

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

Senate Bill 741

(Senator Jackson)

Education, Energy, and the Environment

Economic Matters

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Public Safety - Refrigerants - Limitations on Use

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This bill establishes that, notwithstanding any other provision of law, except for regulations issued by the Maryland Department of the Environment (MDE), no provision of the State building code or other law or regulation may prohibit or otherwise limit the use of a refrigerant if (1) the refrigerant is designated as acceptable for use in accordance with 42 U.S.C. 7671k (a provision of the federal Clean Air Act (CAA) which governs stratospheric ozone protection and a safe alternatives policy for specified substances) and (2) any “appliance” containing the refrigerant designated for acceptable use is installed and used in accordance with the safety standards and use conditions under that provision of federal law.

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State finances. MDE advises that it can handle the bill’s changes with existing budgeted resources.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** “Appliance” means any device that (1) contains and uses a class I or class II substance or a substitute for a class I or class II substance (as defined under specified federal law) as a refrigerant and (2) is used for a household or commercial purpose, including an air conditioner, a refrigerator, a chiller, or a freezer.

## **Current Law:**

### *Federal Clean Air Act – 42 U.S.C. 7671 – Stratospheric Ozone Protection*

CAA is the comprehensive federal law that regulates air emissions from stationary and mobile sources.

Under 42 U.S.C. 7671a, the Administrator of the U.S. Environmental Protection Agency (EPA) must publish a list of class I and class II substances that contain specified chlorofluorocarbons. The administrator must also add to the list of class II substances any other substance that administrator finds is known or may reasonably be anticipated to cause or contribute to harmful effects of the stratospheric ozone layer. The administrator may add, by rule, any substance to the list of class I or class II substances, as specified under federal law. In the case of any substance added to the lists after initial publication, the administrator may extend any schedule or compliance deadline to a later date under specified conditions. Simultaneously with the publication of the lists (and any addition to either list), the administrator must assign to each listed substance a numerical value representing the substance's ozone-depleting potential. After notice and opportunity for public comment, the administrator must publish the global warming potential of each listed substance.

42 U.S.C. 7671k also established related monitoring and reporting requirements and provided for the phase out of the production and consumption of class I and class II substances, with specified exceptions.

Generally, 42 U.S.C 7671k requires that, to the maximum extent practicable, class I and class II ozone-depleting substances be replaced by chemicals, product substitutes, or alternative manufacturing processes that reduce overall risks to human health and the environment.

The Significant New Alternatives Policy (SNAP) program within EPA implements this requirement. Under SNAP, EPA (1) identifies and evaluates substitutes within a comparative risk framework in specified industrial sectors and (2) publishes lists of acceptable and unacceptable substitutes for each of the major industrial use sectors, including refrigeration and air conditioning. EPA has modified the SNAP lists many times, most often by expanding the list of acceptable substitutes, but in some cases by prohibiting the use of substitutes previously listed as acceptable.

### *American Innovation and Manufacturing Act*

The federal American Innovation and Manufacturing Act of 2020 requires EPA to address hydrofluorocarbons (HFCs) by phasing down production and consumption, maximizing

reclamation and minimizing releases from equipment, and facilitating the transition to next-generation technologies through sector-based restrictions. On December 15, 2022, EPA proposed a rule to prohibit the manufacture and import of products containing restricted HFCs, including refrigerants, by January 1, 2025, in addition to prohibiting the sale, distribution, and export of those products, as specified.

### *Maryland Greenhouse Gas Emissions Reduction Targets and the Climate Solutions Now Act*

The Climate Solutions Now Act (Chapter 38 of 2022) made broad changes to the State's approach to reducing statewide greenhouse gas emissions (GHG) and addressing climate change. Among other things, the Act accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions Reduction Act by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031; and (2) achieve net-zero statewide GHG emissions by 2045. The net-zero requirement terminates June 30, 2030.

### *Maryland Building Performance Standards and the International Mechanical Code*

The Maryland Department of Labor (MDL) currently incorporates by reference the International Building Code (2018 Edition), including the International Energy Conservation Code (IECC) (2018 Edition), with modifications, as Maryland Building Performance Standards (MBPS). In general, the standards apply to all buildings and structures within the State for which a building permit application is received by a local government. Chapter 38 required MDL to adopt IECC (2018 Edition) by January 1, 2023, and to adopt each subsequent version of IECC within 18 months after it is issued.

MDL also incorporates by reference the International Mechanical Code (IMC) (2018 Edition), which generally governs the installation of heating, ventilation, air-conditioning, and refrigeration systems. MDL advises that MBPS and IMC include provisions concerning the use of refrigerants.

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## **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1011 (Delegate Stein) - Economic Matters.

**Information Source(s):** Maryland Association of Counties; Maryland Municipal League; Maryland Department of the Environment; Maryland Department of Labor; U.S. Environmental Protection Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2023  
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