

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB1456

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

2. **Patron:** Carr

3. **Committee:** Committee Referral Pending

4. **Title:** Solar-ready roofs for certain government buildings; net-zero energy consumption building design.

5. **Summary:** Requires any executive branch agency or institution and any 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, to ensure that such building includes a solar-ready, cool, or energy-efficient roof, defined in the bill. The bill also requires new public school buildings and facilities and improvements and renovations to existing public school buildings and facilities where the cost of the renovation exceeds 50 percent of the value of the building to, after notice is given to the governing body, be designed and constructed to meet net-zero energy consumption standards. The provisions of this bill only apply to projects entering the design phase on or after January 1, 2025.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Preliminary, indeterminate—see item 8

8. **Fiscal Implications:** Due to variability in roof sizes, each agency’s capital project workload, and the timing of capital project schedules, fiscal impacts to executive branch agencies and institutions are currently indeterminate. The provision mandating a solar-ready, cool, or energy-efficient roof extends to construction of new buildings greater than 5000 square feet and buildings with renovation costs that exceed 50 percent of the building’s value.

The bill amends the High Performance Building Act, which is under the Department of General Services’ (DGS) chapter in the Code of Virginia. DGS would be the agency responsible for implementing the provisions of this bill. The Department expects an indeterminate fiscal impact from the bill to executive branch agencies and institutions. They indicate that agencies may incur costs for both the solar-ready roofing and the necessary installation equipment, such as solar-appropriate roof membranes and conduits. The Department estimates capital project construction expenditures across executive branch agencies and institutions to potentially increase from \$5 million to \$25 million annually for both the necessary installation equipment and the purchase of the solar roofing itself.

Agencies are allowed to petition the Director of the Department for an exemption from the provisions of the bill. Considering agencies may not be able to afford the front-end costs of the solar-ready roofing or the associated installation equipment, the Department expects an increase in exemption requests and an increase in costs from processing those exemption requests. The fiscal impact from the increase in exemption requests is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Department of General Services, executive branch agencies, institutions of higher education

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to SB79.