

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2001

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

2. Patron: Helmer

3. Committee: Appropriations

4. Title: Building standards for certain state and local buildings.

- 5. Summary:** Requires that any executive branch agency or institution or locality entering the design phase for the construction of a new building greater than 5,000 gross square feet in size or the renovation of a building where the cost of the renovation exceeds 50 percent of the value of the building ensure that such building has sufficient zero-emission vehicle charging or fueling infrastructure, defined in the bill, and has features that permit the agency or institution to track the building's energy efficiency and carbon emissions. The bill expands the definition of high performance building certification program to also include the LEED standard or "Green Globes" standards as qualifying programs. The bill requires periodic updating of the Virginia Energy Conservation and Environmental Standards. The bill clarifies the process by which the Director of the Department of General Services may grant exemptions to such standards by adding that such exemptions must be in writing and with certain terms. The bill requires agencies to annually report to the Governor the energy efficiency and carbon emissions metrics for each such building built or renovated and provide energy and carbon metric benchmarking data for any building built or renovated in prior years. The bill also adds a requirement for a new High Performance Building Program report, required to be published by January 1, 2022 and then every two years. The report will include information on the ongoing implementation of the provisions of this program by the Department, including information on applicability and nonapplicability to projects of the Commonwealth, including projects at institutions of higher education, compliance, policies, and practices implemented to achieve compliance with high performance building certification programs, the performance of project buildings, and other relevant information. The report will also include information about local policies and practices implemented to achieve compliance with high performance building certification programs, distinguishing policies and practices for K-12 schools from other local buildings.

The bill requires localities to design such building projects according to the same standards. The bill requires that any exemption from the standards granted by resolution of the governing body of a locality be made in writing and explain the basis for granting the exemption. Localities are enabled by the bill to also exceed the standards of the bill.

6. Budget Amendment Necessary: Yes, Item 79.

7. **Fiscal Impact Estimates:** Preliminary – the Department of General Services is expected to incur a fiscal impact to implement portions of this legislation. There is an indeterminate fiscal impact on future construction costs. See Item 8.

7a. Expenditure Impact: Department of General Services

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2022	900,000	5	General
2023	900,000	5	General
2024	900,000	5	General
2025	900,000	5	General
2026	900,000	5	General
2027	900,000	5	General

8. Fiscal Implications:

Capital Construction

The fiscal impacts of this bill are indeterminate. The bill requires that new buildings greater than 5,000 square feet in size constructed by the state and certain renovated state-owned buildings have sufficient space to provide zero-emission vehicle charging or fueling infrastructure to support every centralized fleet vehicle that will be located at such building upon full occupancy and meet projected demand for such infrastructure during the first 10 years following building occupancy or that achieves the current zero-emission vehicle or electric vehicle charging credit for a high performance building certification program.. Such buildings will also be required to have features that permit the agency or institution to track the building's energy efficiency and associated carbon emissions, including metering of all electricity, gas, water, and other utilities, and also incorporate appropriate resilience and distributed energy features. Per the Department of General Services (DGS), the inclusion of these requirements is likely to increase the costs for construction and renovations. Such costs would be included in the cost of any authorized capital project subject to the provisions of the bill.

Department of General Services

DGS notes that the additional reporting requirements, periodic standard revision, and expansion of qualifying high performance building program standards will require additional resources, currently estimated at approximately \$900,000 and five additional personnel.

DGS would be required under the bill to report by January 1, 2022 and then every two years thereafter on the implementation of this law on both the Commonwealth's buildings, as well as local policies and practices. DGS notes that it does not currently have such reporting authority with regards to localities, which will necessitate additional staff. The bill also requires the Virginia Energy Conservation and Environmental Standards (VEES) to be updated from time to time. DGS indicates that additional staff resources would be needed for these updates. Finally, under existing law for the high performance building certification

program, DGS evaluators consider whether the construction meets the requirements of VEES. The bill expands the qualifying standards to also include the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) green building rating standard or the Green Building Initiative's "Green Globes" building standard. DGS staff would need to be knowledgeable of all three standards, which DGS notes will likely require additional staff.

Other state agencies

Other state agencies may also require resources to meet the reporting requirements of the bill, however, such costs are indeterminate at this time and will depend on the qualifying facilities under their management.

9. Specific Agency or Political Subdivisions Affected: Department of General Services, institutions of higher education, and local public bodies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

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