Section 2–1602
Annotated Code of Maryland
(2013 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Environment

2–1601.

(a) In this subtitle the following words have the meanings indicated.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(b) (1) “Agricultural building” means a structure that is used primarily to cultivate, manufacture, process, or produce agricultural crops, raw materials, products, or commodities.

(2) “Agricultural building” includes a greenhouse.

(e) (1) “Covered building” means a building that:

(i) 1. Is a commercial or multifamily residential building in the State; or

2. Is owned by the State; and

(ii) Has a gross floor area of 35,000 square feet or more, excluding the parking garage area.

(2) “Covered building” does not include:

(i) A building designated as a historic property under federal, State, or local law;

(ii) A public or nonpublic elementary or secondary school building;

(iii) A manufacturing building; or

(iv) An agricultural building.

2–1602.

(a) The Department shall develop building energy performance standards for covered buildings that achieve:

(1) A 20% reduction in net direct greenhouse gas emissions on or before January 1, 2030, as compared with 2025 levels for average buildings of similar construction; and

(2) Net–zero direct greenhouse gas emissions on or before January 1, 2040.

(b) To facilitate the development of building energy performance standards under this section, the Department shall require the owners of covered buildings to measure and report direct emissions data to the Department annually beginning in 2025.

(c) (1) On or before June 1, 2023, the Department shall adopt regulations to implement this section.

(2) Regulations adopted under this section shall:

(i) Subject to items (ii) and (iii) of this paragraph, include energy use intensity targets by building type;

(ii) As necessary, include special provisions or exceptions to account for:

1. Building age;

2. Regional differences;

3. The unique needs of particular building or occupancy types, including health care facilities, laboratories, assisted living and nursing facilities, military buildings, critical infrastructure, and buildings used in life sciences as defined in § 3–201 of the Economic Development Article; and

4. The use of district energy systems and biofuels by covered buildings;

(iii) Consider the needs of the owners of covered buildings who:

1. Are not responsible for the design, modification, fixtures, or equipment of commercial tenants;

2. Do not have access to or control over building energy systems that are used or controlled by commercial tenants; or

3. Own buildings occupied by commercial tenants who are responsible for all maintenance of and repairs to the buildings;

(iv) Provide maximum flexibility to the owners of covered buildings to comply with building energy performance standards;

(v) Subject to paragraph (3) of this subsection, include an alternative compliance pathway allowing the owner of a covered building to pay a fee for greenhouse gas emissions attributable to the building's failure to meet direct greenhouse gas emissions reduction targets; and

(vi) To the extent authorized by law, include financial incentives recommended by the Building Energy Transition Implementation Task Force.

(3) The Department may not set an alternative compliance fee that is less than the social cost of greenhouse gases adopted by the Department or the U.S. Environmental Protection Agency.

(4) THE DEPARTMENT MAY NOT REQUIRE AN OWNER, A LESSOR, A LESSEE, OR AN OPERATOR OF AN AGRICULTURAL BUILDING TO APPLY TO THE DEPARTMENT FOR AN EXEMPTION FROM THE REQUIREMENTS OF THIS SECTION,

INCLUDING BY REQUIRING THE SUBMITTAL OF ANY DOCUMENTATION TO THE DEPARTMENT AS PROOF OF ELIGIBILITY FOR AN EXEMPTION.

(d) Electric companies and gas companies shall provide energy data, including whole–building and aggregate data, to the owners of covered buildings for benchmarking purposes.

(e) In calculating the statewide standards developed by the Department under this section, an owner of a covered building may not consider greenhouse gas emissions or energy use by a commercial tenant of the covered building that:

(1) Is a food service facility as defined in COMAR 10.15.03.02; and

(2) Engages in commercial cooking and water heating.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.