

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2262

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: Morgan, H.

3. Committee: General Laws

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 U.S. Green Building Council Leadership in Energy and Environmental Design green building rating standard (LEED) Silver or Green Globes two globe standards. Exemptions from the requirement may be granted by the Director of the Department of General Services (DGS) for state construction projects or the governing body of a locality or school board for local projects. The bill has a delayed implementation date of July 1, 2012, for local public bodies and school boards

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: Companion bill is SB832.

Date: 1/17/11

Document:

c: Secretary of Administration