

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1264

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hope

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 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 LEED Silver or Green Globes two globe standards. The buildings shall be designed, constructed, verified, and operated to achieve energy savings that exceed the American Society of Heating, Refrigerating and Air-Conditioning Engineers Standard 90./a1-2004 (Energy Standard for Buildings except Low-Rise Residential Buildings) by at least 15 percent for new construction and 10 percent for major renovation. In addition, water systems designed for such buildings shall 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 by the governing body of a locality or school board for local projects.

6. Fiscal impact estimates are indeterminate.

7. Budget Amendment Necessary: No.

8. Fiscal Implications:

Application of the Leadership in Energy and Environmental Design (LEED) standard is estimated to impact annual statewide capital project costs at an increased cost of one to three percent per project. The Department of General Services indicates that it will likely incur additional administrative costs to manage and implement the LEED process and to manage appeals. Examples of additional costs that standards impose can include purchase of high efficiency water fixtures, more efficient insulation and building materials, and ventilation equipment.

Similar standards for renovated or newly constructed state owned buildings currently exist or are included in the 2009 Introduced Budget (Virginia Energy Conservation and Environmental Standards (VEES). Requirement that projects meet LEED may impact the ability of state agencies to acquire materials and products at the optimal pricing level.

Localities and local school districts will experience similar increased costs to projects, as a result of the additional costs described above.

9. Specific Agency or Political Subdivisions Affected: Executive branch agencies, Department of General Services, local governments and local school districts

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/8/2010 dpb