

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1252S1

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Petersen

3. Committee:

4. Title: **Green Public Buildings Act.**

5. Summary: Requires public bodies entering the design phase for construction of a new building greater than 5,000 gross square feet in size, or renovating such a building where the cost of renovation exceeds 50 percent of the value of the building, to build to either the Green Globes Green Building Initiative green building rating standard or the United States Green Building Council Leadership in Energy and Environment Design green building rating standard (LEED). The bill also provides that such buildings shall be designed, constructed, verified, and operated to achieve energy savings that exceed the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004 by at least 15 percent for new construction and 10 percent for major renovation and that the water systems designed for such buildings be required to provide water use savings of at least 25 percent over the baseline standard established in the federal Energy Policy Act of 1992. Exemptions from the requirement may be granted by the Director of the Department of General Services for state construction projects or the governing body of a locality or school board for local projects. The provisions of the bill do not apply to local public bodies and school boards until July 1, 2010.

6. Fiscal Impact Estimates: Indeterminate, see Item 8

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The concept of LEED and Green Globes construction is an environmentally sound and energy saving concept. The actual application of the standard, however, can increase the cost of capital projects. This proposal will impact any public body with a project entering the design phase that will construct a new building greater than 5,000 square feet or renovate such a building where the cost of renovation exceeds 50 percent of the value of the building.

DGS indicates that there is an initial one to three percent increase in costs for design and construction of a LEED Silver certified building assuming the projects were not designed to meet these standards. DGS estimates that approximately \$800 million in state construction alone may be impacted by this legislation. This estimate does not include local projects that would be impacted.

Conversely, there should be on-going operating savings through implementation of the LEED standards. These operating savings would be calculated by life cycle cost analysis of the improvements and have the potential to offset the increased costs to meet the LEED Silver standards.

9. Specific Agency or Political Subdivisions Affected: Department of General Services and all public bodies constructing buildings, including localities.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/13/2009 amk

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cc: Secretary of Administration