

SENATE BILL 479

M3, M5

6lr3435
CF 6lr2116

By: **Senator McKay**

Introduced and read first time: February 2, 2026

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Building Energy Performance Standards and Energy Use**
3 **Intensity Targets – Exemptions**

4 FOR the purpose of exempting a certain covered building from compliance with certain
5 building energy performance standards and energy use intensity targets until a
6 certain occurrence; and generally relating to building energy performance standards
7 and energy use intensity targets.

8 BY repealing and reenacting, without amendments,
9 Article – Environment
10 Section 2–1601
11 Annotated Code of Maryland
12 (2013 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Environment
15 Section 2–1602
16 Annotated Code of Maryland
17 (2013 Replacement Volume and 2025 Supplement)
18 (As enacted by Chapter 38 of the Acts of the General Assembly of 2022)

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.

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.

(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.

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

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

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

1 2–1602.

2 (a) **[The] SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE** Department
3 shall develop building energy performance standards for covered buildings that achieve:

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

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

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

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

13 (2) Regulations adopted under this section shall:

14 (i) Subject to items (ii), (iii), (iv), and (v) of this paragraph **AND**
15 **SUBSECTION (F) OF THIS SECTION**, include energy use intensity targets by building type;

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

18 1. Building age;

19 2. Regional differences;

20 3. The unique needs of particular building or occupancy
21 types, including health care facilities, laboratories, assisted living and nursing facilities,
22 military buildings, critical infrastructure, and buildings used in life sciences as defined in
23 § 3–201 of the Economic Development Article;

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

26 5. Crediting the generation of on–site renewable energy by
27 covered buildings toward their energy use intensity targets;

28 6. Crediting the greenhouse gas reduction impact of the
29 on–site use of biomethane;

7. Excluding the energy use and greenhouse gas emissions related to the production of steam for sterilization in a health care facility, laboratory, assisted living and nursing facility, military building, or building used in life sciences; and

8. Excluding the energy use and greenhouse gas emissions related to the generation of emergency backup power at a health care facility, laboratory, assisted living and nursing facility, military building, critical infrastructure, or building used in life sciences;

(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) Subject to paragraph (3) of this subsection, exempt from energy use intensity targets a covered building that contains an area designed, built, and operated as a permanent sensitive compartmented information facility and is operated by an agency or contractor of:

1. The U.S. General Services Administration;

2. A. The U.S. Department of Defense;

B. The National Security Agency;

C. The U.S. Department of Homeland Security; or

D. Any other U.S. intelligence agency; or

3. The State;

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

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

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

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

(vii) 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;

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

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

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

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

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

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

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

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

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

(ii) Modifying an adopted building performance standards program.

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

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

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

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

9 **(F) THE DEPARTMENT MAY NOT REQUIRE A COVERED BUILDING THAT**
10 **RECEIVED A USE AND OCCUPANCY PERMIT BEFORE JUNE 1, 2022, TO COMPLY WITH**
11 **BUILDING ENERGY PERFORMANCE STANDARDS DEVELOPED UNDER OR ENERGY USE**
12 **INTENSITY TARGETS ADOPTED IN ACCORDANCE WITH THIS SECTION UNTIL IT**
13 **BECOMES NECESSARY TO REPLACE LIGHTING SYSTEMS, HEATING, VENTILATING,**
14 **AND AIR CONDITIONING (HVAC) SYSTEMS, OR OTHER MAJOR COMPONENTS OF THE**
15 **COVERED BUILDING DUE TO THE FAILURE OF THOSE COMPONENTS OR AS A RESULT**
16 **OF THE END OF LIFE OF THOSE COMPONENTS.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2026.