

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB788

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Lopez

**3. Committee:** General Laws

**4. Title:** Department of General Services; Green Public Buildings Act.

**5. Summary:** Requires public bodies entering the design phase for construction of a new building greater than 7,500 gross square feet in size, or renovating such a building where the cost of renovation exceeds 75 percent of the value of the building, to build to either the LEED Silver or Green Globes two globe standard. Exemptions from the requirement may be granted by the Director of the Department of General Services (DGS) for state construction projects or by the governing body of a locality or school board for local projects. The bill provides for a delayed effective date for localities of July 1, 2013.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Indeterminate. This proposal could increase the costs of capital projects. See Item 8.

**8. Fiscal Implications:** The application of the LEED Silver and Green Globes two globe standards can add about 0.5 percent to project design and construction costs. Many of the LEED materials / products are not the lowest cost and may not be available through multiple vendors impacting the ability of state agencies to competitively compete the required materials/products to achieve most favored pricing. DGS estimates that \$800 million in construction could be impacted annually resulting in an increased cost that could be as high as \$4 million annually for the Commonwealth.

**9. Specific Agency or Political Subdivisions Affected:** Any public body constructing buildings.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/18/12

**Document:**

c: Secretary of Administration