

HOUSE BILL 988

M5, M3

6lr1868

By: **Delegates Hartman, Adams, Anderson, Arentz, Baker, Beauchamp, Buckel, Chisholm, Ciliberti, Ghrist, Griffith, Hinebaugh, Hutchinson, Jacobs, Kipke, R. Long, Mangione, McComas, Metzgar, Miller, T. Morgan, Nkongolo, Pippy, Reilly, Rose, Schmidt, Stonko, Tomlinson, Valentine, and Wivell**
Introduced and read first time: February 6, 2026
Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Building Energy Performance Standards – Repeal**

3 FOR the purpose of repealing certain provisions of law establishing and governing building
4 energy performance standards; and generally relating to building energy
5 performance standards.

6 BY repealing

7 Article – Environment

8 Section 2–1601 and the subtitle “Subtitle 16. Building Energy Performance
9 Standards”

10 Annotated Code of Maryland

11 (2013 Replacement Volume and 2025 Supplement)

12 BY repealing

13 Article – Environment

14 Section 2–1602

15 Annotated Code of Maryland

16 (2013 Replacement Volume and 2025 Supplement)

17 (As enacted by Chapter 844 of the Acts of the General Assembly of 2025)

18 BY repealing and reenacting, with amendments,

19 Article – Housing and Community Development

20 Section 4–211(d)(1) and (2)

21 Annotated Code of Maryland

22 (2019 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Environment**[Subtitle 16. Building Energy Performance Standards.]**

[2–1601.

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

(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.

(c) “Building” has the meaning stated in the International Building Code.

(d) “Commercial building” means a building that is subject to the commercial provisions of the International Energy Conservation Code.

(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 hospital;

(iv) A manufacturing building; or

(v) An agricultural building.

(f) “Critical infrastructure” has the meaning stated in § 1–101 of the Public Utilities Article.

1 (g) “Direct greenhouse gas emissions” means greenhouse gas emissions produced
2 on-site by covered buildings.

3 (h) “District energy” means thermal energy generated at one or more central
4 facilities that produce hot water, steam, or chilled water that then flows through a network
5 of insulated underground pipes to provide hot water, space heating, air conditioning, or
6 chilled water to nearby buildings.

7 (i) “Manufacturing building” means a facility in which manufacturing, as defined
8 in § 2–1202 of this article, takes place.]

9 [2–1602.

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

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

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

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

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

21 (2) Regulations adopted under this section shall:

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

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

26 1. Building age;

27 2. Regional differences;

28 3. The unique needs of particular building or occupancy
29 types, including health care facilities, laboratories, assisted living and nursing facilities,
30 military buildings, critical infrastructure, and buildings used in life sciences as defined in
31 § 3–201 of the Economic Development Article;

1 (v) Exempt an owner of a covered building from energy use intensity
2 reporting requirements if:

3 1. The covered building meets the criteria under item (iv) of
4 this paragraph; and

5 2. In circumstances where tenant authorization is required,
6 the tenant or occupant does not provide energy use information to the owner of the covered
7 building due to concerns about the confidentiality of the building's secure area;

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

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

14 (viii) To the extent authorized by law, include financial incentives
15 recommended by the Building Energy Transition Implementation Task Force; and

16 (ix) Include an annual reporting fee of \$100 per covered building,
17 adjusted for inflation, to cover the administrative costs of the program.

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

21 (4) (i) Subject to subparagraph (ii) of this paragraph, the Department
22 shall certify a building energy performance standards program adopted by a county
23 administering a building energy performance standards program on or before March 1,
24 2025, and waive the requirement for covered buildings in the county to comply with the
25 statewide program adopted under this section.

26 (ii) A county administering a building energy performance
27 standards program certified by the Department under subparagraph (i) of this paragraph
28 may take appropriate actions to enforce the standards, including:

29 1. Establishing alternative compliance pathways for
30 complying with energy use intensity and direct greenhouse gas emissions requirements
31 established in the standards;

32 2. Imposing and collecting alternative compliance fees up to
33 the same amount and in the same manner allowed by the Department under this section;
34 and

1 3. Imposing and collecting penalties up to the same amount
2 and in the same manner allowed by the Department under § 2–610 of this title.

3 (5) Nothing in this section shall preclude a county administering a building
4 energy performance standards program certified by the Department under paragraph (4)(i)
5 of this subsection from:

6 (i) Adopting building energy performance standards for buildings
7 that are not covered buildings under the statewide program adopted under this section; or

8 (ii) Modifying an adopted building performance standards program.

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

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

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

16 (2) Engages in commercial cooking and water heating.]

17 **Article – Housing and Community Development**

18 4–211.

19 (d) (1) (i) In this subsection the following words have the meanings
20 indicated.

21 (ii) 1. “Covered building” [has the meaning stated in § 2–1601 of
22 the Environment Article] **MEANS A BUILDING THAT:**

23 **A. IS OWNED BY THE STATE OR IS A COMMERCIAL OR**
24 **MULTIFAMILY RESIDENTIAL BUILDING IN THE STATE; AND**

25 **B. HAS A GROSS FLOOR AREA OF 35,000 SQUARE FEET**
26 **OR MORE, EXCLUDING THE PARKING GARAGE AREA.**

27 **2. “COVERED BUILDING” DOES NOT INCLUDE:**

28 **A. A BUILDING DESIGNATED AS A HISTORIC PROPERTY**
29 **UNDER FEDERAL, STATE, OR LOCAL LAW;**

1 **B. A PUBLIC OR NONPUBLIC ELEMENTARY OR**
2 **SECONDARY SCHOOL BUILDING;**

3 **C. A MANUFACTURING BUILDING; OR**

4 **D. AN AGRICULTURAL BUILDING.**

5 (iii) “Energy conservation project” means a project that qualifies
6 under § 4–218 of this subtitle.

7 (2) For the purpose of reducing direct greenhouse gas emissions from
8 multifamily residential buildings [in accordance with the standards adopted under §
9 2–1602 of the Environment Article], the Administration shall develop and implement a
10 program to provide grants and loans for energy conservation projects and projects to install
11 renewable energy generating systems in covered buildings that house primarily low- to
12 moderate-income households.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the publisher of the
14 Annotated Code of Maryland, in consultation with and subject to the approval of the
15 Department of Legislative Services, shall correct, with no further action required by the
16 General Assembly, cross-references and terminology rendered incorrect by this Act. The
17 publisher shall adequately describe any correction that is made in an editor’s note following
18 the section affected.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2026.