

# SENATE BILL 778

M3, M4

5lr3008

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By: **Senator Gallion**

Introduced and read first time: January 27, 2025

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Building Energy Performance Standards – Agricultural**  
3 **Buildings**

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

9 BY repealing and reenacting, without amendments,  
10 Article – Environment  
11 Section 2–1601(a), (b), and (e)  
12 Annotated Code of Maryland  
13 (2013 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Environment  
16 Section 2–1602  
17 Annotated Code of Maryland  
18 (2013 Replacement Volume and 2024 Supplement)

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

21 **Article – Environment**

22 2–1601.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (2) “Agricultural building” includes a greenhouse.

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

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

8 2. Is owned by the State; and

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

11 (2) “Covered building” does not include:

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

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

15 (iii) A manufacturing building; or

16 (iv) An agricultural building.

17 2–1602.

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

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

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

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

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

29 (2) Regulations adopted under this section shall:

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

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

5 1. Building age;

6 2. Regional differences;

7 3. The unique needs of particular building or occupancy  
8 types, including health care facilities, laboratories, assisted living and nursing facilities,  
9 military buildings, critical infrastructure, and buildings used in life sciences as defined in  
10 § 3–201 of the Economic Development Article; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (2) Engages in commercial cooking and water heating.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2025.