

SENATE BILL 807

M5, M3

5lr3088

By: **Senator Kramer**

Introduced and read first time: January 28, 2025

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Local Building Energy Performance Standards – Authorization**

3 FOR the purpose of authorizing counties to adopt local building energy performance
4 standards that are at least as stringent as certain standards adopted by the
5 Department of the Environment if the standards are approved by the Department;
6 authorizing a county to enforce local building energy performance standards;
7 exempting a covered building that is subject to certain local building energy
8 performance standards from complying with certain statewide standards; and
9 generally relating to building energy performance standards.

10 BY repealing and reenacting, with amendments,
11 Article – Environment
12 Section 2–1602
13 Annotated Code of Maryland
14 (2013 Replacement Volume and 2024 Supplement)

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

17 **Article – Environment**

18 2–1602.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

6 (2) Regulations adopted under this section shall:

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

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

11 1. Building age;

12 2. Regional differences;

13 3. The unique needs of particular building or occupancy
14 types, including health care facilities, laboratories, assisted living and nursing facilities,
15 military buildings, critical infrastructure, and buildings used in life sciences as defined in
16 § 3–201 of the Economic Development Article; and

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **(F) (1) A COUNTY MAY DEVELOP AND ADOPT LOCAL BUILDING ENERGY**
15 **PERFORMANCE STANDARDS THAT ARE AT LEAST AS STRINGENT AS THE STANDARDS**
16 **DEVELOPED AND ADOPTED BY THE DEPARTMENT UNDER THIS SECTION IF THE**
17 **LOCAL BUILDING ENERGY PERFORMANCE STANDARDS ARE APPROVED BY THE**
18 **DEPARTMENT.**

19 **(2) THE DEPARTMENT MAY APPROVE LOCAL BUILDING ENERGY**
20 **PERFORMANCE STANDARDS DEVELOPED UNDER THIS SUBSECTION IF THE**
21 **STANDARDS ARE:**

22 **(I) INCLUSIVE OF OR MORE STRINGENT THAN THE STANDARDS**
23 **DEVELOPED AND ADOPTED BY THE DEPARTMENT; OR**

24 **(II) DESIGNED TO ACHIEVE, BY 2040 AND THROUGH**
25 **IMPROVEMENTS TO COVERED BUILDINGS IN THE AGGREGATE, GREATER ENERGY**
26 **AND GREENHOUSE GAS REDUCTION BENEFITS THAN THE STANDARDS DEVELOPED**
27 **AND ADOPTED BY THE DEPARTMENT.**

28 **(3) A COUNTY ADMINISTERING LOCAL BUILDING ENERGY**
29 **PERFORMANCE STANDARDS APPROVED BY THE DEPARTMENT UNDER THIS**
30 **SUBSECTION MAY TAKE APPROPRIATE ACTIONS TO ENFORCE THE STANDARDS,**
31 **INCLUDING:**

32 **(I) ESTABLISHING ALTERNATIVE COMPLIANCE PATHWAYS FOR**
33 **COMPLYING WITH ENERGY USE INTENSITY AND DIRECT GREENHOUSE GAS**
34 **EMISSIONS REQUIREMENTS ESTABLISHED IN THE STANDARDS; AND**

1 **(II) IMPOSING AND COLLECTING ALTERNATIVE COMPLIANCE**
2 **FEES AND PENALTIES IN THE SAME AMOUNT AND MANNER ALLOWED BY THE**
3 **DEPARTMENT.**

4 **(4) A COUNTY ADMINISTERING LOCAL BUILDING ENERGY**
5 **PERFORMANCE STANDARDS APPROVED BY THE DEPARTMENT UNDER THIS**
6 **SUBSECTION SHALL SUBMIT TO THE DEPARTMENT ANY EMISSIONS DATA REPORTED**
7 **TO THE COUNTY IN ACCORDANCE WITH THE STANDARDS.**

8 **(5) A COVERED BUILDING THAT IS SUBJECT TO LOCAL BUILDING**
9 **ENERGY PERFORMANCE STANDARDS ADOPTED BY A COUNTY UNDER THIS**
10 **SUBSECTION IS NOT REQUIRED TO COMPLY WITH STATEWIDE BUILDING ENERGY**
11 **PERFORMANCE STANDARDS ESTABLISHED BY THE DEPARTMENT.**

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