

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1817

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

2. Patron: Hope, P.

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 Leadership in Energy and Environmental Design (LEED) Silver or Green Globes two globe standard. 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 (ASHRAE) Standard 90.1-2004 (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.

This FIS will examine the impact on state agencies.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates:

7a. Expenditure Impact: Expenditure impact will be spread across capital projects.

- 8. Fiscal Implications:** Although the concept is an environmentally sound, the actual application of the LEED Silver and Green Globes two globe standards can be difficult and time consuming and can add about 0.5 percent to project design and construction costs. DGS estimates that \$800 million in construction would be impacted annually at an increased cost of about \$4 million annually for the Commonwealth.

The LEED and Green Globes standards are an ever changing non-standard mixture of approved products and practices. Procurement issues are difficult because 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.

The amendment proposed by DGS would change this bill to have no fiscal impact.

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

10. Technical Amendment Necessary: No

11. Other Comments: Similar to HB2262 and SB832.

Date: 1/17/11

Document:

c: Secretary of Administration