SENATE BILL 424

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CF HB 261

SB 961/22 - B&T

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By: **Senators Elfreth and Feldman** Introduced and read first time: February 2, 2023 Assigned to: Budget and Taxation

Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 23, 2023

CHAPTER _____

1 AN ACT concerning

Public Projects – Global Warming Potential of Materials <u>Eligible Projects – Procurement of Construction Materials</u> (Buy Clean Maryland Act)

 $\mathbf{5}$ FOR the purpose of requiring producers of eligible materials to submit certain declarations 6 to the Department of General Services by a certain date; requiring the Department 7 to assess and to establish a maximum acceptable global warming potential for 8 certain categories of eligible materials used in certain eligible projects; requiring the Department to review the maximum acceptable global warming potential for each 9 10 category of eligible materials and authorizing the Department to make certain 11 adjustments according to a certain schedule; prohibiting the Department from 12 increasing the maximum acceptable global warming potential for a category of 13eligible materials; requiring a unit of State government to specify the eligible 14 materials that will be used in an eligible project in the solicitation for an eligible 15project; requiring a successful bidder or offeror of an eligible project to submit certain 16 information about each eligible material proposed to be used in an eligible project; 17prohibiting a contractor from installing any eligible materials on an eligible project until the contractor submits the required information for the eligible material; 18 19 authorizing the Department to waive certain requirements concerning the use of 20eligible materials on eligible projects under certain circumstances; providing that the 21Department shall strive to achieve a continuous reduction of greenhouse gas 22emissions over time; establishing an Environmental Product Declaration Assistance 23Fund for a certain purpose; and generally relating to the global warming potential 24of materials in public <u>eligible</u> projects.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



SENATE BILL 424	

1	BY adding to
2	Article – State Finance and Procurement
3	Section 4–901 through 4–905 to be under the new subtitle "Subtitle 9. Buy Clean
4	Maryland Act"
5	Annotated Code of Maryland
6	(2021 Replacement Volume and 2022 Supplement)
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7	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8	That the Laws of Maryland read as follows:
9	Article – State Finance and Procurement
10	SUBTITLE 9. BUY CLEAN MARYLAND ACT.
11	4-901.
12	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12	INDICATED.
10	INDICATED.
14	(B) "ELIGIBLE MATERIAL" MEANS ANY CEMENT OR CONCRETE MIXTURE
15	USED IN THE CONSTRUCTION OF A PUBLIC AN ELIGIBLE PROJECT.
16	(C) (1) "Eligible project" means a public project as defined <u>a</u>
17	<u>CAPITAL PROJECT DESCRIBED</u> IN § 3-602 <u>3-602.1(C)</u> OF THIS ARTICLE.
18	(2) "ELIGIBLE PROJECT" DOES NOT INCLUDE ANY MAINTENANCE
19	PROGRAM FOR THE UPKEEP OF A PUBLIC AN ELIGIBLE PROJECT.
10	
20	(D) "GLOBAL WARMING POTENTIAL" MEANS THE DEGREE THAT A GIVEN
21	MASS OF A CHEMICAL CONTRIBUTES TO GLOBAL WARMING OVER A GIVEN TIME
22	PERIOD WHEN COMPARED TO THE SAME MASS OF CARBON DIOXIDE.
	(-)
23	(E) "GREENHOUSE GAS" HAS THE MEANING STATED IN § 2–1202 OF THE
24	ENVIRONMENT ARTICLE.
25	4-902.
20	
26	IN ADMINISTERING THIS SUBTITLE, THE DEPARTMENT SHALL STRIVE TO
27	ACHIEVE A CONTINUOUS REDUCTION OF GREENHOUSE GAS EMISSIONS OVER TIME.
28	4-903.
00	
29	(A) (1) ON OR BEFORE DECEMBER 31, 2024, PRODUCERS OF ELIGIBLE
30	MATERIALS SHALL SUBMIT ENVIRONMENTAL PRODUCT DECLARATIONS TO THE
31	DEPARTMENT.

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1(2)THE DEPARTMENT SHALL ANALYZE ENVIRONMENTAL PRODUCT2DECLARATIONS AND ASSESS GLOBAL WARMING POTENTIAL FOR ELIGIBLE3MATERIALS USED IN AN ELIGIBLE PROJECT IN ACCORDANCE WITH THIS SECTION.

4 (B) ON OR BEFORE JANUARY 1, 2025 <u>2026</u>, THE DEPARTMENT SHALL, IN 5 <u>CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION</u>, ESTABLISH A 6 MAXIMUM ACCEPTABLE GLOBAL WARMING POTENTIAL FOR EACH CATEGORY OF 7 ELIGIBLE MATERIALS USED IN AN ELIGIBLE PROJECT IN ACCORDANCE WITH THIS 8 SECTION.

9 (B) (C) THE DEPARTMENT SHALL:

10(1) BASE THE MAXIMUM ACCEPTABLE GLOBAL WARMING POTENTIAL11ON THE INDUSTRY AVERAGE OF GLOBAL WARMING POTENTIAL EMISSIONS FOR THAT12MATERIAL;

13(2) DETERMINE THE INDUSTRY AVERAGE OF GLOBAL WARMING14POTENTIAL EMISSIONS, WHICH MAY INCLUDE TRANSPORTATION-RELATED15EMISSIONS, BY CONSULTING NATIONALLY OR INTERNATIONALLY RECOGNIZED16DATABASES OF ENVIRONMENTAL PRODUCT DECLARATIONS; AND

17 (3) EXPRESS THE MAXIMUM ACCEPTABLE GLOBAL WARMING 18 POTENTIAL AS A NUMBER THAT STATES THE MAXIMUM ACCEPTABLE GLOBAL 19 WARMING POTENTIAL FOR EACH CATEGORY OF ELIGIBLE MATERIALS, CONSISTENT 20 WITH CRITERIA IN AN ENVIRONMENTAL PRODUCT DECLARATION.

21 (C) (D) THE DEPARTMENT MAY:

22(1) ESTABLISH ADDITIONAL SUBCATEGORIES WITHIN EACH23CATEGORY OF ELIGIBLE MATERIAL WITH DISTINCT MAXIMUM ACCEPTABLE GLOBAL24WARMING POTENTIAL LIMITS;

25(2) ESTABLISH A MAXIMUM ACCEPTABLE GLOBAL WARMING26POTENTIAL FOR EACH MATERIAL CATEGORY IN THE AGGREGATE; AND

(3) CONSULT WITH ANY OTHER RELEVANT UNIT OF STATE
 GOVERNMENT WHEN ESTABLISHING A MAXIMUM ACCEPTABLE GLOBAL WARMING
 POTENTIAL FOR EACH CATEGORY OF ELIGIBLE MATERIALS USED IN AN ELIGIBLE
 PROJECT.

31 (D) (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, BY
 32 JANUARY 1, 2028 2029, AND EVERY 3 YEARS THEREAFTER, THE DEPARTMENT
 33 SHALL REVIEW THE MAXIMUM ACCEPTABLE GLOBAL WARMING POTENTIAL FOR

	4 SENATE BILL 424
$\frac{1}{2}$	EACH CATEGORY OF ELIGIBLE MATERIALS AND MAY ADJUST THE POTENTIAL FOR ANY CATEGORY TO REFLECT INDUSTRY CONDITIONS.
$\frac{3}{4}$	(2) THE DEPARTMENT MAY NOT ADJUST THE GLOBAL WARMING POTENTIAL UPWARD FOR ANY CATEGORY OF ELIGIBLE MATERIAL.
$5 \\ 6$	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
7	Article – State Finance and Procurement
8	4-904.
9 10 11 12 13	(A) (1) FOR ANY SOLICITATION FOR A CONTRACT FOR AN ELIGIBLE PROJECT, A UNIT OF STATE GOVERNMENT SHALL SPECIFY THE ELIGIBLE MATERIALS THAT WILL BE USED IN THE PROJECT AND THE REASONABLE MINIMUM USAGE THRESHOLDS BELOW WHICH THE REQUIREMENTS OF THIS SECTION DO NOT APPLY.
14 15 16 17 18	(2) A UNIT OF STATE GOVERNMENT MAY INCLUDE IN A SOLICITATION FOR AN ELIGIBLE PROJECT A GLOBAL WARMING POTENTIAL FOR ANY ELIGIBLE MATERIAL THAT IS LOWER THAN THE MAXIMUM ACCEPTABLE GLOBAL WARMING POTENTIAL FOR THAT MATERIAL AS DETERMINED UNDER § 4–903 OF THIS SUBTITLE.
19 20 21	(B) THE DEPARTMENT SHALL REQUIRE A SUCCESSFUL BIDDER OR OFFEROR OF AN ELIGIBLE PROJECT TO SUBMIT, FOR EACH ELIGIBLE MATERIAL PROPOSED TO BE USED IN THE ELIGIBLE PROJECT:
22 23 24	(1) A CURRENT ENVIRONMENTAL PRODUCT DECLARATION, TYPE III, AS DEFINED BY THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION STANDARD 14025; OR
$\begin{array}{c} 25\\ 26 \end{array}$	(2) A SIMILARLY ROBUST LIFE CYCLE ASSESSMENT METHOD THAT INCLUDES UNIFORM STANDARDS IN DATA COLLECTION.
27 28 29 30	(C) A CONTRACTOR MAY NOT INSTALL ANY ELIGIBLE MATERIALS ON THE ELIGIBLE PROJECT UNTIL THE CONTRACTOR SUBMITS A FACILITY-SPECIFIC ENVIRONMENTAL PRODUCT DECLARATION FOR THAT ELIGIBLE MATERIAL AS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.
$\frac{31}{32}$	(D) IF AN ENVIRONMENTAL PRODUCT DECLARATION IS NOT AVAILABLE FOR AN ELIGIBLE MATERIAL, THE CONTRACTOR SHALL NOTIFY THE UNIT AND USE AN

1 ALTERNATIVE ELIGIBLE MATERIAL WITH AN ENVIRONMENTAL PRODUCT 2 DECLARATION.

3 (E) THE DEPARTMENT MAY WAIVE THE REQUIREMENTS OF THIS SECTION 4 IF IT DETERMINES THAT REQUIRING THE RELEVANT ELIGIBLE MATERIALS WOULD:

5 (1) BE TECHNICALLY INFEASIBLE;

6 (2) RESULT IN A SIGNIFICANT INCREASE IN PROJECT COST;

(3) **RESULT IN A SIGNIFICANT DELAY IN PROJECT COMPLETION; OR**

8 (4) RESULT IN ONLY ONE SOURCE OR MANUFACTURER BEING ABLE
9 TO PROVIDE THE NECESSARY MATERIALS.

10 **4–905.**

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11 (A) ON OR BEFORE DECEMBER 1, 2025, AND EACH YEAR THEREAFTER, THE 12 DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT, IN ACCORDANCE WITH § 2–1257 13 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY THAT 14 INCLUDES:

15 (1) WHAT THE DEPARTMENT HAS LEARNED ABOUT HOW TO IDENTIFY 16 AND QUANTIFY EMBODIED CARBON IN BUILDING MATERIALS, INCLUDING LIFE 17 CYCLE COSTS; AND

18 (2) ANY OBSTACLES THE DEPARTMENT, BIDDERS, OR OFFERORS 19 HAVE ENCOUNTERED IN IDENTIFYING AND QUANTIFYING EMBODIED CARBON IN 20 BUILDING MATERIALS.

(B) THE REPORT SUBMITTED ON OR BEFORE DECEMBER 1, 2025, SHALL
INCLUDE A DESCRIPTION OF THE METHOD THAT THE DEPARTMENT USED TO
DEVELOP THE MAXIMUM ACCEPTABLE GLOBAL WARMING POTENTIAL FOR EACH
CATEGORY OF ELIGIBLE MATERIALS.

- 25 <u>SECTION 3. AND BE IT FURTHER ENACTED, That:</u>
- 26 (a) (1) There is an Environmental Product Declaration Assistance Fund.

27 (2) The purpose of the Fund is to award grants to producers of eligible
 28 materials to support the development, standardization, and transparency of environmental
 29 product declarations for construction materials and products.

30 (b) The Department of Commerce shall administer the Fund.

SENATE BILL 424

(c) <u>The Fund shall consist of money appropriated in the State budget to the Fund.</u>

2 SECTION 3. <u>4.</u> AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
 3 take effect July 1, 2025 <u>2026</u>.

4 <u>SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take</u> 5 <u>effect July 1, 2023. It shall remain effective for a period of 1 year and 6 months and, at the</u> 6 <u>end of December 31, 2024, Section 3 of this Act shall be abrogated and of no further force</u> 7 <u>and effect.</u>

8 SECTION <u>4.</u> <u>6.</u> AND BE IT FURTHER ENACTED, That, except as provided in 9 Section <u>3</u> Sections <u>4</u> and <u>5</u> of this Act, this Act shall take effect July 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.

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